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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr  
Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

*Rydym yn croesawu gohebiaeth yn Gymraeg.  
Rhowch wybod i ni os mai Cymraeg yw eich  
dewis iaith.*

*We welcome correspondence in Welsh. Please  
let us know if your language choice is Welsh.*



**Gwasanaethau Gweithredol a Phartneriaethol /  
Operational and Partnership Services**

Deialu uniongyrchol / Direct line /: 01656 643147  
Gofynnwch am / Ask for: Andrew Rees

Ein cyf / Our ref:  
Eich cyf / Your ref:

**Dyddiad/Date: 22 March 2017**

Dear Councillor,

**CATALOGUE SUPPLIES JOINT COMMITTEE**

A meeting of the Catalogue Supplies Joint Committee will be held in the Council Chamber, Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 30 March 2017 at 10.00 am.**

**AGENDA**

1. Apologies for Absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1st September 2008.
3. Approval of Minutes 3 - 4  
To receive for approval the minutes of the Catalogue Supplies Joint Committee of 22 September 2016.
4. Annual Accounting Statement 2016-17 5 - 18

Yours faithfully

**P A Jolley**

Corporate Director Operational and Partnership Services

Councillors:

C Barry

N Clarke

D Hardacre

Councillors

B Jones

CE Smith

B Stephens

Councillors

J Ward

P Williams

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MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES JOINT COMMITTEE HELD IN CIVIC OFFICES, ANGEL STREET, BRIDGEND CF31 4WB ON THURSDAY, 22 SEPTEMBER 2016 AT 10.00 AM

Present

Councillor B Stephens – Chairperson

N Clarke

CE Smith

J Ward

Apologies for Absence

C Barry, D Hardacre, B Jones and P Williams

Officers:

Adele Ahearn

Accountant

Paul Davies

Procurement Manager, Merthyr Tydfil County Borough Council

Steve Lock

Head of Operational Procurement, Rhondda Cynon Taf County Borough Council

46. DECLARATIONS OF INTEREST

None.

47. APPROVAL OF MINUTES

RESOLVED:

That the Minutes of a meeting of the Catalogue Supplies Service Joint Committee dated 13 July 2016, be approved as a true and accurate record.

48. AUDITED STATEMENT OF ACCOUNTS 2015/16

The Accountant Returns Systems and Joint Committees submitted a report, the purpose of which, was to present the Joint Committee's Statement of Accounts for the financial year ended 31 March 2016 which has now been signed off by the Authority's External Auditors, Wales Audit Office, and to receive the External Auditor's Report to those charged with governance.

She confirmed that had made some amendments to the 2015-16 Statement of Accounts, and the revised version of this was attached at Appendix 1 of the report.

The Accountant Returns Systems and Joint Committees then referred to Appendix 2 of the report and the Letter of Representation, which confirmed that to the best of one's knowledge and belief, having made appropriate enquiries of other Officers of the Catalogue Supplies Service Joint Committee, certain assurances to the auditors regarding the financial statements for Catalogue Supplies Joint Committee for the year ended 31 March 2016.

She referred to Appendix 3 to the report and the "Audit of Financial Statements Report for 2015-16" and paragraph 4.3 of the report which gave a resume of this. This basically reflected the summary of corrections made to the draft financial statements which Members of the Joint Committee should note.

The Accountant Returns Systems and Joint Committees advised that at year end 2015-16 the balance held by the Joint Supplies Service was around £777k, and this would be

carried forward, and subject to any further expenditure and/or any extra income being received, would be split between the participating authorities. There would be one further meeting of the Joint Committee, to consider the very final balance of the Service and to officially disband the Joint Committee.

Finally, she confirmed that the Chairperson would be required to sign the Letter of Representation in accordance with the rules and regulations of the CIPFA Code of Practice.

A Member wished it placed on record of the hard work committed by Officers who had supported the service, particularly in recent times. She had also been pleased to note, that some Officers who had worked in the service had been re-deployed in BCBC rather than having to be made redundant.

RESOLVED: That the Joint Committee:

- (1) Approved the audited Statement of Accounts for 2015-16 attached to the report at Appendix 1.
- (2) Noted and agreed the Letter of Representation to be provided to the Wales Audit Office (Appendix 2 to the report).
- (3) Noted the auditors' Audit of Financial Statements Report for 2015-16 (Appendix 3 to the report).

49. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, the public be excluded from the meeting during consideration of the following items of business as they contained exempt information as defined in Paragraphs 14 and 16 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

Following the application of the public interest test, it was resolved that pursuant to the Act referred to above, to consider the under-mentioned items in private with the public being excluded from the meeting.

