

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2024

### Accounting statements 2023-24 for:

Name of body: **Cyngor Cymuned Betws yn Rhos a LLanelian yn Rhos Community Council**

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	
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	13850	9862	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	8,000	9,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	2332	96	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	6081	5,575	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	4103	7,839	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	13998	9,862	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	<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	13998	9,862	<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	13998	9,862	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	3461	4,963	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>	Y		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.	Y		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.	Y		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.	Y		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.	Y		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.	Y		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.	Y		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 – 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	N/A	3, 6
			N/A	

\* 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.	<b>Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000</b> 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 2023-24 was £9.93 per elector. In 2023-24, the Council made payments totalling £2,052 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 approval and certification

The Council 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, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2024.	<b>Approval by the Council</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference:
<b>RFO signature:</b> 	<b>Minute ref:</b> (11) of 219/2024
<b>Chair signature:</b> 	
<b>Name:</b> Mel Jones	<b>Name:</b> John Evans
<b>Date:</b> 2 <sup>nd</sup> September 2024	<b>Date:</b> 2 <sup>nd</sup> September 2024



## Annual internal audit report to:

Name of body:

BETWS YN RHOS AND LLANELIAN YN RHOS 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.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓ *				* SUBJECT TO ISSUE 4 IN INTERNAL AUDIT REPORT.
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.	✓ *				* EXCEPT FOR ISSUE 3 IN INTERNAL AUDIT REPORT.
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.			✓		NO PETTY CASH.
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.		✓			SEE INTERNAL AUDIT REPORT ISSUE 2.



## Annual internal audit report to:

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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.

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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.	✓ ✗				✗ EXCEPT FOR ISSUE 3 IN INTERNAL AUDIT REPORT.
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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.		✓			SEE INTERNAL AUDIT REPORT ISSUE 2.

	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.	✓				
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.	✓ *				* SUBJECT TO AMENDMENT OF ANNUAL RETURN AS PER ISSUE 1 OF THE INTERNAL AUDIT REPORT
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			✓		

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 26/07/2024.] \* 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:	JDH BUSINESS SERVICES LTD
Signature of person who carried out the internal audit:	JDH Business Services Ltd
Date:	26/07/2024



**INTERNAL AUDIT REPORT**  
**BETWS-YN-RHOS COMMUNITY COUNCIL**  
**2023/2024**

The internal audit is carried out by the following testing of the internal controls specified on the Annual Return for local councils in Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year-end testing on the accuracy and completeness of the financial statements
- Where the Council is sole trustee of a charity, checking that the Council has procedures in place to meet its responsibilities as a sole trustee

**Conclusion**

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited    26/07/2024**

**INTERNAL AUDIT REPORT**  
**BETWS-YN-RHOS COMMUNITY COUNCIL**  
**2023/2024**

**ACTION PLAN**

	ISSUE	RECOMMENDATION	FOLLOW UP
1	Staff costs on the annual return is incorrect as the internal audit fee has been incorrectly classified as a staff cost.	<i>The annual return should be amended as follows:</i> <b>Staff costs £5,575</b> <b>Total other payments £7,839</b>	<b>COUNCIL INFORMED OF ACTION</b> <b>PLAN ANNUAL RETURN AMENDED</b>
2	Fixed assets on the annual return of £8,506 is incorrect as it is the insurance valuation of the assets the Council holds. The purchase cost from the asset register is £3,200. The movement on the asset register is due to the removal of an asset of £800 (defibrillator) and addition of assets amounting to £540 for previous years.  The Council purchased display equipment in 2023/24 at a cost of £1,762.68. This has not been added to the asset register.	<i>The annual return should be amended to reflect the balance on the asset register for the purchase cost of assets.</i>  <i>If the display equipment is the property of the Council, it must be added to the asset register and the balance on the annual return.</i>	<b>COUNCIL INFORMED OF ACTION</b> <b>PLAN AND ASSET REGISTER</b> <b>AMENDED</b>
3	The minutes do not record the amount of the precept request for 2024/25 or details of the supporting budget.	<i>The Council minutes should record details of the precept request and the supporting budget.</i>	<b>COUNCIL INFORMED OF ACTION</b> <b>PLAN AND THIS WILL BE</b> <b>INCLUDED IN MINUTES OF 2025.</b>
4	Testing of a sample of payments identified for the following grant payment made via online banking, there was no supporting letter/email confirming receipt of the grant	<i>Confirmation of receipt of grant should be obtained. This is particularly important for grants made via online banking.</i>	<b>COUNCIL INFORMED OF ACTION</b> <b>PLAN. E MAIL RECEIVED FROM</b> <b>ALOMA WHEWAY TREASURER OF</b> <b>SPORTS ASSOCIATION</b>



**INTERNAL AUDIT REPORT**  
**BETWS-YN-RHOS COMMUNITY COUNCIL**  
**2023/2024**

	or details of the bank account for payment provided on a grant application form: <ul style="list-style-type: none"> <li>28/8/23 Betws Warm Hub £500</li> </ul>		CONFIRMING RECEIPT OF GRANT PAYMENT
<b>Follow up of 2022/23 internal audit recommendations</b>			
1	<p>The Council received a qualified audit from Audit Wales. This has been displayed on the website but the minutes refer to receiving no issues from external audit.</p> <p>One of the qualifications related to the reporting of fixed assets in 21/22 and required that the 22/23 annual return should be restated. Fixed assets on the annual return for 22/23 has not been restated.</p>	<p><i>The issues raised by Audit Wales should be reported to Council and action against recommendations reported in the minutes.</i></p>	<p>The fixed assets balance for 23/24 has been updated for assets purchased in previous years but the 22/23 balance has not been restated.</p>
2	<p>The Council have recently introduced payment via online banking and this applied to only four payments in 22/23. One payment was approved in the minutes prior to payment but for the other three payments we did not see evidence that two signature approval was obtained from Councillors prior to payment. The payments were approved after payment in the Council minutes.</p>	<p><i>Two signature approval should be obtained for online bank payments. This can be from:</i></p> <ul style="list-style-type: none"> <li><i>Prior approval by full council at a meeting (therefore listed in the minutes)</i></li> <li><i>Two signature dated approval.</i></li> <li><i>Emails from councillors approving payments before they are made.</i></li> <li><i>Online approval if this facility is available from your bank.</i></li> </ul>	<p><b>Implemented</b></p>

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3	<p>Testing of a sample of payments identified the following:</p> <ul style="list-style-type: none"> <li>• A payment to J&amp;D Fabrication chq 200144 for £360 was approved in the minutes for £160.</li> <li>• We could not locate the invoice for the payment to J&amp;D Fabrication.</li> </ul>	<p><i>Payments should be recorded correctly when approved in the minutes.</i></p> <p><i>The Council must ensure that they locate the VAT invoice for this payment or obtain a copy in order to reclaim the VAT.</i></p>	<p>Items tested in 23/24 supported by invoices where appropriate.</p>
4	<p>The general reserves as at 31/3/23 are in excess of 12 months net operating expenditure.</p> <p>A small amount of reserves has been used in the setting of the 2023/24 budget leaving a general reserve of £12,734.</p>	<p><i>The Council must review the level of reserves they are holding.</i></p>	<p>The reserves of the Council have decreased during 23/24 and are now below the 23/24 budgeted expenditure level.</p>