

Accounting statements 2018-19 for:

Name of body: Connah's Quay Town Council

	Year ending		Notes and guidance for compilers				
	31 March 2018 (£)	31 March 2019 (£)					
Statement of income and expenditure/receipts and payments							
1. Balances brought forward	0 237,806	0 192,980	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	0 303,453	0 309,336	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.				
3. (+) Total other receipts	0 124,864	0 146,829	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.				
4. (-) Staff costs	0 183,610	0 204,676	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 16,322	0 16,066	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).				
6. (-) Total other payments	0 273,211	0 312,635	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	0 199,915	0 115,769	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 10,080	0 11,323	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.				
9. (+) Total cash and investments	0 191,279	0 114,139	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.				
10. (-) Creditors	0 8,379	0 9,693	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.				
11. (=) Balances carried forward	0 192,980	0 115,769	Total balances should equal line 7 above: Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	0 2,288,762	0 2,288,762	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.				
13. Total borrowing	0 227,511	0 222,029	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
14. Trust funds disclosure note	Yes c	No c	N/A c	Yes c	No c	N/A c	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 2019, 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"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 type="checkbox"/>	<input checked="" type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	<input type="checkbox"/>	<input type="checkbox"/>	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:
	Yes	No*	N/A	
1. We have adopted standing orders and financial regulations as appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Has properly established its internal rules setting out how it will conduct its business.
2. We have ensured that the Council's standing orders and financial regulations have been followed for all relevant transactions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Has followed its internal rules and reviewed its compliance with those rules
3. All committees and sub-committees of the council have been properly established and provided with appropriate terms of reference setting out the delegated responsibilities to make decisions or recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Has ensured that where applicable, the Council has properly delegated its responsibilities to committees

* 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.

<p>Certification by the RFO</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 2019.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:</p>
<p>RFO signature: <i>[Signature]</i></p>	<p>Insert minute reference and date of meeting 218 7/2/24</p>
<p>Name: <i>EMILIANNE WILSON</i></p>	<p>Chair of meeting signature: <i>[Signature]</i></p>
<p>Date: <i>24/08/22</i></p>	<p>Name: <i>B CRASE</i></p>
	<p>Date: <i>07/02/24</i></p>

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

<p>Certification by the RFO</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 2019.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:</p>
<p>RFO signature: signature required</p>	<p>Insert minute reference and date of meeting</p>
<p>Name: name required</p>	<p>Chair of meeting signature: signature required</p>
<p>Date: dd/mm/yyyy</p>	<p>Name: name required</p>
	<p>Date: dd/mm/yyyy</p>

Annual internal audit report to:

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 2019.

The internal audit has been carried out in accordance with the Council/Board/Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insert text

Auditor General's report and audit opinion

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2019 of **Connah's Quay Town Council**. My audit has been conducted on behalf of the Auditor General for Wales and in accordance with the requirements of the Public Audit (Wales) Act 2004 (the 2004 Act) and guidance issued by the Auditor General for Wales.

Audit opinion: Qualified

Except for the matters reported below in my Basis for Qualification, on the basis of my audit, in my opinion no matters have come to my attention to give cause for concern that, in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislative and regulatory requirements have not been met;
- is not consistent with the Council's governance arrangements; and
- that the Council does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Basis of Qualification

Accounting Statement I am unable to conclude whether or not the Accounting Statement properly/fairly presents the Council's income and expenditure and financial position:

- The Council has not reviewed its fixed asset register, the valuation basis for the reported figure remains unchanged since 2014/15.
- The Council has reported a stock figure within its debtors balance totalling £4888.78 which cannot be supported by documentary evidence.
- The Council has not been able to provide complete, appropriate and adequate account records regarding staff costs as the Council did not maintain contracts of employment for staff.

Annual Governance Statement

I am unable to conclude whether or not the Annual Governance Statement is consistent with the Council's internal controls and governance arrangements for the year:

- Assertion 1: preparation of accounting statements. The Council has not prepared its annual accounts in accordance with proper practices as the Council has not maintained an appropriate asset register to inform its reported figure.
- Assertion 1: arrangements for the approval of accounts. The Council did not make proper arrangements for the approval of the Annual Accounts. The Council did not approve the accounts by 30 June as required by the Accounts and Audit (Wales) Regulations 2014.
- Assertion 2: maintenance of an adequate system of internal control. The Council has not updated or established financial regulations and standing orders based on the One Voice Wales/NALC model. We recommend that the Council reviews and formally adopts new standing orders and financial regulations in accordance with One Voice Wales guidance.
- Assertion 2: effective financial management and control. The Council's had significant deficiencies regarding its internal control arrangements examples of which are detailed below:

	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 type="radio"/>	Insert text
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:					
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
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/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 2017-18 and 2018-19. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: name required
Internal Auditor address:
Signature of person who carried out the internal audit: signature required
Date: dd/mm/yyyy

- The Council did not approve or authorise payments made by petty cash and its “imprest” bank account. The majority of non-routine payments were made via the “imprest” bank account.
- The Council does not have a documented system of making payments.
- Payments made from the “Chairs” account are not scrutinised, documented or reported. Civic Head payments are to be paid directly to the individuals as remuneration.
- The Council does not have an adequate record and contract management system. The Council was unable to evidence when or how contracts were approved.
- The Council does not receive adequate information regarding contracts it intends to enter.
- The Council records are not held securely. It was noted the Council’s payroll system was not password protected with the login details shared across the administration team.
- The Council did not have any documented cash management procedures.
- Assertion 3: Compliance with relevant laws and regulations. The Council has not published information it is required to publish electronically by the Local Government (Democracy) (Wales) Act.
- Assertion 3: compliance with laws, regulations and codes of practice. The Well-being of Future Generations (Wales) Act 2015 requires councils with income and expenditure exceeding £200,000 to report annually on how it contributes towards the well-being objectives for the area.
- Assertion 3: compliance with relevant laws and regulations. The Council’s budget has not been set in accordance with the Local Government Finance Act 1992 and that the precept has been set in line with the budget. The Act requires the Council to take into account its level of reserves, estimated income and expenditure when setting its budget requirement. We recommend that the Council sets a budget in accordance with the relevant regulations and codes of practice.
- Assertion 3: compliance with laws. The Council has not provided evidence that the Council has considered the decision regarding the determinations set by the Independent Remuneration Panel for Wales.
- Assertion 6: effective system of internal audit. The Council did not have an internal auditor for this financial year.
- Assertion 8: action on previous audit reports. The Council has not implemented the recommendations raised by internal audit. It is recommended that the Council implements all recommendations raised by internal and external audit.

Other matters and recommendations

I draw the Council’s attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the Council.

Grant Income – Milk Subsidy

The Council had not claimed grant income from the Rural Payments Agency to recover costs it has incurred in relation to providing milk to primary schools. Failure to claim this grant income has led to unnecessary strain on the Council’s budget.


Insurance requirement

Auditor General’s report and audit opinion - Please contact us in Welsh or English / Cysylltwch â ni’n Gymraeg neu’n Saesneg.

The Council's insurance provider required the Council to take reasonable care in managing their activities which requires the following: written risk assessments, written records of staff and volunteer training for which the Council was unable to provide evidence for. The Council was also required to keep an up-to-date asset listing for which they Council did not do.

Statutory powers to make payments

The Council has not maintained a separate listing of payments that have utilised powers under Section 137 of the Local Government Act 1972. Most notably, the Council relies on this provision to make payments to supply milk to the primary school. We recommend the Council maintains a separate listing and report this figure within its accounting statements.

 Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales	Date: 15/01/2024
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