

# NOTICE OF CONCLUSION OF AUDIT

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

## FOR

### Hirwaun & Penderyn Community Council

NOTICE is hereby given that the audit for the  
year ended 31 March 2017 was completed on

22 November 2017.

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 11(4) of the Accounts and  
Audit (Wales) Regulations 2014 ~~is~~ is not\* displayed alongside this notice

(\* Please delete as necessary)

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

To arrange a viewing please contact

Emma Nelmes  
Executive officer

between the hours of 9am and 4pm Monday + Tuesday  
only

Dated:

28<sup>th</sup> November 2017

.....  
(Responsible Financial Officer)

# Accounting statements 2016-17 for:

Name of body: HirLawn + Pendergyn 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	107,945	112,936	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	57,200	57,200	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	11,253	15,552	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	27,764	31,958	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			Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	35,699	103,698 <del>32,751</del>	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	112,935	<del>120,979</del> 50,032	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			<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	112,935	50,283	<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			<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	112,935	50,283	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	603,700	674,647	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			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"> <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	3, 6
			✓ Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	

\* 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.	✓		Has registered as an employer and properly operates PAYE unless <b>all</b> 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.	✓		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.	✓		The body and its members have adopted and agreed to abide by a Code of Conduct as required by law.	8

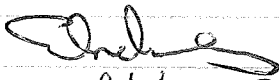

\* Please delete as appropriate.

### 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	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 2017.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature: 	2017/108 7/6/17
Name: Emma Nelmes	Chair signature: 
Date: 07/06/2017	Name: COLIN WOODLEY
	Date: 07-06-2017

### 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 2017.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature: 	2017/163
Name: Emma Nelmes	Chair signature: 
Date: 14/09/2017	Name: colin woodley
	Date: 14/09/2017

## 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 2017 of:

HIRWAUN & PENDERYN 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 have a website but it does not comply with the requirements of the Local Government (Democracy) (Wales) Act 2013, section 55.

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 22/11/2017.]

### 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:

22/11/17

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.

# Annual internal audit report to:

Name of body: Hillbarn + Pendergyn 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.			✓		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.	✓				
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 30/5/17.] \* 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: ROSANNA HOLCOMBE

Signature of person who carried out the internal audit: R Holcombe

Date: 30/05/2017

**ISSUES ARISING REPORT FOR  
Hirwaun & Penderyn Community Council  
Audit for the year ended 31 March 2017**

**BDO**



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## Introduction

The following matters have been raised to draw items to the attention of Hirwaun & Penderyn Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2017.

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;

- Assets
- Website contents
- Accounting Statements

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.

#### Website contents

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

The council have a website but it does not comply with the requirements of the Local Government (Democracy) (Wales) Act 2013, section 55.

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

This is a failure to comply with the legislation.

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

The Council must ensure that it updates its website to include all of the following items:

A community council must make available electronically information on how to contact it and, if different, its clerk including –

- a telephone number;
- a postal address;
- an email address;
- information about each of its members, including –
  - the member's name;
  - how the member may be contacted;
  - the member's party affiliation (if any);
  - the ward which the member represents (where relevant);
  - any office of the council held by the member;
  - any committee of the council to which the member belongs;
  - the minutes of the proceedings of the council's meetings and (in so far as is reasonably practicable) any documents which are referred to in the minutes and
  - any audited statement of the council's accounts.

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.

The comparative figures in section 1 do not agree to the audited figures for last year and the carried forward figure is different to last year's audited figure by £1.

#### **Accounting Statements**

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

There is an error on the accounting statements as boxes 7, 9 and 11 do not agree.

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

As the accounts have been prepared on a receipts and payments basis boxes 7, 9 and 11 should agree.

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

The council should ensure that when the 2018 accounts are prepared, the comparative figures should be amended so that the box 7 figure is included in boxes 7, 9 and 11.

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.

