

Community and Town Councils in Wales

Annual Return for the Year Ended 31 March 2022

Accounting statements 2021-22 for:

Name of body: Taff's Well and Nantgarw Community Council

	Year ending		Notes and guidance for compilers
	31 March 2021 (1)	31 March 2022 (2)	
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	43458	63574	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	37599	35854	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	26	7468	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	0	9861	Total expenditure or payments made to and on behalf of all employees. Includes 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	17509	18896	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	63574	78139	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).

Statement of balances

8. (+) Debtors	0	1700	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	64669	80713	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	1095	4274	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	63574	78139	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	14028	10252	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	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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).
15.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Annual Governance Statement

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 2022, that:

		Agreed?		YES' means that the Council/Board/Committee	
		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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

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 2021-22 was £8.41 per elector.

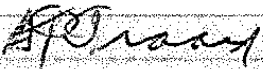
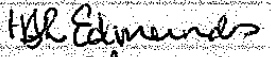
In 2021-22, the Council made payments totalling £ 0 under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

3.

Council/Board/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.

<p>Certification by the RFO 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 2022.</p>	<p>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:</p>
	<p>Minute ref: 07/06/22 – minute 6.</p>
<p>RFO signature: </p>	<p>Chair of meeting signature: </p>
<p>Name: Adrian Isaacs</p>	<p>Name: Shirley Donato Helen Edmunds</p>
<p>Date: 8th June 2022</p>	<p>Date: 8th June 2022</p>

Auditor General's report and audit opinion

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2022 of **Taffs Well and Nantgarw Community Council**. My audit has been conducted 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.

Audit opinion: Qualified

Except for the matters reported below in my Basis for Qualification, on the basis of my audit, in my opinion no matters have come to my attention to give cause for concern that, in any material respect, the information reported in this 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.

Basis of Qualification

Accounting Statement

I am unable to conclude whether or not the Accounting Statement properly presents the Council's receipts and payments and financial position:

- The Council has not kept adequate accounting records to support the reported income & expenditure and financial position for the year. The Council's transaction listing/cashbook does not record VAT separately and accumulates multiple invoices into one transaction.
- The Council has not provided a complete explanation for significant variances within the year.
- The Council has prepared its annual return on an income and expenditure basis but has included payments and receipts relating to VAT within its statement of income and expenditure.
- The Council has not included the Clerks monthly working from home allowance of £28 per month within staff costs.
- The Council received a £200 contribution towards legal costs and have recorded this contribution as a reduction in expenditure.
- The Clerk has not provided an adequate explanation for a cheque payment of £657.60. The Clerk stated the payment was in relation to accrued PAYE interest with HMRC, but we have not received evidence of who the cheque was made to. This payment was not authorised in a constituted meeting of the Council.
- The Council has not included any VAT debtors within its statement of balances.

- The Council has included an unpresented cheque within its creditors balance. The correct treatment would be to reduce line 9.

Annual Governance Statement

In my opinion, the Annual Governance Statement is not consistent with the Council's arrangements in the year:

- Assertion 1 – preparation of accounting statements. The Council has not kept adequate and complete accounting records to support the reported figures. The Council has not provided adequate accounting records to support staff costs.
- Assertion 1 – effective financial management. The Council did prepare VAT returns until this financial year. The Council does not keep a record of VAT within its cashbook and therefore we are unable to determine if the VAT returns have been submitted accurately. We recommend that the Council complete VAT returns and keep up to date with the relevant VAT guidance issued by HMRC and One Voice Wales.
- Assertion 2 – adequate internal control. Payments made by the Council are meant to be made via cheque however it appears that it is common practice for the Clerk to make the payment using their own funds/card and for the Council to reimburse them.
- Assertion 2 – adequate internal control. The Council has made payments that were not approved in a constituted meeting of the Council.
- Assertion 3 – noncompliance with laws, regulations and codes of practice. The Council has not provided evidence that a budget has been set in accordance with the Local Government Finance Act 1992 and that the precept has been set in line with the budget. The Act requires the Council to take into account its level of reserves and income when setting its budget requirement. We recommend that the Council sets a budget in accordance with the 1992 Act for future years.
- Assertion 3 – noncompliance with laws, regulations and codes of practice. The Council does not operate PAYE as it is required to do under the Income Tax (Earnings and Pensions) Act 2003. The Council makes payments to the Clerk gross. The Clerk then makes payments on behalf of the Council. Failure to operate PAYE exposes the Council to the risk of fines and/or penalty charges being imposed by HM Revenue and Customs.

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

In my opinion, the Council does not have proper arrangements in place to secure value for money:

- The Council has failed to comply with its own Financial Regulations in relation to the letting of contracts in the year.

Other matters arising 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 body.

Transparency

The Council should ensure that meeting minutes, supporting papers and decisions are published. The Council should ensure that they also publish the register of Members’ interests on the Council’s website. The Council should ensure that they publish full copies of its prior year annual return including the accounting statement, AGS and the audit opinion.

We recommend that the Council publishes all relevant information relating to Council business on its website in the interest of being open and transparent.

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

 Richard Harries Director, Audit Wales For and on behalf of the Auditor General for Wales	Date: 24/07/2024
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Annual internal audit report to:

Name of body: **Taff's Well and Nantgarw 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 2022.

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

	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Internal Audit report
11. Trust funds (including charitable trusts). The Council/Board/ Committee has met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Internal Audit report

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. There is adequate scope in the Risk Register.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Internal Audit report
13.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

* 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 19th April 2022.] * 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 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Jason Morgan

Signature of person who carried out the internal audit: *JAMorgan*

Date: 19th April 2022