



Abertillery and Llanhilleth Community Council

Report on 2018/19 Accounts and Annual Return

**Authors: Richard Gwinnell (Town Clerk and Responsible
Financial Officer (RFO)) and
Steve Edwards (Deputy Clerk)**

Date: 17 June 2019

For Council Meeting on 26 June 2019

Background:

This report seeks Council's approval to the accounts for 2018/19 and their submission to the Wales Audit Office (WAO), along with the Annual Governance Statement and the Internal Auditor's report.

Under the Public Audit Wales Act 2004 and the associated Accounts and Audit (Wales) Regulations 2014, accounts should be certified by the RFO and presented to the Council by 30 June in any given year. They should then be sent to the WAO, for external audit.

Electors have a right under the legislation listed above to inspect and make copies of the accounts and relevant associated documents (e.g. bills, invoices etc) and submit questions and objections to the accounts (to the WAO) if they wish. The RFO gave notice on 10 June 2019 of electors' rights and the fact that electors may inspect the 2018/19 accounts from 1 July to 26 July 2019.

Annual Return for the year ended 31 March 2019

The Annual Return for the financial year 2018/19 (ending 31 March 2019) is attached at **annex 1**. This is the form required by the Auditor General for Wales, which will have to be published in due course, showing the headline income and expenditure details, the Annual Governance Statement and the Internal Audit report.

Internal Audit:

The report of the Council's Internal Auditor, Mr Hugh O'Sullivan, is attached at **annex 2**. The Internal Auditor will be present at the meeting on 26 June to present his report and answer questions.

Income, expenditure, bank reconciliation and variances:

Annex 3 shows the details of all income into all the Councils bank accounts. Things to note about income are: -

- 1: The Precept increased by £13,761, compared to the previous year.
- 2: No Solar Farm Grant was received in 2018/19 (it was received in 2019/20).
- 3: There was a single VAT reclaim of £6,139.67.

Annex 4 shows the details of all Council expenditure for 2018/19. Things to note are: -

- 1: Expenditure in 2018/19 was significantly lower than in 2017/18, because no Solar Farm grants were paid out in the 2018/19 year.
- 2: There was a saving of approx. £10,000 compared to the year before, on Christmas lights costs.
3. There were however a number of unbudgeted costs during the year, on Party in the Park 2018 and 10 defibrillators for example, as reported previously (in the 2018/19 year-end report).

Annex 5 shows a formal breakdown of the accounts. Members should note that the figures shown in the top table "Annual Return" are the figures shown on the official Annual Return.

Account Summary

At the start of the 2018/19 year, the Council had an opening balance of £4,670.85 in its current account. It received income of £120,811.50 and incurred costs of £114,684.02. Approximately

£21,400 was transferred during the year from the Reserve Account to the Current Account. This resulted in a current account balance at the end of the year of £33,107.75.

Reserves were depleted during the year by approx. £21,400, for spending on defibrillators and Party in the Park 2018.

Overall, the Council had cash assets at the end of 2018/19 of £49,706 in three bank accounts. The Chairman's Appeal Account was closed during the 2018/19 year.

Annex 6 is a bank reconciliation, showing the amount of cash at the bank (in all accounts) at 31 March 2019, minus liabilities which were outstanding at the time (i.e. uncashed cheques).

Annex 7 is a variance statement. This highlights where there are significant differences between income or expenditure year on year and explains why those differences occurred.

The Wales Audit Office (WAO):

The WAO currently hold our accounts for 2014/15, 2015/16, 2016/17 and 2017/18. None of these have been officially signed off yet, pending the outcome of WAO investigations into the 2014/15 accounts and a number of issues that arose during that year. It is highly likely that, even though we will submit our Annual Return for 2018/19, they too will await sign-off by the Wales Audit Office, so none of the accounts for those five years are yet ready for final (externally audited) publication.

Next Steps:

Council needs to approve the accounting statements and Annual Governance Statement. The Annual Return and Governance Statement, the Internal Auditor's report and the attached income and expenditure details, along with the bank reconciliation and variance statement will then be submitted to the WAO, along with any other evidence they require (e.g. copies of standing orders, financial regulations, contracts and photos of electors' rights notices).