50. APPROVAL OF EXEMPT MINUTES

RESOLVED: That the Exempt Minutes of a meeting of the Catalogue Supplies Joint Committee dated 13 July 2016, be approved as a true and accurate record.

The meeting closed at 10.30 am

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT OF THE TREASURER

#### CATALOGUE SUPPLIES JOINT COMMITTEE

30 MARCH 2017

#### ANNUAL ACCOUNTING STATEMENT 2016-17

##### 1. Purpose of the Report

- 1.1 The purpose of this report is to present the final audited Annual Accounting Statement of Catalogue Supplies for the financial year 2016-17 to the Joint Committee and to gain approval for the re-imburement of balances to the partner authorities on the basis of the constitution

##### 2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 None.

##### 3. Background

- 3.1 The Catalogue Supplies Committee agreed to the closedown of the organisation at their meeting on the 18 December 2015 and the organisation ceased trading on the 31 March 2016. The organisation previously had a turnover that exceeded the £2.5 million threshold of smaller local government bodies under Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 which required it to produce a Statement of Accounts.
- 3.2 During 2016-17 the turnover of Catalogue Supplies was below the threshold. Consequently, Catalogue Supplies were only required to complete an Annual Accounting Statement for 2016-17.

##### 4. Current Situation /Proposal

- 4.1 The Annual Return for 2016-17 as certified by Internal Audit is attached at Appendix 1. This shows the net position of Catalogue Supplies as nil as it includes the distribution of residual balances to the partner authorities.
- 4.2 In 2016-17 Catalogue Supplies made a net loss of £119,718. This was as a result of two months running costs and only a small amount of income post closedown of the business.
- 4.3 For reporting consistency, the actual performance for the year is provided in a format which is normally reported to the Joint Committee.
- 4.4 The following table shows a summary of the final financial position for 2016-17.

**Table 1 – Catalogue Supplies Financial Position 2016-17**

<b>Actual 2015-16 £000</b>		<b>Actual 2016-17 £000</b>
	<b>Income</b>	
(1,084)	Catalogue Sales (net)	(77)
(46)	Other income	0
(4)	Financing Investment & Income	0
<b>(1,134)</b>	<b>Total Income</b>	<b>(77)</b>
	<b>Expenditure</b>	
1,172	Employees	93
98	Premises	43
134	Transport	0
121	Supplies & Services	72
47	Third Party Payments	0
53	Support Services	25
36	Increase/(Decrease) in Provisions-(Bad Debt)	(36)
<b>1,661</b>	<b>Total Expenditure</b>	<b>197</b>
<b>527</b>	<b>(Surplus)/Deficit for year</b>	<b>120</b>

4.5 No budget was set for 2016-17 because of the closedown of the business, so a brief description on the main elements is given below:

- The income relates to invoices raised in 2016-17 for goods ordered during 2015-16 but not received until 2016-17 and income received as a result of the sale of surplus stock and racking.
- The Employees costs are the salary for the months of April and May 2016 together with termination costs such as Loyalty Awards, small differences in Redundancy costs and Holiday pay.
- The Premises cost relates to the Catalogue Supplies portion of the County Supplies building which they occupied for two months.
- The Supplies and Services cost relate to £44,000 of items ordered during 2015-16 but not received until 2016-17 and the final payment of the consultants fees £15,000.
- The Support Cost are detailed below are the charges for the time incurred by Bridgend CBC staff in closure the business.

**Table 2 – Support Costs**

<b>2015-16</b> £		<b>2016-17</b> £
10,700	Accountancy	6,034
2,270	Procurement	8,358
20	Internal Audit	0
6,960	Legal	9,622
8,550	Human Resources	575
4,790	Property	0
2,010	Creditors	0
17,510	IT	0
<b>52,810</b>	<b>Total</b>	<b>24,589</b>

- 4.6 In addition to the Income and Expenditure Statement, a supplementary Balance Sheet is provided in Table 3 below. This supplementary information provides breakdown of the figures prior to them being re-distributed to the Partner Authorities on the basis agreed in the Constitution.

