

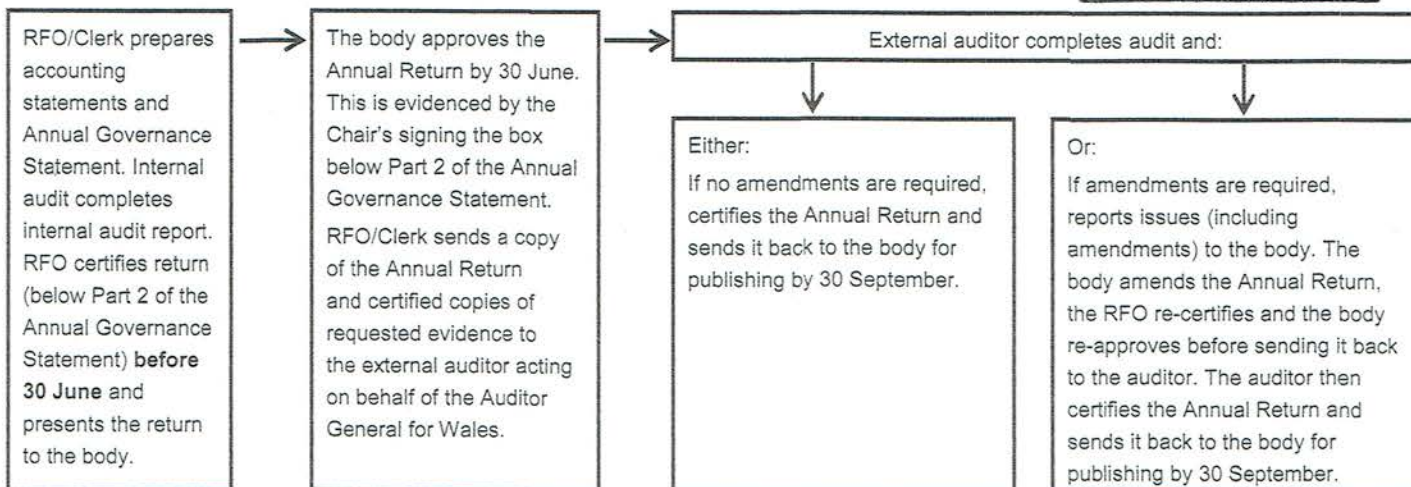
Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2017

Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

The accounts and audit process

The accounts and audit arrangements follow the process as set out below.

BILINGUAL
CORRESPONDENCE
(TICK IF REQUIRED)



Please read the guidance on completing this Annual Return and complete all sections highlighted in red including both sections of the Annual Governance Statement.

Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. Unless requested, please **do not** send any original financial or other records to the external auditor.

Audited and certified returns are sent back to the body for publication or display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

Completion checklist

'No' answers mean that you may not have met requirements		Done?	
		Yes	No
Initial submission to the external auditor			
Accounts	Has the RFO certified the accounting statements and the body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2017?	YES	
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	YES	
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	YES	
	Does the bank reconciliation as at 31 March 2017 agree to line 9?	YES	
All sections	Have all red boxes been completed and explanations provided where needed?	YES	
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	YES	
Supporting evidence	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	YES	

Accounting statements 2016-17 for:

Name of body:

LANSENNECH COMMUNITY COUNCIL

	Year ending		Notes and guidance for compilers
	31 March 2016 (£)	31 March 2017 (£)	

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	120,097	75,572	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	175,265	183,885	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	27,518	29,061	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	75,661	82,506	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	21,915	21,915	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	149,732	77,534	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	75,572	106,563	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).

Statement of balances

8. (+) Debtors and stock balances	16,295	15,610	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	78,025	104,245	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	18,748	13,292	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	75,572	106,563	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	1,698,034	1,698,034	The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	387,465	384,524	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

14. Trust funds disclosure note	Yes	No	N/A	Yes	No	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).
			✓			✓	

Annual Governance Statement (Part 1)

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 2017, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	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. 	YES		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.	YES		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.	YES		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.	YES		Has given all persons interested the opportunity to inspect and to ask questions about the body's accounts.	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.	YES		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.	YES		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.	YES		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.	YES		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. 	Yes	No	N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* 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.

Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have registered as an employer with HM Revenue and Customs and properly operate Pay As You Earn as part of our payroll arrangements; or We do not need to register for PAYE because none of our employees are paid £112 or more a week, get expenses and benefits, have another job or get a pension.	YES		Has registered as an employer and properly operates PAYE unless all of the exemption criteria are met.	13
2. We have maintained proper payroll records for each of our employees including deductions of tax and national insurance.	YES		Has kept records of payments made to employees including taxable expenses or benefits and of payments made to HMRC.	13
3. We have adopted a Code of Conduct setting out proper standards of behaviour expected of councillors and individually, have agreed to abide by the code.	YES		The body and its members have adopted and agreed to abide by a Code of Conduct as required by law.	8

* Please delete as appropriate.

