



Abertillery and Llanhilleth Community Council

Report on 2023/2024 Accounts and Annual Return

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Background

The Council is required to approve the accounts for the financial year 2023/24 and to submit them to Audit Wales, along with an Annual Governance Statement and other relevant documents. Audit Wales is the combined name for the Auditor General for Wales and the Wales Audit Office.

Under the Public Audit Wales Act 2004 and the associated Accounts and Audit (Wales) Regulations 2014, accounts should be certified by the Responsible Financial Officer and presented to the Council, along with an Internal Auditor's report, by 30 June in any given year. They should then be sent to Audit Wales, 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 Audit Wales) if they wish.

Annual Return for the year ended 31 March 2024

The draft Annual Return for the financial year 2023-24 (ending 31 March 2023) is attached. Once agreed by a meeting of the Full Council and duly signed, the form will be submitted to Audit Wales (the Auditor General for Wales) and published on the Council's website.

The data from the Council's accounting system used to complete the form is shown in. Abertillery and Llanhilleth Community Council's accounts for 2023-24 will undergo an external audit by Audit Wales.

Internal Audit

The Council's internal auditor's report will be appended as a separate document.

Detail of Annual Return

Particular points of note are:

For the fifth year in succession, the expenditure incurred by the Council during the financial year 2023-24 failed to meet its expected spending (its budget). The underspend however was far less than in previous years at £18,793

The precept stayed the same as the previous year, as previous years underspending was offset against the planned budget for 2024/2025. By the end of the financial year, the total of the Council's accounting balances had fallen from just under £290,000 to £225,482. This figure should be closely monitored so that it does not rise significantly.

Staff costs are paid through Blaenau Gwent County Borough Council's payroll system. Blaenau Gwent Council then invoices this Council for these costs for each quarter. If there is a delay before these invoices are sent to this Council, staff costs incurred during one financial year may not be paid until the following financial year. These unreceived invoices are recorded as creditors so that the staff costs recorded in the Annual Return accurately reflect the staff costs actually incurred by the Community Council in each financial year.

The Council funds the operation of two important youth engagement projects. The total costs of these projects for 2023-24 (£107,537) were paid at the end of March 2023. These costs were included in debtors as they pertain to the financial year 2023-24.

Banking Accounts Summary

The Council moved its banking in November 2023 from Nat West to Unity Trust Bank. This was to enable the Council to move away from making cheque payments to online bank transfer payments.

At the start of the financial year 2023-24, the Council had an opening balance of £183,539.38. in its current account. The current account balance at the end of the year was £110,516.27.

Reserves increased during the year by £8,674.56. The majority of this came from the reclaim of VAT paid during the previous financial year. Reserves at the end of the year stood at £126,037.19. Official guidance suggests that community councils should hold in reserves an amount equivalent to 25 percent-to-100 percent of the budget. The Council's budget for 2024-25 is £431,131. Free reserves at the start of 2024-25 were 29 percent of the budget figure.

The Council has two bank accounts: a current account and a reserves account. Overall the Council had total cash assets at the end of 2023-24 of £236,553.

Annual Governance Statement

In agreeing the accounts for 2022-23, the Council is required to also agree the answers given in the Annual Governance Statement on page 3 of the Annual Return. The proposed answers to the questions are given below:

1: **Yes.** The preparation and approval of accounting statements for 2023-24 were completed before the end of June 2023

2: **Yes.** The Council operates a procedure whereby the majority of day-to-day payments and receipts (and their entry into the Council's online accounts system) are handled by the two Deputy Clerks, once the RFO (Clerk) has stamped and signed off the invoices. The payments are then authorised by 2 of 4 authorising councillors. This provides an adequate internal system of cross-checking throughout the financial year. Bank reconciliations are now carried out on a monthly basis by 2 members of the Finance Committee on a rota basis

3: **Yes.** The Council only did things it had a legal power to do so.

4: **Yes.** A notice of electors' rights for the Council's 2022-23 accounts was published in accordance with the Regulations.

5: **Yes.** Reviews of the Councils Financial Risk Register and Assets Register have been carried out during 2023/2024

6: **Yes.** The Council's internal auditor carried out an interim inspection of the Council's financial records in March 2024 and has conducted a final report on the end of year figures

7: **Yes.**

8: **Yes.**

Conclusion

The attachments to this report, read together, form the Council's Annual Return and Annual Governance Statement for the year ended 31 March 2024, as required by the relevant legislation.

Next Steps

The Annual Return (i.e., the accounting statements) plus an Annual Governance Statement will go before the Finance Committee for recommendation to Full council for approval before they are submitted to Audit Wales.

The Council will be recommended to:

- agree that the accounting statements shown in this report fairly present the financial position of the Council for the year ending 31 March 2024;

- authorise the Chair of the Council to complete and sign the Annual Return on the basis of the accounts;
- authorise the Responsible Financial Officer to submit the Annual Return, including the Annual Governance Statement, for the year ended 31 March 2024 and all relevant associated documents to Audit Wales as required.

The Annual Return and other attachments (income and expenditure details, bank reconciliation, variance statement, explanation of assertions etc) will then be submitted to Audit Wales, along with any other evidence required by the external auditor (e.g., dates of all meetings of Council and committees during the year and the Council's website address).

The Chair of the Council and the Responsible Financial Officer will sign the Annual Return before it is submitted to certify that the accounting statements fairly present the financial position of the Council and its receipts and payments for the year.

Audit Wales will, in due course (the timescale is unknown and beyond the control of the Council), provide its external audit opinion on these accounts. The Annual Return can then be published in its final form on the Council's website. Pending the external audit, the accounts will be published as 'unaudited accounts.'

Steve Edwards
Clerk and Responsible Financial Officer
20 May 2024