**Table 3 – Balance Sheet for Years Ended 31 March 2016 & 2017**

<b>31 March 2016</b> £000	<b>Description</b>	<b>31 March 2017</b> £000
10	Inventories	0
228	Short Term Debtors	0
1,128	Cash	673
<b>1,366</b>	<b>Current Assets</b>	<b>673</b>
0	(Cash Overdrawn)/Cash and Cash Equivalents	0
(595)	Short Term Creditors	(15)
<b>(595)</b>	<b>Current Liabilities</b>	<b>(15)</b>
<b>771</b>	<b>Net Assets</b>	<b>658</b>
	<b>Usable reserves</b>	
777	Accumulated Surplus	658
0	Earmarked Reserve	0
	<b>Unusable reserves</b>	
(6)	Short-term Accumulating Absences	0
<b>771</b>	<b>Total Reserves</b>	<b>658</b>

- 4.7 Further information to explain the balances are provided below:

- The Accumulated Surplus has been allocated to the Partner Authorities on the basis of Population which is the agreed method in the Constitution. The latest mid-year figures have been used which are the mid-year 2015 figures obtained from the Welsh Government website.
- The Short Term Creditors represent overpayments that have been made by Partner Authorities which now need to be repaid to them. Details of the individual

transactions have been provided to the Partners and the amounts repayable are detailed below. The Net Credits represent the balance of creditors due to each respective authority.

Authority	Population	%	Accumulated Surplus	Net Credits	Net Payment
RCT	237,411	38.35	£252,248.19	£ 5,926.65	£258,174.84
Bridgend	142,092	22.96	£151,020.03	£ 2,124.34	£153,144.37
Caerphilly	180,164	29.11	£191,471.83	£ 5,275.02	£196,746.85
Merthyr	59,324	9.58	£ 63,012.72	£ 1,868.72	£ 64,881.44
	618,991		£657,752.77	£15,194.73	£672,947.50

4.8 These balances have been distributed to the Partner Authorities and the Annual Return for 2016-17 has been produced to reflect this.

## 5. **Effect upon Policy Framework and Procedure Rules**

5.1 None.

## 6. **Equalities Impact Assessment**

6.1 There is no impact on specific equality groups and disability duties.

## 7. **Financial Implications**

7.1 The Financial implications are included in the body of the report

## 8. **Recommendation:**

8.1 It is recommended that the Joint Committee approves the Annual Return 2016-17 for Catalogue Supplies Joint Committee and to submit it to the Wales Audit Office.

**RANDAL HEMINGWAY**  
**HEAD OF FINANCE, S151 OFFICER**  
**BRIDGEND COUNTY BOROUGH COUNCIL**  
**TREASURER TO CATALOGUE SUPPLIES JOINT COMMITTEE**

**21 March 2017**

Contact Officer: Adele Ahearn Tel No (01656) 643358  
 Accountant, Financial Control & Closing  
 Adele.Ahearn@bridgend.gov.uk

### **Background Papers**

None



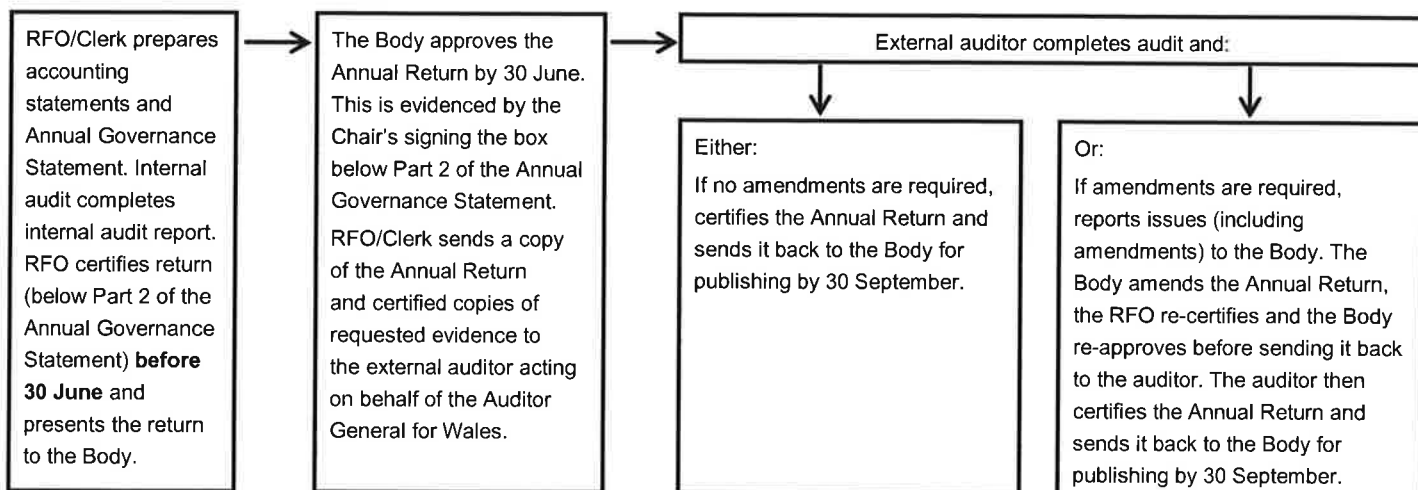


## Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2017

Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

### The accounts and audit process

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



**Please complete all sections highlighted in red.** 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. **Please note that copies of all documents provided for the purposes of the audit must be certified as true copies of the originals by the Clerk and Chair.** Unless requested, please **do not** send any original financial or other records to the external auditor.

