

Accounting statements 2019-20 for:

Name of body: LLANFAIR DYFFRYN CLWYD COMMUNITY COUNCIL

	Year ending		Notes and guidance for completion
	2019-20	2018-19	

Statement of income and expenditure/receipts and payments

1. Balances brought forward	9858	23248	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	29010	30000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies
3. (+) Total other receipts	1228	893	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants
4. (-) Staff costs	4244	4379	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	12604	13988	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	23248	35765	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	0	0	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	23248	35765	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	23248	35765	Total balances should equal line 7 above. Enter the total of (8+9-10)
12. Total fixed assets and long-term assets	4051	4051	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

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).

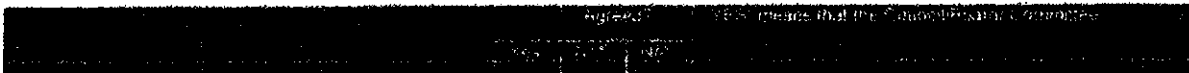
## Annual Governance Statement (Part 1)

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 2020, that:

Statement	Approved?			Notes as to why the Council/Board/Committee has not responded 'Yes'	Page Ref
	Yes	No	N/A		
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>	✓			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.	✓			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.	✓			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.	✓			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.	✓			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.	✓			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.	✓			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 – in our capacity as trustee, we have <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>	✓			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)



1 We have prepared and approved minutes for all meetings held by the Council (including its committees) that accurately record the business transacted and the decisions made by the Council or committee. ✓

Has kept and approved minutes in accordance with Schedule 12, Paragraph 41 of the Local Government Act 1972.

2 We have ensured that the Council's minutes (including those of its committees) are available for public inspection and have been published electronically. ✓

Has made arrangements for the minutes to be available for public inspection in accordance with section 228 of the Local Government Act 1972 and has published the minutes on its website in accordance with section 55 of the Local Government (Democracy) (Wales) Act 2013.

\* 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 2020.

RFO signature:

*E. Godden*

Name:

EIRWEN GODDEN

Date:

23/05/20

#### 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

Minute ref:

677.3

Chair of meeting signature:

*J. Mayers*

Name:

CLLR JAYNE MAYERS

Date:

15/06/20

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 2020.

RFO signature:

Name:

Date:

#### 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

Minute ref:

Chair of meeting signature:

Name:

Date:

## Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2020 of:

LLANFAEL DYFFALYN CLWYD COMMUNITY COUNCIL

### External auditor's report

[Except for the matters reported below] On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The council has not made available on its website access to the minutes of the council meetings from prior years.

BDO LLP Southampton  
United Kingdom

[These matters along with] Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated 10/02/2021

### Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

Please see enclosed report

BDO LLP Southampton  
United Kingdom

(Continue on a separate sheet if required.)

External auditor's name

External auditor's signature

BDO LLP Southampton  
United Kingdom

Date

10/2/21

For and on behalf of the Auditor General for Wales

\* Delete as appropriate

## Annual internal audit report to:

Name of body: **LLANFAIR DYFFRYN CLWYD 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 2020.

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"/>	Insert text
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"/>	Insert text
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"/>	Insert text & EXCEPT FOR SEE ISSUE 1 IN 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"/>	Insert text
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"/>	Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insert text 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text

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

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. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
13. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
14. Insert risk area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text

\* 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 18/05/2020.] \* 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 2018-19 and 2019-20. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:  
 Signature of person who carried out the internal audit:  
 Date: 18/05/2020

JDU BUSINESS SERVICES LTD  
 JDU Business Services Ltd

## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this Annual Return. Proper practices are set out in the Practitioners' Guide.
2. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. Please do not use correction fluid. Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs. Ask your auditor for an electronic copy of the form if required.
3. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2019) equals the balance brought forward in the current year (line 1 of 2020). Explain any differences between the 2019 figures on this Annual Return and the amounts recorded in last year's Annual Return.
5. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers all your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. Every council must send to the external auditor, information to support the assertions made in the Annual Governance Statement even if you have not done so before. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send copies of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
10. Please deal with all correspondence with the external auditor promptly. This will help you to meet your statutory obligations and will minimise the cost of the audit.
11. Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.

Completion checklist - No answers mean that you may not have met requirements		Done?
Initial submission to the external auditor		Yes/No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	✓
Approval	Does the bank reconciliation as at 31 March 2020 agree to Line 9? Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2020?	✓ ✓
All	Has the body approved the accounting statements before 30 June 2020 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?	✓
sections	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed? 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	✓ ✓ ✓

If accounts are amended after receipt of the Auditor General's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Board's approval of the amendments before re-submission to the auditor?		



