

**NOTICE OF CONCLUSION OF AUDIT  
AND RIGHT TO INSPECT THE ANNUAL RETURN  
FOR THE YEARS ENDED  
31 MARCH 2021**

Public Audit (Wales) Act 2004 Section 29

**Accounts and Audit (Wales) Regulations 2014**

- |   |   |
|---|---|
| 1.  | The audit of accounts for the Llanafanfawr Community Council for the year ended 31 March 2021 has been concluded.   |
| 2.  | The annual return is available for inspection by any local government elector for the area of the Llanafanfawr Community Council on application to:                       |
| (a) Insert name, position and address of person to whom local government electors should apply to inspect the annual return | Megan Price<br>Bronygarth<br>Llanafanfawr<br>Builth Wells   |
| (b) Insert the times between which a local government elector may apply to inspect the annual return                        | between (b)_5.00__ pm and (b)_8.00__ pm on Mondays to Fridays<br><br>(excluding public holidays), when any local government elector may make copies of the annual return. |
| (c) Insert a reasonable sum for copying costs   | 3. Copies will be provided to any local government elector on payment of (c)<br><br>£1.00__ for each copy of the annual return.   |
| (d) Insert name and position of person placing the notice   | (d)_ Megan Price<br>(Clerk & RFO)   |
| (e) Insert date of placing of the notice  | (e)_24 January 2022   |

## Accounting statements 2020-21 for:

Name of body: LLANAFANFAWR COMMUNITY COUNCIL

	Year ending		Notes and guidance for compilers
	31 March 2020 (£)	31 March 2021 (£)	
			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	5057	3839	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	2000	2500	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	76	27	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	1350	1350	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	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	1944	1603	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	3839	3413	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	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.																		
9. (+) Total cash and investments	3839	3413	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	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.																		
11. (=) Balances carried forward	3839	3413	Total balances should equal line 7 above: Enter the total of (8+9-10).																		
12. Total fixed assets and long-term assets	5	5	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.																		
13. Total borrowing	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).																		
14. Trust funds disclosure note	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Yes</td> <td style="padding: 2px;">No</td> <td style="padding: 2px;">N/A</td> <td style="padding: 2px;">Yes</td> <td style="padding: 2px;">No</td> <td style="padding: 2px;">N/A</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">✓</td> <td></td> <td></td> <td style="text-align: center;">✓</td> </tr> </table>	Yes	No	N/A	Yes	No	N/A			✓			✓	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Yes</td> <td style="padding: 2px;">No</td> <td style="padding: 2px;">N/A</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">✓</td> </tr> </table>	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).
Yes	No	N/A	Yes	No	N/A																
		✓			✓																
Yes	No	N/A																			
		✓																			

## 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 2021, that:

	Agreed?		YES means that the Council/Board/Committee	PG Ref						
	Yes	No								
<b>1. We have put in place arrangements for:</b> <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>	✓		Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12						
<b>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</b>	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7						
<b>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.</b>	✓		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						
<b>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.</b>	✓		Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23						
<b>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.</b>	✓		Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9						
<b>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.</b>	✓		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						
<b>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.</b>	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6						
<b>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</b>	✓		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23						
<b>9. Trust funds – in our capacity as trustee, we have:</b> <ul style="list-style-type: none"> <li>• discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.</li> </ul>	<table border="1" style="display: inline-table;"> <tr> <td style="padding: 2px;">Yes</td> <td style="padding: 2px;">No</td> <td style="padding: 2px;">N/A</td> </tr> </table>	Yes	No	N/A	<table border="1" style="display: inline-table;"> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> <td style="padding: 2px;">✓</td> </tr> </table>			✓	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6
Yes	No	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.

## Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2021 of:

Llanafanfawr Community Council

### Auditor General's report

#### Audit opinion

On the basis of my review, in my opinion no matters have come to my attention giving 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 legislation and regulatory requirements have not been met;
- is not consistent with the Council's/Committee's governance arrangements; and
- that the Council/Committee does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

#### Other matters arising and recommendations

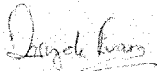
I draw the body's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the body.

S.1 of the Employment Rights Act 1996 (ERA1996), requires the Council to provide its Clerk with a written contract or a written statement of the specified terms of employment under within two months of starting employment. As part of the audit, we sought evidence that the Council had complied with section 1 of ERA 1996. We are satisfied that the Council properly appointed the Clerk and has agreed the salary. However, we are unable to establish if the Clerk has been provided with full terms of employment.

- In order to ensure clarity of the terms and conditions of employment we recommend that the Council and the Clerk prepare and sign a contract of employment at the earliest opportunity.

I note that the Council does not operate PAYE but that the Clerk declares her income on her annual tax return. However, in my opinion, the Council is required to operate PAYE under the Income Tax (Earnings and Pensions) Act 2003. The Council does not appear to meet the conditions for exemption set out in law. Failure to operate PAYE exposes the Council to the risk of fines and/or penalty charges being imposed by HM Revenue and Customs. Further information can be found at <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim67300>

- We recommend that the Council reviews its current arrangement and operates PAYE as required by law.



Date: 17/01/2022

Deryck Evans, Audit Manager, Audit Wales  
For and on behalf of the Auditor General for Wales

\* Delete as appropriate.