The Chair will sign page 4 of the Annual Return before it is submitted. The RFO has already signed the form, to certify that the accounting statements fairly present the financial position of the Council and its income and expenditure for the year.

The WAO will, in due course (the timescale is unknown and beyond the control of the Council) provide their external audit opinion on these accounts. The Annual Return can then be published in its final form on our website.

Conclusion

This is the first time in at least five years that the Council's accounts have been certified on time, submitted to the Council for approval on time, and electors have been provided with their statutory rights of inspection, on time. These are very significant achievements.

The WAO are yet to sign off the Council's accounts for 2014/15, 2015/16, 2016/17 and 2017/18. Those accounts are likely to be qualified as they did not meet the required deadlines. The accounts presented today (for 2018/19) are not late, so they will not be qualified for late submission (subject to Council approving them before 30 June). The Council has caught up and is now meeting its legal obligations with regards to the accounts.

Recommendations:

- 1: That the Council agrees that the accounting statements shown in the report fairly present the financial position of the Council for the year ending 31 March 2019.
2. That the Annual Return, including the Annual Governance Statement and the Internal Auditor's report, be approved.
- 3: That the Council authorises the Clerk/RFO and the Chair of the Council to complete and sign the Annual Return on the basis of these accounts.
- 4: That the Council authorises the Clerk/RFO to submit the Annual Return for 2018.19 and all relevant associated documents to the Wales Audit Office as required.

Authors: Richard Gwinnell, Clerk and Responsible Financial Officer
and Steve Edwards, Deputy Clerk

Community and Town Councils in Wales Annual Return for the Year Ended 31 March 2019

Annex 1

LANGUAGE PREFERENCE

Please indicate how you would like us to communicate with you during the audit. Note that audit notices will be issued bilingually.

	Yes	No
ENGLISH	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Yes	No
WELSH	<input type="checkbox"/>	<input checked="" type="checkbox"/>

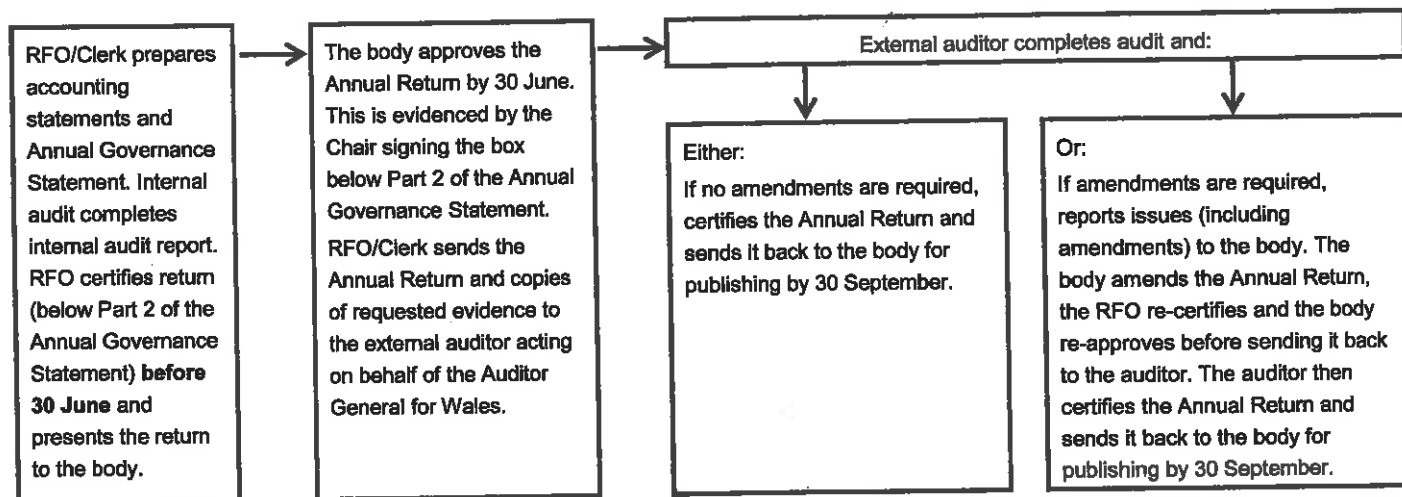
	Yes	No
BILINGUALLY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

