

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2022

### Accounting statements 2021-22 for:

Name of body: Wick Community Council

	Year ending		Notes and guidance for compilers												
	31 March 2021 (£)	31 March 2022 (£)													
<b>Statement of income and expenditure/receipts and payments</b>															
1. Balances brought forward	17594	17624	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	6000	6000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.												
3. (+) Total other receipts	2749	3946	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.												
4. (-) Staff costs	0	0	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 e.g., 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	8719	6861	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	17624	20709	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	0	0	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body at the year-end.												
9. (+) Total cash and investments	17624	21834	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.												
10. (-) Creditors	0	1125	<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	17624	20709	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).												
12. Total fixed assets and long-term assets	10509	12483	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).												
14. Trust funds disclosure note	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr style="background-color: #800000; color: white;"> <th style="padding: 2px;">Yes</th> <th style="padding: 2px;">No</th> <th style="padding: 2px;">N/A</th> </tr> <tr> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input checked="" type="radio"/></td> </tr> </table>	Yes	No	N/A	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr style="background-color: #800000; color: white;"> <th style="padding: 2px;">Yes</th> <th style="padding: 2px;">No</th> <th style="padding: 2px;">N/A</th> </tr> <tr> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input checked="" type="radio"/></td> </tr> </table>	Yes	No	N/A	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	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).
Yes	No	N/A													
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>													
Yes	No	N/A													
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>													

## Annual Governance Statement

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 2022, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
<b>1.</b> 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>	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12	
<b>2.</b> 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	
<b>3.</b> 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="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	
<b>4.</b> 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 the body's accounts as set out in the notice of audit.	6, 23	
<b>5.</b> 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="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	
<b>6.</b> 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	
<b>7.</b> 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="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	
<b>8.</b> We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input type="radio"/>	<input checked="" 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	
<b>9.</b> 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 type="radio"/>	<input type="radio"/>	<input checked="" 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.

## Additional disclosure notes\*

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 and S2 Local Government Act 2000

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 2021-22 was £8.41 per elector.

In 2021-22, the Council made payments totalling £2486 under section 137. These payments are included within 'Other payments' in the Accounting Statement.

### 2. Question 8, Governance Statement:

Wick Community Council have not been made aware of any advice or recommendations from Audit Wales. The Council did not submit Annual Returns for 2017/18 or 2018/19, both the External Auditor and Audit Wales are aware of this, these returns have now been submitted.

The 2019/20 and 2020/21 returns were submitted on time. Wick CC are waiting for an opinion on 4 returns from Audit Wales.

### 3. Question 4, Internal Audit - Reserves:

Wick CC are carrying very high reserves, subsequently councillors made the decision not to increase the precept in 2021/22 or 2022/23

The main reason for high reserves is due to delays agreeing a lease with Vale Council, that will allow WCC to take over running of the Sports Pavilion. This should have been completed 2 years ago, but the pandemic amongst other things has led to delays. We are hopeful this will be completed in summer 2022.

As the building is in poor condition, we want to refurbish the building in the short term and use reserves to get this work completed. In following years, we will apply for grants to extend the building and refit the kitchen amongst other planned improvements.



In the 2021/22 budget, £11000 was ringfenced for improvements to the pavilion, and this has increased in 2022/23. It is certain that there will be a significant increase in running costs of the building and this may lead to precept increases in later years, though we are hopeful that use of reserves if necessary and increased pavilion income will be sufficient to maintain the building in the first few years.

Reserves are also higher than predicted in the budget this year as funds allocated for Play Rangers (£600) and Repairs to Benches (£500) were not spent, and we have not been invoiced for 4 years of fees from Audit Wales. In addition, we were successful in reclaiming £1128 VAT.