Council/Board/Committee approval and certification

The Council/Board/Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017.	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:
RFO signature: 	Minute No 7 reference and 12/06/2017
Name: E. EVANS	Chair signature: 
Date: 23/05/2017	Name: name required W. D. GRIFFITHS
	Date: dd/mm/yyyy 12.6.17

Council/Board/Committee re-approval and re-certification (only required if the annual return has been amended at audit)

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017.	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:
RFO signature: signature required	insert minute reference and date of meeting
Name: name required	Chair signature: signature required
Date: dd/mm/yyyy	Name: name required
	Date: dd/mm/yyyy

Annual internal audit report to:

Name of body: **LLANGUNNECH 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 2017.

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.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
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.	✓				
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.	✓				
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.	✓				

	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.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

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.			✓		
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/Board/Committee are included in my detailed report to the Council/Board/Committee dated 05/06/2017.] * Delete if no report prepared.

Internal audit confirmation

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2015-16 and 2016-17. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: VIVIAN LYN KENNELLYN

Signature of person who carried out the internal audit: [Signature]

Date: 05/06/2017

Lyn Llewellyn Internal Audit Service

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The Chairperson
Llangennech Community Council
c/o 45 Penderri Road
Bryn
Llanelli
SA14 9PL

5th June 2017

Dear Chairperson

Internal Audit Report for the year ended 31 March 2017

I am pleased to confirm that all the prescribed tests in relation to your Council's internal control systems have been satisfactorily completed and as a result there are no matters I need to bring to the attention of your Council on this occasion. My conclusions are reflected in the internal auditor's report in the 2016/17 Annual Return. These are based on the results of the testing (see schedule attached) of key controls undertaken in accordance with Appendix 4 – An approach to internal audit testing as detailed on pages 155 and 156 of the publication "Governance and Accountability for Local Councils in Wales : A Practitioners' Guide 2011" as amended.

I would like to take this opportunity to thank your Clerk, Mr Wyn Evans, for all his help and co-operation during the completion of the work.

My invoice for the work completed is attached for your kind attention.

Yours sincerely



Lyn Llewellyn
Internal Auditor

Name of Council: Llangennech Community Council

Financial Year: 2016/17

Internal Control / Testing carried out by Internal Audit confirmed the following:

Proper bookkeeping

Cashbook maintained and up to date
Cashbook arithmetic correct
Cashbook regularly balanced

Standing Orders and financial regulations adopted and applied

Council formally adopted standing orders and financial regulations
The Town Clerk has been appointed Responsible Financial Officer
Items or services above the de minimus amount have been competitively purchased

Payments Controls

Payments in the cashbook are supported by invoices, authorised and minuted
VAT on payments have been identified, recorded and reclaimed
S137 expenditure separately recorded and within statutory limits

Risk Management Arrangements

Review of the minutes does not identify any unusual financial activity
Minutes record the council carrying out an annual risk assessment
Insurance cover appropriate and adequate
Internal financial controls documented and regularly reviewed

Budgetary Controls

Council has prepared an annual budget in support of its precept
Actual expenditure against the budget reported to the council
There are no significant unexplained variances from budget

Income Controls

Income is properly recorded and promptly banked
The precept recorded agrees to the Council Tax authority's notification
Security controls over cash and near-cash is adequate and effective

Payments Controls

The council has approved and circulated to members its arrangements for making payments
Payments made comply in all respects with the arrangements approved by the council

Petty Cash Procedures

All petty cash spent recorded and supported by VAT invoices/receipts
Petty cash expenditure reported to each council meeting
Petty cash reimbursement carried out regularly

Payroll Controls

All employees have contracts of employment with clear terms and conditions

Salaries paid agree with those approved by the council

Other payments to employees and members reasonable and approved by the council

PAYE/NIC has been properly operated by the council as an employer

Assets Controls

The council maintains a register of all material assets owned or in its care

The assets register is up to date

Bank Reconciliation

Bank reconciliation prepared for each account

Bank reconciliation carried out regularly and in a timely fashion

There are no unexplained balancing entries in any reconciliation

Year-end procedures

Year end accounts prepared on the correct accounting basis -Income and Expenditure

Accounts agree with cashbook

There is an audit trail from underlying financial records to the accounts

Signed



Mr V L Llewellyn

Internal Auditor

Date 05/06/2017