THE ACCOUNTS AND AUDIT PROCESS

Section 12 of the Public Audit (Wales) Act 2004 requires community and town councils (and their joint committees) in Wales to make up their accounts each year to 31 March and to have those accounts audited by the Auditor General for Wales. Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 states that smaller local government bodies i.e. those with annual income and expenditure below £2.5 million must prepare their accounts in accordance with proper practices.

For community and town councils and their joint committees, proper practices are set out in the One Voice Wales/Society of Local Council Clerks publication **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide requires that they prepare their accounts in the form of an Annual Return. This Annual Return meets the requirements of the Practitioners' Guide.

The accounts and audit arrangements follow the process as set out below.



Please read the guidance on completing this Annual Return and complete all sections highlighted in red including BOTH sections of the Annual Governance Statement.

APPROVING THE ANNUAL RETURN

There are two boxes for certification and approval by the body. The second box is only required if the Annual Return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.

The council must approve the Annual Return BEFORE the accounts and supporting documents are made available for public inspection under section 30 of the Public Audit (Wales) Act 2004.

The Auditor General for Wales' Audit Certificate and report is to be completed by the auditor acting on behalf of the Auditor General. It MUST NOT be completed by the Clerk/RFO, the Chair or the internal auditor.

Audited and certified returns are sent back to the body for publication and display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

Accounting statements 2018-19 for:

Name of body:

Insert name of body

Abertillery & Llanfyllte Community Council

	Year ending		Notes and guidance for compilers
	31 March 2018 (£)	31 March 2019 (£)	

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	65,552	43,550	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	99,155	112,916	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	40,542	7,924	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	53,488	54,288	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	108,211	60,396	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	43,550	49,706	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).

Statement of balances

8. (+) Debtors and stock balances	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	43,550	49,706	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	43,550	49,706	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	191,030	206,015	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	Yes	No	N/A	Yes	No	N/A	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).
			✓			✓	

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 2019, 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. 	✓		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.	✓		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.	✓		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.	✓		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.		✓	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.	✓		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.	✓		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.	✓		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. 	Yes	No	N/A	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.

Annual Governance Statement (Part 2)

	Agreed?			'YES' means that the Council/Board/Committee:
	Yes	No	N/A	
1. We have adopted standing orders and financial regulations as appropriate.	✓			Has properly established its internal rules setting out how it will conduct its business. <i>Agreed to be renewed in 19/21</i>
2. We have ensured that the Council's standing orders and financial regulations have been followed for all relevant transactions.	✓			Has followed its internal rules and reviewed its compliance with those rules
3. All committees and sub-committees of the council have been properly established and provided with appropriate terms of reference setting out the delegated responsibilities to make decisions or recommendations.	✓			Has ensured that where applicable, the Council has properly delegated its responsibilities to committees

* Please delete as appropriate.

Council/~~Board~~/Committee approval and certification

The Council/~~Board~~/Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

Certification by the RFO 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 2019.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/ Board / Committee under minute reference:
RFO signature: <i>[Signature]</i> Name: name required RICHARD QUINNELL Date: dd/mm/yyyy 18 / 06 / 2019	Insert minute reference and date of meeting Chair signature: signature required Name: name required Date: dd/mm/yyyy

Council/~~Board~~/Committee re-approval and re-certification (only required if the Annual Return has been amended at audit)

Certification by the RFO 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 2019.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/ Board / Committee under minute reference:
RFO signature: signature required Name: name required Date: dd/mm/yyyy	Insert minute reference and date of meeting Chair signature: signature required Name: name required Date: dd/mm/yyyy

Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2019 of:

--

External auditor's report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated _____.]

Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

(Continue on a separate sheet if required.)

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

* Delete as appropriate.

Annual internal audit report to:

Name of body:

Insert name of body ABERTULLETH + LLANILLETH 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 2019.

