

Annual Return for the Year Ended 31 March 2025

Accounting statement 2024-25 for:

Name of body: **Llanharan Community Council**

	Year ending		Notes and guidance
	31 March 2024 (£)	31 March 2025 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	740,106	787,959	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	261,900	271,894	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	351,110	389,236	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	118,260	99,234	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
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	446,896	227,267	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	787,959	1,122,587	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	5,392	14,520	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	786,738	1,123,222	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	4,171	15,155	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	787,959	1,122,587	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	Restated 250,347	256,138	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).

Annual Governance Statement

We acknowledge as the members of the Council, 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 2025, that:

	Agreed?		'YES' means that the Council:	Toolkit
	Yes	No*		
1. In consultation with the community, we have developed a vision and purpose for the Council and used this vision to inform the Council's plans, budget and activities.	Yes		Has consulted with the community and focussed its activities to meet the community's needs	A, C
2. We have adopted a Code of Conduct for members and officers and implemented an appropriate training plan for members to ensure all councillors understand their role and responsibilities.	Yes		Ensures that councillors understand and are equipped to deliver their roles and responsibilities.	B
3. We have ensured that we electronically publish the information the Council is required to publish by law, on its website at https://llanharan-cc.gov.wales	Yes		Is transparent about its activities and provides the public with all information required by law	A, C, D, E
4. We have taken all reasonable steps to ensure that the Council complies with relevant laws and regulations when exercising its functions, including employment of staff and payment of allowances to members.	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 does so	
5. We have adopted standing orders, financial regulations and terms of reference and ensure that these are followed when conducting business including functions delegated to committees.	Yes		Has adopted rules and procedures to govern how the Council conducts its business including procurement of goods and services.	B, E
6. We have put in place arrangements for: - Effective financial management including the setting and monitoring of the Council's budget - Maintenance and security of accurate and up to date accounting and other financial records - Identifying potential liabilities, commitments, events and transactions that may have a financial impact on the Council.	Yes		Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year	D
7. We have maintained an adequate system of internal control and management of risk, including: - measures designed to prevent and detect fraud and corruption including clearly documented procedures for authorising and making payments - assessment and management of risks facing the Council - an adequate and effective system of internal audit and reviewed the effectiveness of these arrangements.	Yes		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge including arranging 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.	D, E
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 weaknesses /issues brought to its attention by internal and external auditors.	D, E
9. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations 2014.	Yes		Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit issued by the Auditor General.	E
10. General power of Competence – The Council has resolved to adopt the General Power of Competence set out in Local Government and Elections (Wales) Act 2021		No	Meets the eligibility criteria to exercise the general Power of Competence	E

* Please include an explanation for any 'No' answers

Additional disclosure notes

Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1. Expenditure under S137 Local Government Act 1972

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2024-25 was £10.81 per elector.

In 2024-25, the Council made payments totalling £ 28,541 under section 137. These payments are included within 'Other payments' in the Accounting Statement.

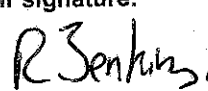
2.

Trust Funds

Trust funds – The Council acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have 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.
		No		

Council approval and certification

The Council is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2025.	Approval by the Council I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference:
RFO signature:	Minute ref: 2025/154 c and d
	Chair signature:
Name: Lisa Phillips	
Date: 21/05/25	Name: RHYS JENKINS
	Date: 19/06/25

* Please include an explanation for any 'No' answers

Annual internal audit report to:

Name of body: **Llanharan Community Council**

The Council'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 2025.

The internal audit has been carried out in accordance with the Council'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.

	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.	✓				<i>Please see our Internal Audit Report dated 19th May 2025</i>
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 contracts/ minuted approvals, and PAYE and NI requirements were properly applied.	✓				''
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				''

* Please include an explanation for any 'No' answers

	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 has met its responsibilities as a trustee.			✓		<i>The Council does not act for and on behalf of any Charitable Trust or Trust Fund.</i>

For any risk areas identified by the Council (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.			✓		<i>No additional risks identified</i>
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 are included in my detailed report to the Council dated 19 May 2025.] * 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 2024-25 and 2025-26. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	Claire Lingard
Signature of person who carried out the internal audit:	<i>Claire Lingard</i> Internal Auditor
Date: <u>19 May 2025</u>	WGWN Online www.wgwnline.org