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

## Council/Board/Committee approval and certification

The Council/Committee 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.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2022.</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><b>Minute ref:</b> 22.066.02</p>
<p><b>RFO signature:</b> </p>	<p><b>Chair of meeting signature:</b> </p>
<p><b>Name:</b> Councillor Phillip Murphy (RFO)</p>	<p><b>Name:</b> Councillor David Ambrose (Chair)</p>
<p><b>Date:</b> 16<sup>th</sup> June 2022</p>	<p><b>Date:</b> 16<sup>th</sup> June 2022</p>

## 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 2022 of **Wick Community 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 for Qualification**

#### **Annual Governance Statement**

In my opinion, the Annual Governance Statement is inconsistent with the Council's governance arrangements for the year

- Assertion 2 – maintenance of an adequate system of internal control. The Council has not updated its standing orders and financial regulations since 2011 to reflect the latest 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.

### **Other matters arising 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 body.

#### **Transparency**

The Council should ensure that meeting minutes, supporting papers and decisions are published. The Council should ensure that they also publish the register of Members' interests on the Council's website. The Council should ensure that they publish full copies of its prior year annual return including the accounting statement, AGS and the audit opinion.

We recommend that the Council publishes all relevant information relating to Council business on its website in the interest of being open and transparent.

**Unpresented Cheques**

The Council has included its unpresented cheques as a creditor balance within the statement of balances. This is not the correct accounting classification; the Council should include unpresented cheques within its reported total cash figure.

There are no further matters that I wish to draw to the Council’s attention

 <b>Richard Harries, Director, Audit Wales</b> <b>For and on behalf of the Auditor General for Wales</b>	<b>Date: 13/03/2024</b>
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## Annual internal audit report to:

Name of body: Wick 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 2022.

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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The Community Council's books are in good order.
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"/>	Financial Regulations have been met. Payments were supported by invoices, expenditure approved by Council and minuted. The Council reclaimed £1128.68 VAT from HMRC.
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"/>	The Council maintains a Risk Register. It was reviewed and agreed by Councillors at the AGM in May 2021. (See 12,13 and 14 below)
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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The Council produced a detailed budget that was approved in Jan 2021. The budget was monitored and conclusions reported to Council in October 2021. (See Disclosure Notes above regarding Reserves)
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"/>	The precept of £6000 was received as expected. Income from sports pavilion lettings was higher than anticipated in budget. VAT was accounted for and 3 years of payments were reclaimed from HMRC.
6. Petty cash payments were properly supported by receipts; expenditure was approved and VAT appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	There was no use of petty cash for year 2021/22. Expenditure was approved and VAT accounted for
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="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Councillors do not receive a salary. There were no expenses paid during the financial year.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The Asset Register was completed and is up to date. An annual allowance for appreciation and depreciation is included.

	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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Bank balances were reported to councillors monthly and minuted. Minutes are available on website <a href="http://www.wickcc.wales">www.wickcc.wales</a> . A financial summary and reconciled balance sheet were emailed to councillors every quarter and discussed at council.
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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Note: RFO has advised that due to an error in 2018, payments to One Voice Wales (before 31 <sup>st</sup> March) and Youth Club (after 31 <sup>st</sup> March) were not adjusted (debtors/creditors) in the Annual Return. <b>Note: Balances for 2021/22 are correct.</b> Accounting statements were correctly prepared. Records were checked against receipt and payment spreadsheets, and reported to council (see 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"/>	N/A

**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. Loss of records as a result of theft, or building damage such as fire	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	I have referred to the Risk Assessment for 2021/22: There were 3 risks considered as of high impact No action has been taken regarding this risk. It has been included in 2022/23 Assessment
13. Income such as the precept not being adequate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The precept was set so that it supported the requirements of the budget.
14. Income from the Sports Pavilion lettings not being adequate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Whilst income from the pavilion was higher than expected this year, it is insufficient to cover running costs of the building, so would advise improved marketing to help increase revenue. Broadband can be obtained at a lower cost.

\* 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).

### 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 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Mrs Linda Williams

Signature of person who carried out the internal audit:



Date: 17<sup>th</sup> May 2022