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.	✓				SEE INTERNAL AUDIT REPORT
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓			
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.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	✓				
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

	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.	✓				SEE INTERNAL AUDIT REPORT
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.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

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. ADEQUATE CONTROLS EXISTED	✓				SEE INTERNAL AUDIT REPORT
13.					
14.					

* 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 26/06/2019.] * 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 2017-18 and 2018-19. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: name required	H. J. O'SULLIVAN
Internal Auditor address	
Signature of person who	
Date: dd/mm/yyyy	18/06/2019

Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this Annual Return. Proper practices are set out in the Practitioners' Guide.
2. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs. Ask your auditor for an electronic copy of the form if required.
3. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2018) equals the balance brought forward in the current year (line 1 of 2019). Explain any differences between the 2018 figures on this Annual Return and the amounts recorded in last year's Annual Return.
5. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers all your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. **Every council must send to the external auditor, information to support the assertions made in the Annual Governance Statement even if you have not done so before.** Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
10. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
11. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	✓	
	Does the bank reconciliation as at 31 March 2019 agree to Line 9?	✓	
Approval	Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2019?	✓	
	Has the body approved the accounting statements before 30 June 2019 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?		
All sections	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed?		
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.		

If accounts are amended after receipt of the Auditor General's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Board's approval of the amendments before re-submission to the auditor?		

Abertillery & Llanhilleth Community Council

Internal Audit Report

Financial Year 2018/19

1. I am pleased to be able to present my Internal Audit Report for the financial year 2018/19.
2. It is encouraging to report that, subject to Councils approval, the Accounts for 2018/19 can be submitted to the Wales Audit Office (WAO) by the statutory deadline of 30th June 2019. This will avoid the Accounts being qualified by the WAO for late submission.
3. However, Council should note it is still awaiting the signing off by the WAO of several previous years' accounts and this may result in a requirement to revisit previously submitted returns.
4. The Internal Audit Report at Appendix A has been completed to comply with the Internal Audit requirements as set out in the WAO Annual Audit Return.
5. Appendix B to this report sets out some issues that this Council may wish to consider going forward.
6. I should like to place on record my thanks to both our officers for the help and assistance given to me during the audit.

H. N. P. O' Sullivan CPFA
Internal Auditor

1. **Appropriate books of account have been properly kept throughout the year.**

Appropriate books of account were properly kept throughout the year.

2. **Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.**

The financial regulations, whilst met, have not been reviewed for some time. Council should review the financial regulations to ensure they are current with appropriate values and fit for purpose.

3. **The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

There is limited evidence of significant risks having been reviewed. Risk Management needs to be embedded within all operations of the Council.

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.**

The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate. (also see Appendix B).

5. **Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.**

With the exception of Allotment income all remaining income was fully received and accounted for properly. VAT was appropriately accounted for.

6. **Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.**

Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.

7. **Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.**

Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.

8. **Asset and investment registers were complete, accurate, and properly maintained.**

Whilst the Asset Register is maintained, it has not been reviewed for some time. Council should ensure that it is up to date and financial values appropriate.

9. Periodic and year-end bank account reconciliations were properly carried out.

Only an annual bank reconciliation was carried out. Council should ensure that at least quarterly reconciliations take place.

10. Accounting statements prepared during the year were prepared on the correct account 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.

Accounting statements prepared during the year were prepared on the correct account 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.

11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.

N/A

1. Allotments

No invoices from allotments were issued in 2018/19. Council needs to ensure this is rectified in 2019/20.

2. Current Account

The Current Account balance has increased to £33,107.45 as at 31st March 2019 (£4,670.65 at 31st March 2018).

Council should review cash levels that need to be maintained within the Current Account.

3. Business Reserve Account

The balance on this account has reduced to £16,539.61 as at 31st March 2019 (£37,963.47 at 31st March 2018). Council should consider an appropriate level of reserves to be held.

4. Risk Management

As reported earlier in my report, there has been little Risk Assessment carried out to the significant risks to the Council achieving its objectives. Council will need to ensure this is embedded in the organisation.