### **Assets**

#### *What is the issue?*

Following a review of assets during the year, assets were identified that were previously omitted. The fixed asset figure for the current year has been updated to reflect these assets.

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

This is a note for the reader of the accounts to explain the movement in fixed assets.

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

The council should ensure that the asset register is reviewed on an annual basis and any missing assets identified should be included at cost.

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: 22 November 2017

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## Hirwaun & Penderyn Community Council Audit

Emma Nelmes. Clerk Hirwaun & Penderyn Community Council.

Mon 04/12/2017 15:53

To: Emma Prince [REDACTED]

Importance: High

Dear Emma

I would be grateful if you could forward this email onto Louise Caplen. Your letter dated 23rd November 2017 advises me to contact Ms Caplen but does not provide contact information for her.

I write with reference to the Auditor's report for year end March 2017 and wish to state the following:

In a letter to us via email on 27th September 2017 it stated that it was your intention to raise an Unqualified Audit for us this year. We have now received a Qualified audit. Can I ask why this has been changed?

In respect of the points raised in your report:

- Website contents - We accept that our audited statement of accounts were not on the website, and steps have been taken to rectify this in advance of your report coming to us. However, your report lists a large number of items to be included on our website which are already in there. From your report, it reads that we have not included any of the information, whereas the only information omitted was the accounts.
- Accounting statements - This error has occurred as you asked us to amend Box 7. You did not ask us to amend Boxes 9 and 11, as accepted by yourselves in recent correspondence. The report reads that it was our error when it was infact yours. These boxes did agree prior to you asking for the amendment.
- Assets - You state that assets have been included in this year's asset register that were previously omitted. The only additional asset included on the register this year was the Investment Bond. This was added to the Asset Register upon your advice from last year's audit. Why are we being penalised this year for following your advice from last year's report?

I look forward to receiving your response as a matter of urgency so that I can advice our Cllrs accordingly at next week's Community Council meeting.

Kind regards

Emma Nelmes

Executive Officer to Hirwaun & Penderyn Community Council

Hirwaun Village Hall, High Street, Hirwaun, CF44 9SL

Telephone number: 01685 812850

RE: Hirwaun & Penderyn Community Council Audit [BDO-UK.FID5031417]

Emma Prince <Emma.Prince@bdo.co.uk>

Mon 04/12/2017 16:33

To: Emma Nelmes. Clerk Hirwaun & Penderyn Community Council. <hpcc01@btconnect.com>;

Dear Emma

The issue regarding the website lists all the requirements of the Act and it states that not all of the items are included on your website. It does not say that the following are not included. This was the only qualified issue raised in our report as it is a statutory requirement for all of the items to be available. The other issues raised are only other matters advising you of issues to correct going forward and are not qualifications to our opinion.

When we asked you to adjust box 7 we would also expect you to adjust boxes 9 and 11, as all of these boxes should agree when preparing your accounts on a receipts and payments basis. I worded the issue to say that box 7 should agree to box 9 and 11 and it doesn't say it is anyone's fault it simply says the boxes do not agree and in the future the council should ensure they agree. Going forward I have reminded the auditors to ensure when they ask for box 7 to be amended they also refer to box 9 and 11.

Last year we noted that the boxes were incorrectly stated and the council should ensure that the boxes are correctly stated in future years. When the 2017 accounts were prepared you amended the accounts to show the PSDF in the assets box but you didn't amend the previous year's figures. The annual return and proper practices both state that both years should be prepared on the same basis.

I hope this explains our issues arising report.

If you have any queries please do not hesitate to contact me

Kind regards

**MRS EMMA PRINCE ACA**

Senior Manager - Southampton Prof Bus Assurance

0440238081912 (Mob)

0440238081701 (Fax)

01703315082 (Work)

emma.prince@bdo.co.uk

(Working Monday, Tuesday and Thursday)

For and on behalf of BDO LLP

Needle House

Maritime Walk - Ocean Village

Southampton SO14 3LE

UNITED KINGDOM