Bodies should note the changes to the Annual Governance Statement. This is to be completed in full by all Bodies.

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 2017?	<input type="radio"/>	<input type="radio"/>
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	<input type="radio"/>	<input type="radio"/>
	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?	<input type="radio"/>	<input type="radio"/>
	Does the bank reconciliation as at 31 March 2017 agree to line 9?	<input type="radio"/>	<input type="radio"/>
<b>All sections</b>	Have all red boxes been completed and explanations provided where needed?	<input type="radio"/>	<input type="radio"/>
	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.	<input type="radio"/>	<input type="radio"/>
<b>Supporting evidence</b>	Have all items and pages of supporting evidence provided to the audit been certified as a true copy of the original by the Clerk and Chair?	<input type="radio"/>	<input type="radio"/>

# Accounting statements 2016-17 for:

Name of body:

	Year ending		Notes and guidance for compilers
	31 March 2016 (£)	31 March 2017 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	1216	771	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	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	6372	87	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	-1180	-93	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	-5637	-765	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	771	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors and stock balances	238	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	1128	0	<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	-595	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	771	0	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	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	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> 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 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 approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and proper practices.	<input checked="" type="radio"/>	<input type="radio"/>	Prepared its accounting statements in the way 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.	<input checked="" type="radio"/>	<input type="radio"/>	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 Committee to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	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.	<input checked="" type="radio"/>	<input type="radio"/>	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 Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	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.	<input checked="" type="radio"/>	<input type="radio"/>	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 Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	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.	<input checked="" type="radio"/>	<input type="radio"/>	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>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	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 Council/Board/Committee:	PG Ref
	Yes	No*		
1. We calculated and approved the Committee's budget requirement for the 2016-17 financial year in accordance the Local Government Finance Act 1992 and proper practices.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Properly planned its financial activities for the year and set a budget in accordance with statutory requirements.	13
2. We have received detailed financial reports setting out the income and expenditure and a summary of the Committee's financial position on a regular quarterly basis throughout the year.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Effectively monitored its financial position, income and expenditure against that budget throughout the financial year.	13
3. We have ensured that the Committee's internal audit is independent of its day-to-day decision-making process and maintenance of the accounting records and have agreed appropriate terms of reference for the internal audit.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Ensured that its internal audit function is able to undertake its work without potential conflicts of interest and with sufficient scope to provide an adequate and effective service.	8

\* Please delete as appropriate.

### Committee approval and certification

The 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.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017</p>	<p><b>Approval by the Committee</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p> <p style="text-align: center;">Insert minute reference and date of meeting</p>
<p><b>RFO signature:</b> </p>	<p><b>Chair signature:</b></p>
<p><b>Name:</b> name required RANDAL HEMINGWAY</p>	<p><b>Name:</b> name required</p>
<p><b>Date:</b> dd/mm/yyyy 21/03/2017</p>	<p><b>Date:</b> dd/mm/yyyy</p>

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

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

## 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:

--

### 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 \_\_\_\_\_.]

### 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.

(Continue on a separate sheet if required.)

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.

## Annual internal audit report to:

Name of body: Catalogue Supplies Joint Committee

The 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 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 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="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Annual internal audits have provided assurance followed by a review of the closure procedures in January 2017.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	As above.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	External review commissioned regarding viability resulting in the decision to close the service.
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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	None.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Examination of the final position regarding outstanding debtors confirmed that the final outstanding debts were received in December 2016.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	None.
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="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Salaries paid by central BCBC payroll. A review of redundancy costs was included in the final audit of the closure procedures.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	No assets of any value.

	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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	No separate bank account. Balance sheet codes agreed at year end. Reliance placed on annual audits by Wales Audit Office.
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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	As above.
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	None.

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="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Not covered due to closure of the service.
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
14. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	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 \_\_\_\_\_.] \* 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: Joan Davies

Signature of person who carried out the internal audit:





## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange ([www.audit.wales/good-practice/finance/community-council-money](http://www.audit.wales/good-practice/finance/community-council-money)) provides further information on the accounts and audit process along with guidance on governance matters.
3. 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.
4. **There are now two boxes for certification and approval by the Body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.**
5. 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.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2015) equals the balance brought forward in the current year (line 1 of 2016). Explain any differences between the 2015 figures on this annual return and the amounts recorded in last year's annual return.
7. 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.
8. 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 section 1. More help on bank reconciliation is available in the Practitioners' Guide\*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. 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.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. 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.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **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.
14. **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.**

