

Accounting statements 2020-21 for:

Name of body: Cyngor Cymuned Llanrhaeadr-ynh-nghinmeirch Community council.

	Year ending		Notes and guidance for compilers												
	31 March 2020 (£)	31 March 2021 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.												
Statement of income and expenditure/receipts and payments															
1. Balances brought forward	9507	10083	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.												
2. (+) Income from local taxation/levy	12504	12120	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.												
3. (+) Total other receipts	25	6	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.												
4. (-) Staff costs	4050	3948	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg. termination costs.												
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).												
6. (-) Total other payments	7903	10163	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).												
7. (=) Balances carried forward	10083	8098	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).												
Statement of balances															
8. (+) Debtors	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.												
9. (+) Total cash and investments	10083	8098	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.												
10. (-) Creditors	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.												
11. (=) Balances carried forward	10083	8098	Total balances should equal line 7 above: Enter the total of (8+9-10).												
12. Total fixed assets and long-term assets	20430	20430	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.												
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).												
14. Trust funds disclosure note	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #800000; color: white;">Yes</th> <th style="background-color: #800000; color: white;">No</th> <th style="background-color: #800000; color: white;">N/A</th> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	N/A	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #800000; color: white;">Yes</th> <th style="background-color: #800000; color: white;">No</th> <th style="background-color: #800000; color: white;">N/A</th> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	Yes	No	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).
Yes	No	N/A													
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>													
Yes	No	N/A													
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>													

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/Board/Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2021, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
1. We have put in place arrangements for: <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12	
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7	
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/Board/Committee to conduct its business or on its finances.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6	
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23	
5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9	
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8	
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/Board/Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6	
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23	
9. Trust funds – in our capacity as trustee, we have: <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Additional disclosure notes*

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1. Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2020-21 was £8.32 per elector.

In 2020-21, the Council made payments totalling £ _____ under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement.

Council/Board/Committee approval and certification

The Council/Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p>Certification by the RFO</p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2021.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:</p>
<p>RFO signature: <i>Gwyn Davies</i></p>	<p>Minute ref: 8A.231023</p>
<p>Name: Ifan Gwyn Davies</p>	<p>Chair of meeting signature: <i>PO Williams</i></p>
<p>Date: 23rd October 2023.</p>	<p>Name: Philip Owen Williams</p>
	<p>Date: 23rd October 2023.</p>

Auditor General's report and audit opinion

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2021 of **Llanrhaeadr-yng-Nghinmeirch Community Council**. My audit has been conducted on behalf of the Auditor General for Wales and in accordance with the requirements of the Public Audit (Wales) Act 2004 (the 2004 Act) and guidance issued by the Auditor General for Wales.

Requirement to give an audit opinion

I am required to come to an opinion as to whether or not any matters have come to my attention to give cause for concern that, in any material respect, the information reported in the Council's Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislative and regulatory requirements have not been met;
- is not consistent with the Council's governance arrangements; and
- that the Council does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Disclaimer of audit opinion

Accounting Statement

I do not express an opinion on the Council's 2020-21 accounts.

Because of the significance of the matter described in the Basis for Disclaimer below, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Annual Governance Statement

I do not express an opinion on the Council's 2020-21 Annual Governance Statement.

Because of the significance of the matter described in the Basis for Disclaimer below, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer

The Council has not provided adequate accounting records after numerous attempts by my auditors.

Each year the Council receives an audit notice that sets out the timetable for the audit and details of the information required to undertake the audit. Notwithstanding that:

- the Public Audit (Wales) Act 2004 requires the Council to make up its accounts to 31 March each year and to submit the accounts to the Auditor General, the Council has disregarded multiple audit notices and subsequent correspondence requiring it to submit the accounts for audit.

I have therefore been unable to complete my audit of the 2020-21 accounts.

Significant governance deficiencies identified during the audit

I draw the reader's attention to the following deficiencies in the Council's governance arrangements identified at audit:

- The Council did not make proper arrangements for the approval of the Annual accounts. The Council did not approve the accounts by 30 June as required by the Accounts and Audit (Wales) Regulations 2014.
- The Council failed to comply with the requirements of the Local Government Finance Act 1992 and did not calculate its budget requirement before setting its precept. In my view, the Council therefore set a precept that is contrary to law.
- The Council has failed to publish on its website all of the information it is required to publish by law.
- The Council has failed to provide the Clerk a written contract of employment. Section 1 of the Employment Rights Act 1996 (ERA1996) requires the Council to provide its Clerk with a written contract or a written statement of the specified terms of employment under within two months of starting employment.
- The Council did not keep adequate records to support a material payment made to the Clerk for expenses.
- The Council did not keep adequate records regarding its fixed assets. The Council did not have an up-to-date asset register.
- The Council has failed to ensure that it has in place an adequate and effective system of internal audit and did not appoint an internal auditor until 2023.
- The Council has included member payments within staff costs. Additionally a £1200 payment was made to a member which is not in line with allowances set by the Independent Remuneration Panel for Wales.

Other matters and recommendations

I draw the Council's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the Council.

Clerk's salary

The Clerk's salary doubled in 2020-21 compared to 2019-20. No explanation has been provided and in the absence of a contract of employment I am unable to determine if the correct salary was paid.

Timeliness of completing Annual Returns

The Accounts and Audit (Wales) Regulations 2014 sets out the statutory timeline for the Council to prepare and approve its accounts. The Council has continually failed to provide information for audit in a timely manner.

Information not provided for audit

In our audit notice we specify what information the Council must provide for audit. To avoid additional audit fees, it is essential that the Council provides all information requested with its initial submission rather than supplying only the annual return and asking us to notify the Council if we need further information. We inform the Council of our core information needs in advance.

Council's accounting records

The Council's cashbook does not include sufficient information as suggested by the One Voice Wales practitioners' guidance. We recommend that the Council updates its records on a timely basis and ensure that the information documented complies with the practitioners' guidance.

Council Approval Checks

The Internal Auditor signed the Annual Return after the Chair. We recommend that going forward, arrangements are put in place to ensure the Internal Auditor signs the Annual Return before the Chair.

There are no further matters I wish to draw to the Council's attention.

 Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales	Date: 24/02/2025
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Annual internal audit report to:

Name of body: **LLANRHAEADOR COMMUNITY COUNCIL**

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2021.

The internal audit has been carried out in accordance with the Council/Board/Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text <i>NOT AVAILABLE</i>
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insert text
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insert text
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text <i>NOT AVAILABLE</i>

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insert text

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
13. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
14. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Council/Board/Committee are included in my detailed report to the Council/Board/Committee dated _____.] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2019-20 and 2020-21. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	DYLAN RHYS JONES
Signature of person who carried out the internal audit:	DR Jones
Date:	22/11/23