Risk Assessments have been carried out for certain activities e.g. Party in the Park, Winterfest, Health & Safety.

5. Audit Planning for Subsequent years

5.1 Now that Council subject to tonight's decision, has achieved the submission of its Annual Accounts by the statutory deadline, Members should now consider in conjunction with our officers an Audit Plan to cover areas of operation of the Council that are either:

- a) Currently not fully covered e.g. Risk Assessment.
- b) Areas that are in place but have not been reviewed for some time, e.g. Financial Regulations.

This will ensure that Council follows the Financial Management and Governance requirements as set out in the W.A.O. publication of January 2019.

DATE	Payer	DETAILS	PRECEPT	GRANTS & reimbursements	VAT REFUND	INTEREST	Chairs Charity
12/04/2018	BGCBC	Precept	112,916.23				
15/05/2018	Cash	Chairs Charity Quiz Night					254.00
10/07/2018	HMRC	VAT Reclaim for 2017/18			6,139.67		
22/10/2018	Cash	Chairs Chairity Raffle Tickets					471.60
21/02/2019	Cash	Chair Charity Concert					567.00
05/03/2019	Cash	Chair St Davids Day Concert					163.00
30/04/2018	Nat West	Interest on Reserve Account				1.66	
31/05/2018	Nat West	Interest on Reserve Account				1.61	
29/06/2018	Nat West	Interest on Reserve Account				1.51	
31/07/2018	Nat West	Interest on Reserve Account				1.66	
31/08/2018	Nat West	Interest on Reserve Account				1.61	
28/09/2018	Nat West	Interest on Reserve Account				1.46	
31/10/2018	Nat West	Interest on Reserve Account				6.08	
30/11/2018	Nat West	Interest on Reserve Account				4.53	
31/12/2018	Nat West	Interest on Reserve Account				2.82	
31/01/2019	Nat West	Interest on Reserve Account				2.82	
28/02/2019	Nat West	Interest on Reserve Account				2.55	
			112,916.23	0.00	6,139.67	28.31	1,455.60
							120,539.81

Write Back of uncashed cheque (2016)

200

Write Back of uncashed cheque (2017)