ISSUES ARISING REPORT FOR  
Llanfair Dyffryn Clwyd Community Council  
Audit for the year ended 31 March 2020



## Introduction

The following matters have been raised to draw items to the attention of Llanfair Dyffryn Clwyd Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2020.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

## Issues Raised

- Prior year minutes not available on website
  - Minor issues
  - PAYE
  - Internal Auditor's recommendations
-

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and require the body to take immediate action.

**Prior year minutes not available on website**

*What is the issue?*

The council has not made available on its website access to the minutes of the council meetings from prior years. These are available on request but not directly available on the website.

*Why has this issue been raised?*

The Local Government (Democracy) (Wales) Act 2013, Part 55, 1c states the minutes of the proceedings of the council's meetings must be made available electronically.

*What do we recommend you do?*

The council should ensure previous year's minutes are made available electronically in accordance with the legislation.

Further guidance on this matter can be obtained from the following source(s):

Local Government (Democracy) (Wales) Act 2013

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The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the body so they do not occur again in future years.

#### **Minor issues**

##### *What is the issue?*

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The Accounting Statements do not add up by £1.

##### *Why has this issue been raised?*

This is to draw these minor errors to the attention of the council.

##### *What do we recommend you do?*

The council should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability for Local Councils in Wales - A Practitioners' Guide, OVW/SLCC

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The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

#### **PAYE**

##### *What is the issue?*

The council have included PAYE in box 6, other payments but it should be included in box 4, wages and salaries

##### *Why has this issue been raised?*

The annual return has not been prepared in accordance with the legislation.

##### *What do we recommend you do?*

In future the council should ensure they include the PAYE costs in box 4.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability for Local Councils in Wales, A Practitioners' Guide - OVW/SLCC

#### **Internal Auditor's recommendations**

##### *What is the issue?*

The internal auditor has noted some recommendations in the financial systems of the council.

##### *Why has this issue been raised?*

The council is exposed to the risks associated with these recommendations.

##### *What do we recommend you do?*

The council must implement the recommendations made by the internal auditor to improve the financial systems of the council as soon as possible or in any event before the end of the current financial year.

If the council addresses all the issues raised by the internal auditor the council should improve internal controls which will help to prevent and detect error and fraud and assist the council to operate in an effective and efficient manner.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in Wales - A Practitioners Guide, OVW/SLCC

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 10 February 2021

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# **NOTICE OF CONCLUSION OF AUDIT**

**(PUBLIC AUDIT (WALES) ACT 2004  
ACCOUNTS AND AUDIT (WALES) REGULATIONS 2014)**

**CYNGOR CYMUNED  
LLANFAIR DYFFRYN CLWYD  
COMMUNITY COUNCIL**

**NOTICE is hereby given that the audit for the  
year ended 31 March 2020 was completed on**

**10 February 2021**

**and the accounts are now available for inspection by local electors in  
accordance with Section 29 of the Public Audit (Wales) Act 2004.**

**The requisite information as defined by Section 18 of the Accounts  
and Audit (Wales) Regulations 2014 is not displayed alongside this  
notice**

**If the requisite information is not displayed alongside  
this notice, it is available for inspection by appointment.**

**To arrange a viewing please contact:**

**THE CLERK 01824 707151 [clerk.llanfairdc@gmail.com](mailto:clerk.llanfairdc@gmail.com)**

**between the hours of 9 AM and 5 PM**

**Dated: 1 March 2021**

**E Godden [Mrs] (Responsible Financial Officer)**

**[www.llanfaircommunitycouncil.co.uk](http://www.llanfaircommunitycouncil.co.uk)**

## **NOTES FOR THE RESPONSIBLE FINANCIAL OFFICER**

In accordance with the Accounts and Audit (Wales) Regulations 2014 -  
As soon as possible after conclusion of audit, notice must be given as follows:

Display the Notice of Conclusion in one or more conspicuous places advising that the audit has been completed and inform the auditor in writing that this has been done. The notice must be displayed for at least 14 days. If the body has a website, the last approved statement of accounts and auditor's report to be published on that website.

The Council can either display the notice and the requisite information  
or  
display the notice only and make available, by appointment, the requisite information .

The requisite information consists of;  
the Accounting Statements  
the Annual Governance Statement - Parts 1 and 2  
Auditor General for Wales' Audit Certificate and report  
Issues arising from the audit (if any)

**In all cases, ensure that copies of the statement of accounts/annual return are made available for purchase at a reasonable sum.**