

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2023

### Accounting statements 2022-23 for:

Name of body: **Penbryn Community Council**

	Year ending		Notes and guidance
	31 March 2022 (£)	31 March 2023 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	9,698	11,416	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	10,500	3,667	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	800	0	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	5,105	1,517	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
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	4,476	3,225	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	11,416	10,340	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors	0	0	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	11,416	10,340	<b>All accounts:</b> 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	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	11,416	10,340	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	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).

## Annual Governance Statement

We acknowledge as the members of the Council, 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 2024, that:

	Agreed?		'YES' means that the Council:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> <li>effective financial management during the year; and</li> <li>the preparation and approval of the accounting statements.</li> </ul>	X		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.	X		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 to conduct its business or on its finances.	X		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.	X		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 and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	X		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.	X		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 and, where appropriate, have included them on the accounting statements.	X		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.	X		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 – The Council acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.	Yes	No	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6
		X		

\* 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 2022-23 was £8.82 per elector.

In 2022-23, 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/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.

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2023.	<b>Approval by the Council/Board/Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
<b>RFO signature:</b> 	<b>Minute ref:</b>
<b>Name:</b> CAROL ANN HARRIES	<b>Chair signature:</b> 
<b>Date:</b> 18/10/2024	<b>Name:</b>
	<b>Date:</b> 18/10/2024

## Auditor General's report and audit opinion

I was appointed to undertake the audit of the Annual Return of the Annual Report for the year ended 31 March 2023 of **Penbryn Community Council** 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.

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.

I certify that I have completed the obligations placed upon me to undertake an audit of the Council's Annual Return for the year ended 31 March 2022-23.

### Disclaimer of audit opinion

#### Accounting Statement

I do not express an opinion on the Council's 2022-23 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

In my opinion, the Annual Governance Statement is not consistent with the Council's internal controls and governance arrangements for the year:

The Council has provided positive responses to each of the assertions in the Annual Governance Statement. However, my audit identified the following:

- Assertion 1: The Council did not approve the accounts by 30 June 2022 as required by the Accounts and Audit (Wales) Regulations 2014
- Assertion 1: The Council has not maintained accounting records during the year
- Assertion 2: My examination of the Council records identified no evidence that the Council had established an adequate and effective system of internal control

- Assertion 3: The Council does not publish on its website the information it is required to publish electronically by the Democracy and Boundary Commission Cymru etc. Act 2013 and the Local Government and Elections (Wales) Act 2021
- Assertion 4: The Council did not make arrangements for public inspection of accounts in 2022
- Assertion 6: The Council did not have in place an adequate and effective system of internal audit for the year.

### **Arrangements to secure economy, efficiency and effectiveness in use of resources**

I am unable to conclude whether or not the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources

- The Council did not provide sufficient information for me to complete my programme of audit work

### **Basis for Disclaimer**

The Council is required to make up its accounts to 31 March each year. It must also maintain proper accounting records of all transactions incurred during the year.

The Accounting Statement presented for audit only includes transactions incurred from 1 April 2022 until 22 July 2022. The Council's former clerk did not maintain accounting records beyond this date.

In my opinion, the Council has failed to meet its responsibilities to properly account for the public funds it receives.

I have therefore been unable to complete my audit of the 2022-23 accounts.

### **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.

### **Requirement to prepare accounts and submit the accounts for audit**

The Public Audit (Wales) Act 2004 requires the Council to make up its accounts to 31 March each year and for the Auditor General to audit the accounts. The Accounts and Audit (Wales) Regulations 2014 require the Council to approve the accounts by 30 June immediately following the year end.

Every year, we issue an audit notice to the Council setting out the timetable for submission of accounts for audit. Submission of the accounts is usually required in July or August each year



The Council has failed to comply with these requirements for every year since 2014-15. The 2019-20 to 2022-23 accounts were only provided for audit in February 2025.

In the meantime, the Council continued to raise a precept that is payable by the Council's residents without properly meeting its duty to account for these funds. In this respect, the Council is failing its responsibility for accountability to its residents.

We recommend that:

- the Council establishes a standing item for its June meetings to receive and approve the accounts
- if the accounts are not available for this meeting, the Council establishes what has gone wrong and takes the necessary steps to ensure the Clerk prepares the accounts as soon as possible thereafter.

#### **Information required for audit**

Our annual audit notice sets out the information the Council is required to submit for audit.

We recommend that the Council uses this notice as a checklist to ensure it provides all relevant information

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

 <b>Richard Harries, Director, Audit Wales</b> <b>For and on behalf of the Auditor General for Wales</b>	<b>Date: 13/05/2025</b>
---	-------------------------

## Annual internal audit report to:

Name of body: **Penbryn Community Council**

The Council'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 2024.

The internal audit has been carried out in accordance with the Council'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.

	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.		x			Bank account statements only available for the period 1 April 2022 to 25 July 2022, the above figures only relate to this period
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	X				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	X				
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.	X				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	X				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	X				
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.		X			No evidence of PAYE scheme in operation
8. Asset and investment registers were complete, accurate, and properly maintained.	X				

	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.		x			See note 1
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.	X				
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.	X				

**For any risk areas identified by the Council (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.					
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 are included in my detailed report to the Council 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 2022-23 and 2023-24. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:

JULIAN HARRIES

Signature of person who carried out the internal audit:



Date:

12/02/2025.



**PENBRYN COMMUNITY COUNCIL**

**Accounts for the period 01/04/22 to 25/07/22**

	<u>£</u>	<u>£</u>
<b><u>Income</u></b>		
CCC		3,666.66
HMRC vat		0.00
		<u>3,666.66</u>
<b><u>Less: expenditure</u></b>		
Wages	1,516.55	
Admin Costs	113.71	
Donations	1,925.00	
Aelodaeth	0.00	
Annual Allowance	264.00	
Defibrillator batteries	315.99	
Bank Charges	85.41	
Ins	521.83	
		<u>4,742.49</u>
<b><u>Deficit</u></b>		<b><u>-1,075.83</u></b>

	<u>£</u>	<u>£</u>
<b>Balance @ 01/04/2022</b>		
HSBC Community acc	11,416.24	
<b><u>Current Assets: Bank Accounts</u></b>		
HSBC Community acc balance to close at 25/07/22		10,340.41
<b>Less: deficit for the year</b>	-1,075.83	
Balance transferred 25/07/22	<u>10,340.41</u>	<u>10,340.41</u>

**Vat reclaim entries in clients book**