100

120,839.81

Annex 3

This is a blank backing page

Expenditure 2018/19

Date Cheque Cleared	Cheque No.	Payee	Details	TOTAL COST	Personnel Costs	Amount	Fees & Subs	Discretionary payments	Amount	Infra-structure	Amount	Admin/Office	Amount
30/05/2018	7254	Green Fingers - Andrew Sheehy	Replacement for Cheque 7083	80.00					80.00	Other		Photocopying	21.73
10/05/2018	7255	AR Digital	March 2018 Printing	21.73									
17/07/2018	7256	CANCELLED											
24/05/2018	7257	Aberlillery Museum	N Simmons Ward Donation	25.00				Grants	25.00				
24/05/2018	7258	Aberlillery Lions	T Williams Ward Donation	100.00				Grants	100.00				
16/04/2018	7259	CANCELLED											
16/04/2018	7260	R Gwinell	Postage	8.60								Postage	8.60
16/04/2018	7261	R Gwinell	Mileage	53.55								Travel	53.55
28/06/2018	7262	Blaenau Gwent Church	M Lewis ward Donation	200.00				Grants	200.00				
24/04/2018	7263	S Edwards	April Salary	963.64	Salary	963.64							
25/04/2018	7264	R Gwinell	April Salary	1,782.05	Salary	1,782.05							
30/05/2018	7265	Green Fingers - Andrew Sheehy	Cut #1	82.00						Grass cutting	82.00		
18/05/2018	7266	Blaenau Gwent County Borough Council	Rent for Gellirug Allotments	10.00								Other	10.00
16/05/2018	7267	St Nicholas Community Council	Code of Conduct Training	20.47	Training	20.47							
17/05/2018	7268	HMRC	April Tax and NI	1,101.87	Tax	1,101.87							
30/08/2018	7269	P Morgan	Members Allowance	130.00									
17/05/2018	7270	G White	Members Allowance	157.50									
21/05/2018	7271	Llanellieth Tenants and Residents	Grannys Wood - Match Funding	1,400.00				Grants	1,400.00				150.00
18/05/2018	7272	CF Corporate Finance	Printer Quarter Rental	598.48	Benefits	598.48						Other	137.50
15/05/2018	7273	TCBC	April Pension	598.48	Benefits	598.48						Photocopying	350.89
19/06/2018	7274	TCBC	May Pension	106.00									
17/07/2018	7275	Aberlillery Museum	T Williams Ward Donation	100.00				Grants	100.00				
09/08/2018	7276	M Lewis	Members Allowance	137.50								Other	137.50
31/05/2018	7277	Aberlillery Rock and Blues	G Smith Ward Donation	200.00				Grants	200.00				
02/05/2018	7278	G Smith	Mileage	45.90								Travel	45.90
30/04/2018	7279	Nat West	Bank Charges	14.35			Banking	14.35					
25/05/2018	7279	HMRC	May Tax and NI	1,134.91	Tax	1,134.91							
23/05/2018	7280	S Edwards	Spare front door key	16.00								Other	16.00
23/05/2018	7281	S Edwards	April back pay	17.55	Salary	17.55							
23/05/2018	7282	S Edwards	May Salary	981.18	Salary	981.18							
01/06/2018	7283	Royal British Legion	Silent Soldier	250.00				Other	250				
30/05/2018	7284	Green Fingers - Andrew Sheehy	Cut #2	82.00						Grass cutting	82.00		
23/05/2018	7285	R Gwinell	April back pay	30.25	Salary	30.25							
23/05/2018	7286	R Gwinell	May Salary	1,812.10	Salary	1,812.10						Photocopying	44.56
01/06/2018	7287	AR Digital	April Printing	44.56									
27/06/2018	7288	Panty-y-pwllyn Allotments	R Phillips Ward Donation	50.00				Grants	50.00				
17/07/2018	7289	Aberlillery Museum	R Phillips Ward Donation	50.00				Grants	50.00				
05/06/2018	7290	D/D	Phone	57.90								Phone bill	57.90
20/08/2018	7291	AYDMS	T Dyson Ward Donation	100.00				Grants	100.00				
29/06/2018	7292	Llanellieth Tenants and Residents	K Bidgood Ward Donation	50.00				Grants	50.00				
29/06/2018	7293	Llanellieth Tenants and Residents	A Rees Ward Donation	50.00				Grants	50.00				
29/06/2018	7294	Llanellieth Tenants and Residents	G Clark	50.00				Grants	50.00				
10/07/2018	7295	Swffryd Community Centre	K Bidgood Ward Donation	50.00				Grants	50.00				
10/07/2018	7296	Swffryd Community Centre	G Clark Ward Donation	50.00				Grants	50.00				
10/07/2018	7297	Swffryd Community Centre	A Rees Ward Donation	50.00				Grants	50.00				
27/06/2018	7298	TM Clark	Mayors Board Signwriting	100.00								Repairs/service	100.00
03/07/2018	7299	Green Fingers - Andrew Sheehy	Cut #3	82.00						Grass cutting	82.00		
21/06/2018	7300	Roman Builders	Power supplies for Christmas Lights	1,005.26						Electricity	1,005.26		
09/05/2018	7301	One Voice Wales	Training - Community Engagement	417.90	Training	417.90							
26/06/2018	7302	One Voice Wales	Training - Well Being of Future Generations	120.00	Training	120.00							
29/06/2018	7303	AR Digital	May printing	35.96								Photocopying	35.96
12/07/2018	7304	TCBC	June Pension	598.48	Benefits	598.48							

	Annual Return 2018/19					Year Ending 31-Mar-18 £	31-Mar-19 £
1.	Balances B/F					65,562	43,550
2.	(+) Annual Precepts					90,155	112,916
3.	(+) Other Receipts					40,542	7,824
4.	(-) Staff Costs					53,488	54,288
5.	(-) Loan and In Repay					0	0
6.	(-) Total other payments					108,211	60,396
7.	(=) Balance Carried forward					43,550	49,706
8.	(+) Debtors					0	0
9.	Total Cash and Investments					43,550	49,706
10.	(-) Creditors					0	0
11.	Balances C/F					43,550	49,706
12.	Total assets					191,030	208,015
13.	Total Borrowing					0	0
14.	Trust Funds					No	No

