

Please confirm the date of each meeting of the council for the year.

If there is no meeting in a particular month, enter an X in that box.

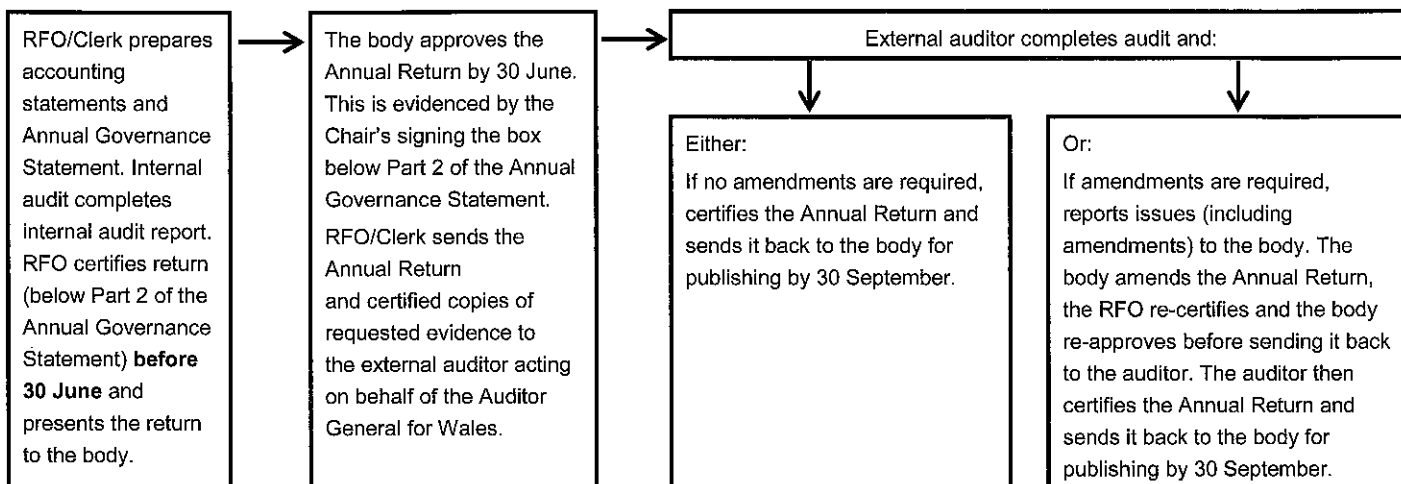
Month	Date	Month	Date
April 2018	18/4/18	October 2018	10/10/18
May 2018	16/5/18	November 2018	14/11/18
June 2018	20/6/18	December 2018	12/12/18
July 2018	11/7/18	January 2019	9/1/19
August 2018	X	February 2019	13/2/19
September 2018	12/9/18	March 2019	13/3/19

PUBLIC/COUNCIL DOCUMENTATION BILINGUAL

AUDIT COMMUNICATION (QUERIES) BILINGUAL

practices a councils in Wales dies may prepare their

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



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

**PLEASE PRINT THIS DOCUMENT FOR SIGNATURE AND SEND IT TO YOUR AUDITOR**

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
<b>Initial submission to the external auditor</b>			
<b>Accounts</b>	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 2018?	✓	
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	✓	
	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?	✓	
	Does the bank reconciliation as at 31 March 2018 agree to line 9?	✓	
<b>All sections</b>	Have all red boxes 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.	✓	
<b>Evidence</b>	Has all the information requested by the external auditor been included?	✓	

# Accounting statements 2017-18 for:

Name of body:

Insert name of body

Community Council

	Year ending		Notes and guidance for compilers
	31 March 2017 (£)	31 March 2018 (£)	

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	62893	54239	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	111000	111000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	71169	44118	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	60932	73443	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	129890	53299	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	54239	82611	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	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	54239	82611	<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	54239	82611	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	323299	304832	The <b>original</b> 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 2018, 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"> <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 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.	✓		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>	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 Body
	Yes	No*	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	✓		Has met the requirements of the Local Government Finance Act 1989 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	✓		Has kept an appropriate record of grants awarded and ensured that the expenditure is commensurate with the benefit to the community.
3. <del>The council has ensured that it has a lawful obligation to pay a service gratuity to employees* or</del> The council has no obligation or intention to pay a gratuity to employees.*	✓		Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

\* 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	Approval by the Council/Board/Committee
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 2018.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
	Insert minute reference and date of meeting
RFO signature: <b>signature required</b>	Chair signature: <b>signature required</b>
Name: <b>name required</b>	Name: <b>name required</b>
Date: <b>dd/mm/yyyy</b>	Date: <b>dd/mm/yyyy</b>

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

Certification by the RFO	Approval by the Council/Board/Committee
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 2018.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
	Insert minute reference and date of meeting
RFO signature: <b>signature required</b>	Chair signature: <b>signature required</b>
Name: <b>name required</b>	Name: <b>name required</b>
Date: <b>dd/mm/yyyy</b>	Date: <b>dd/mm/yyyy</b>

# 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 2018 of:

PONTYCLUN 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.

~~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 4/9/18.

## 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:

**BDO LLP Southampton  
United Kingdom**

External auditor's signature:

Date:

4/9/18

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.

## Annual internal audit report to:

Name of body: **Insert name of body**

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 2018.

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.	✓				SEE INTERNAL AUDIT REPORT
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.			*		NO PETTY CASH SYSTEM IN OPERATION
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.	✓				"

**ISSUES ARISING REPORT FOR  
Pontyclun Community Council  
Audit for the year ended 31 March 2018**

## Introduction

The following matters have been raised to draw items to the attention of Pontyclun Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2018.

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;

- Expenditure powers - S137 power incorrectly used
  - Internal Auditor's recommendations
  - Minor issues
-



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:

Box 11 has been left blank and should read £82,611 as at the 31 March 2018 and £54,239 as at 31 March 2017.

There are other empty boxes in section 1 of the annual return. We do not believe there should be any figures in these boxes but they should include a nil or zero to confirm this.

##### *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.

#### **Expenditure powers - S137 power incorrectly used**

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

Payments were made to one or more of the following: a local social, sports or youth club(s) which could have been authorised under S19 of the Local Government (Miscellaneous Provisions) Act 1976, power to provide recreational facilities within and outside of the area.

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

The council incorrectly recorded items as Section 137 payments when other statutory powers existed. A payment cannot be recorded under S137 if another statutory powers exists.

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

The council must ensure in future years that it reviews the list of statutory powers available to council to establish if a power exists before relying on S137 to authorise a payment. The statutory power being used to authorise expenditure should be recorded alongside the item to demonstrate the council has properly followed its standing orders and financial regulations.

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  
One Voice Wales representative, One Voice Wales website - ([www.onevoicewales.org.uk](http://www.onevoicewales.org.uk))  
Audit Briefing, Spring 2010, BDO

#### **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

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

For and on behalf of  
BDO LLP

Date: 04 September 2018

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

For and on behalf of  
BDO LLP

Date: 04 September 2018

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