* Please include an explanation for any 'No' answers

Explanation of variances

Working out what variances need to be explained

Line in section 1	Last Year £	This Year £	Variance Increase (+) or decrease (-) (This Year minus Last Year) £	% (Variance divided by Last Year figure multiplied by 100)	Explanation required? Less than 15% - NO More than 15% - YES
Line 3 Total other receipts	351110	389236	38126	11%	No
Line 4 Staff costs	118260	99234	-19026	-16%	Yes
Line 5 Loan interest/ capital repayments	0	0	0	0	No
Line 6 Total other payments	446896	227267	-219629	-49%	Yes
Line 8 Debtors and stock balances	5392	14520	9128	169%	Yes
Line 10 Creditors	4171	15155	10984	263%	Yes
Line 12 Total fixed assets and long term assets	Restated 250347	256138	5791	2%	No
Line 13 Total borrowing	0	0	0	0	No

One sheet to be prepared for **each variance** that requires explanation.

Line 4 Staff Costs	£
Figure in This Year column	99234
Figure in Last Year column	118260
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-19026

Reasons (as many as are applicable)	Amount £
Reason 1	Repayment to HMRC in 2023-24 for £10474 of Employer's Allowance claimed from 20/21;21/22;22/23.
Reason 2	
Reason 3	
Reason 4	
Unexplained	-8552
Confirm unexplained amount is less than 15% of Last Year figure	$-8552/118260 = 7\%$ reduction

One sheet to be prepared for **each variance** that requires explanation.

Line 6 Total Other Payments	£
Figure in This Year column	227267
Figure in Last Year column	446896
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-219629

Reasons (as many as are applicable)	Amount £
Reason 1	£77092 CIL grant awarded to LRGT Floodlights in 2023-24.
Reason 2	£71451 CIL grant awarded to Llanharan OAP to refurb OAP centre in 2023-24.
Reason 3	£13500 of Cil funds spent on carved wood artworks for Brynna Woods.
Reason 4	£4998 of CIL funds spent refurbishing telephone kiosk.
Unexplained	£52,588
Confirm unexplained amount is less than 15% of Last Year figure	$-52588/446896 = 12\%$ reduction

One sheet to be prepared for **each variance** that requires explanation.

Line 8 Debtors	£
Figure in This Year column	14520
Figure in Last Year column	5392
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	9128

Reasons (as many as are applicable)	Amount £
Reason 1	Variance between Q4 Vat control account = £6561 increase due to Christmas light expansion and LED lighting.
Reason 2	Prepayment of planters = £2424
Reason 3	
Reason 4	
Unexplained	£143
Confirm unexplained amount is less than 15% of Last Year figure	$143/5392 = 3\%$ increase

One sheet to be prepared for **each variance** that requires explanation.

Line 10 Creditors	£
Figure in This Year column	15155
Figure in Last Year column	4171
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	10984

Reasons (as many as are applicable)	Amount £
Reason 1	Invoice for £10000 awarded to Wildlife Trust received in FY 24/25, not paid until FY 25/26 due to admin issue.
Reason 2	£304 increase in allotment bonds.
Reason 3	£420 increase in damage deposit bonds
Reason 4	
Unexplained	£260
Confirm unexplained amount is less than 15% of Last Year figure	$260/4171 = 6\%$ increase

Restatement explanation – Line 12 Total fixed assets & long term assets

Following the internal audit report 2024, a comprehensive update of the Fixed Asset register has been undertaken due to erroneous valuations. ie insurance value was being used to calculate asset value as opposed to acquisition value in addition to the requirement for ‘gifted’ items to be revalued at a nominal value of £1.

Net effect of the above:

Fixed Asset Register 2023/24 has been restated from £504,354 to £250,347

Key examples:-

-£192,450 Shower block reduced to £1 due to “gifted” status and not insured value

-£93410 Bus stops reduced to £1 due to “gifted” status and not insured value

+£16,274 Bench value increased to take into account the “costs of bringing the assets into use” plus revised costings taken from archived minutes.

+£9,998 Defibrillator and cabinet values increased due to revised defibrillator costings taken from archived minutes.