Account Summary - For the year ending 31st March 2019

				Capital Reserve Account	Current Account	Gratuity Account	Chairmans Appeal Account	Totals
			£	£	£	£	£	£
Balance	01-Apr-18		37,983.47		4,670.86	4.82	911.26	43,560.39
Income								
Precipt					112,916.23			112,916.23
VAT Repaid					6,139.67			6,139.67
Bank Interest				28.31				28.31
Allotment Rent.					0.00			0.00
Solar Farm Grant					0.00			0.00
Chairmans Charity Events					1,455.60			1,455.60
Uncashed Cheques from previous years					300.00			300.00
Total Income			28.31		120,811.50	0.00	0.00	120,839.81
Expenditure								
Salaries					33,519.87			33,519.87
Tax and NI					13,588.68			13,588.68
Pension					7,181.76			7,181.76
Member/Staff Training					1,165.31			1,165.31
Fees and Subscriptions					4,909.70			4,909.70
Insurance					635.03			635.03
Banking Charges					188.67			188.67
Discretionary Payments/Grants					45,934.24			45,934.24
Infrastructure/Admin					7,562.76			7,562.76
Total Expenditure			0.00		114,684.02	0.00	0.00	114,684.02
Inter Account Transfers								
				6,398.17	911.25	0.00	911.25	
				15,000.00	6,398.17			
					15,000.00			
Balance	31-Mar-19		16,583.61		33,107.75	4.82	0.00	49,706.18

For Year 2018/19	Bank Reconciliation	
Current Account 05809673		
Bank Balance at 31/3/19		£35,766.05
Less OS Cheques 2018/19		
	7460	£150.00
	7462	£100.00
	7464	£100.00
	7473	£50.00
	7483	£1,134.11
	7484	£598.48
	7488	£405.00
	7489	£120.00
Total OS Cheques		£2,657.59
Adjusted Bank Balance		£33,108.46

Business Reserve Account:

10318917

Bank Balance at 5/3/19	£16,593.61
------------------------	------------

No Reconciliation as no outstanding transactions on this account

Chairmans Appeal Account

10375791

Bank Balance at 31/3/19	£0.00
-------------------------	-------

Account Closed in 2018/19

Old Gratuity Account

13017721

Bank Balance at 31/3/17	£4.82
-------------------------	-------

No account Activity in 2017/18

Total £49,706.89

Annex 6

Abertillery and Llanhilleth Community Council (ALCC) – Accounts Variance Statement

Significant variances between the 2017/18 and 2018/19 Annual Returns are explained in the table below.

	Year ending 31 March 2018	Year ending 31 March 2019	Variance	Why the variance?
1. Balances brought forward	£65,552	£43,550	-£22,002	The Council spent more in 2018/19, on 9 defibrillators and cabinets and delivering the first Abertillery Party in the Park. The balance at the end of the year was therefore less than at the end of the previous year.
3. Total other receipts	£40,542	£7,924	-£32,618	The 2018 figure includes a £35,000 grant received from a local solar farm company, for ALCC to distribute for local community benefit, as well as a VAT reclaim. In the 2018/19 financial year, the Council did not receive a grant from the solar farm company.
6. Total other payments	£108,211	£60,396	-£47,815	The 2018 figure includes £35,000 solar farm grants paid out by the Council. The 2019 figure does not. The 2019 figure also does not include £10,000 approx of spending on Christmas lights (which was spent in the previous year), as the full bill for Christmas lights 2018 was not paid (because the contract was not fulfilled by a supplier).
12. Total assets	£191,030	£206,015	+£14,985	9 defibrillators and cabinets purchased in 2018/19, Chair's Chain revalued (in 2013) and painting purchased (in 2010) added to asset register

Richard Gwinnell
Town Clerk and Responsible Financial Officer
17 June 2019