



## **Abertillery and Llanhilleth Community Council**

Report on 2024/2025 Accounts and Annual Return

Author: Steve Edwards – Responsible Financial Officer

## **Background**

The Council is required to approve the accounts for the financial year 2024-25 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 2025**

The draft Annual Return for the financial year 2024-25 (ending 31 March 2025) 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 appendix 1. Abertillery and Llanhilleth Community Council's accounts for 2024-25 will undergo an external audit by Audit Wales.

## **Internal Audit**

The Council's internal auditor's reports will be appended as separate documents.

## **Detail of Annual Return**

Particular points of note are:

For the sixth year in succession, the expenditure incurred by the Council during the financial year 2024-25 failed to meet its expected spending (its budget). The underspend was £23,605. The main underspending points being:-

- £1,000 underspend on Training
- £2,900 underspend on Members Allowance
- No telephone/broadband costs as we are in credit
- £1,600 underspend of purchasing new Defibrillators
- £11,000 underspend on War Memorial (Planned painting work will be done in 2025/26)
- £3,500 underspend for Ffrindiau Tyleri (Winterfest was cancelled)
- £1,800 underspend on Musical Concerts
- £1,300 underspend on Summer Cinema
- £2,300 underspend on Community Transport
- £10,000 underspend on Environmental Projects (There are earmarked reserves to be used for the subway mural so even though this has shown up as an underspend in the budget report the money has been allocated).

A few items were overspend which went some way to offset the overall underspend. It should also be noted that some of the projects above are in their infancy so future costs should be better aligned to actual requirements.

The precept was increased to £434,023 which is still under the over budget requirement for 2025/26, the previous year's underspend plus the receipts from the VAT reclaim will bridge this gap. By the end of the

financial year, the total of the Council's accounting balances had fallen from £225,482 to £221,452. This figure should be closely monitored.

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 £120,000 costs of the detached youth workers are now paid in the beginning of the new financial year so there are no year-end adjustments that are required.

### **Banking Accounts Summary**

The Council has two main bank accounts: a current account and an earmarked reserves account. These are both with Unity Trust Bank. It also has a general reserve/investment account with CCLA

At the start of the financial year 2024-25, the Council had an opening balance of £110,516.27 in its current account. The current account balance at the end of the year was £73,702.27.

Earmarked Reserves (money allocated for specific future spending) is £51,226.77

General Reserves fell slightly as funds were moved across to Earmarked Reserves and the General Reserves were moved into a higher interest investment account. The initial investment in September 2024 was £101,671.11 it has since increased to £104,386.35 by the end of the year. 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 2025-26 is £464,023. General Reserves at the start of 2025-26 were 22.49 percent of the budget figure. There should be no call for alarm at this point as reserves were moved from General Reserves to Earmarked Reserves but I would like to see an increase of this percentage figure at the end of 2025-26

Overall the Council had total cash assets at the end of 2024-25 of £229,315.39.

### **Annual Governance Statement**

In agreeing the accounts for 2024-25, 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: **No.** While the Council has developed a vision and purpose for the Council this was not done with consultation with the community only by internal consultation with Members

2: **Yes.** The Council has adopted a Code of Conduct for members and officers and implemented a training plan.

3: **Yes.** The Council electronically publishes the information that the Council is required to by law.

4: **Yes.** The Council has taken all reasonable steps to ensure that the Council complies with relevant laws and regulations.

5: **Yes.** We do have Standing Orders, Financial Regulations and Terms of Reference and these are followed when conducting business.

6: **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 monthly by 2 members of the Finance Committee on a rota basis and presented to Council at the next full Council meeting

7: **Yes.** The Council has a Financial Risk Register which is reviewed every 6 months

8: **Yes.**

9: **Yes**

10: **No.** The Council does not currently fulfil the eligibility criteria to exercise the General Power of Competence

## **Conclusion**

The attachments to this report, read together, form the Council's Annual Return and Annual Governance Statement for the year ended 31 March 2025, 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 2025;
- 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 2025 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  
30 April 2025