

Annual Return for the Year Ended 31 March 2026

Accounting statement 2025-26 for:

Name of body: **LLANARTH FAWR COMMUNITY COUNCIL**

	Year ending		Notes and guidance
	31 March 2025 (£)	31 March 2026 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	3791	3486	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	9000	9500	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	361	303	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	4508	4652	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	5158	4220	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	3486	4417	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	3486	4417	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	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	3486	4417	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	1410	1410	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, that for the year ended 31 March 2026:

	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.	X		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.	X		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 [insert name of website].	X		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.	X		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.	X		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 and preparation and approval of the annual accounts - 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.	X		Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year and has prepared and approved its accounts in accordance with legislation	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.	X		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.	X		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.	X		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		X	Meets the eligibility criteria to exercise the general Power of	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 2025-26 was £11.10 per elector.

In 2025-26, the Council made payments totalling £ 550 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.
			X	

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 2026.	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:
Name: MRS MELANIE MERCER	Chair signature: 
Date: 12.05.26	Name: Alex LE PELTIER
	Date: 12/5/26

Annual internal audit report to:

Name of body:

LLANARTH FAWR 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 2026.

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.	✓				See report.
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.	✓		1		See before.
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 11
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			N/A		11 11

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.					
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.

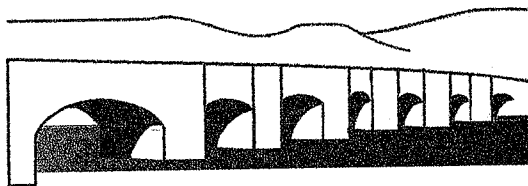
[My detailed findings and recommendations which I draw to the attention of the Council are included in my detailed report to the Council dated 10th July 2026.] * Delete if no report prepared.

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 2025-25 and 2026-26. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	Catherine A Wilkins Ltd.
Signature of person who carried out the internal audit:	
Date:	10/7/2026

* Please include an explanation for any 'No' answers



CATHERINE A. WILLIAMS LTD

CHARTERED ACCOUNTANT

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Internal Audit Report for Llanarth Fawr Community Council

Year ended 31st March 2026

Purpose of the Internal Audit

The purpose of the audit was to review the financial propriety and governance arrangements of the Council in accordance with proper practices as set out in the One Voice Wales/SLCC publication "Governance and accountability for local councils in Wales – A Practitioners' Guide (as amended December 2019) alongside the 'Finance and Governance Toolkit' (November 2022).

Main Findings

I have performed the Internal Audit for the year ending 31st March 2026. I note that the Community Council is in compliance with all the tests for internal audit during this year.

The Council's controls are strong and operating effectively, with financial documentation prepared to a high standard. Members demonstrate a clear understanding of their responsibilities, contributing to a strong culture of compliance. Any recommendations raised as part of the Internal Audit are intended to further strengthen and enhance existing controls.

My Internal Audit report is reviewed and noted as part of the 15th July 2025 meeting. I would like to take this opportunity to thank the Clerk Melanie Mercer for all her help and co-operation with the completion of this Internal Audit.

The control objectives tested and proved to be satisfactory are noted below:

1) Appropriate books of account have been properly kept throughout the year.

The objective here is to ensure that the accounting records are being maintained accurately on a timely basis and that no anomalies appear in the cash books or financial records. The bank reconciliations, cash book and receipts and payments account are all well maintained on a spreadsheet.

- The yearend receipts and payments summary and the bank reconciliations have been evidenced as reviewed.
- I note that during the year quarterly bank reconciliations were performed and evidenced as reviewed.
- A full list of payments due to be paid were noted within the minutes for approval and the minutes are evidenced.
- The cashbook is regularly balanced. It was noted in the minutes that the 2025 Accounts were considered and approved by the members as part of the AGM on the 20/05/2025.



ICAEW
CHARTERED
ACCOUNTANTS

Directors: Mrs Catherine A. Williams FCA Mrs
Gemma L. Indge FCCA

Registered in Wales No. 4945573

We have:

- 1) Checked the casting of the bank reconciliation and agreed the closing balance per the 31st of March 2026 reconciliation to the bank statement.
- 2) Checked a random sample from the detailed cash book transactions and confirmed those to supporting invoices, that they are authorised and minuted and where relevant VAT has been identified.
- 3) Reviewed the timing and the accuracy of the detail on the bank reconciliations.
- 4) Reviewed the list of S137 payments.

2) Financial regulations have been met, payments were supported by invoices expenditure was approved and VAT was appropriately accounted for.

The financial system and rules applicable to the Community Council's conduct are set out in the standing orders financial regulations.

I note that during the AGM meeting on the 20th May 2025 the following was considered and approved.

- The Financial Regulations and Standing Orders
- Governance/ Chairman's Report
- The risk assessment
- Clerks contract of employment considered and approved

The VAT identified as part of the cash book for 2025/26 has been traced in total to the VAT reclaim form for 2024/25 totalling £302.36.

A sample of expenditure and income was chosen from the receipts and payments spreadsheet and have been traced through to the backing information in the file. The sample of purchases chosen were also reviewed for VAT content and correctly agreed the split on the cash book between the VAT and Gross.

I am satisfied that the Community Council has met its obligations relating to financial regulations.

3) The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The objective is to ensure the Community Council has a robust series of corporate governance documentation in place, that the committee meetings are conducted in accordance with the adopted standing orders and adequate systems are maintained.

I have therefore undertaken the following work.

- A) Reviewed the minutes to identify anything unusual.
- B) Reviewed the minutes to confirm that the Community Council is carrying out an annual risk assessment.
- C) Reviewed the minutes to confirm that the insurance cover is considered appropriate and adequate.
- D) Internal financial controls are being documented and regularly reviewed.

The Community Council is aware of its risks and managing them. The risk register was also reviewed as part of the AGM on the 20th May 2025.

Similar to the prior year - the renewal of the insurance payment was included in the list of payments to be made within the Council meeting 20th May 2025. The minutes did not mention any review of the adequacy of the insurance cover, relating to the renewed policy.

Recommendation - A review of the insurance policy, the cover and quotes should be undertaken and the outcome of the review formally document in the minutes.

- 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.**

The Precept was £9500 for 2025/26. We have seen evidence of a budget for and the minutes from 13th January 2026 which confirm that due consideration was given to the Precept for 26/27. The 26/27 precept was set at £10,000.

A budgetary review has been performed throughout the year which compares the income receipts to date with the total spend incurred to that point. This is considered at each Community Council meeting. This has strengthened the controls and show effective monitoring.

- 5) Expected Income was fully received, based on correct prices properly recorded and promptly banked and VAT appropriately accounted for.**

There is little income received apart from the Precept. This year the only other income was the VAT refund. The Precept advice was available in the file and agrees to the bank statement and the expected amount.

No petty cash is maintained. Where the Clerk pays out for expenses a list of the amounts is made and the receipts are retained. All expenditure is reimbursed from the bank by a cheque payment.

£302.36 relating to the 24/25 VAT refund was received 2nd May 2025. The VAT reclaim for 25/26 for £236.46 was submitted after the yearend.

- 6) Petty Cash Payments were properly supported by receipts, expenditure was approved, and VAT appropriately accounted for**

No payments were made from petty cash, therefore there is no opportunity for misappropriation of funds.

- 7) Salaries to Employees and allowances to members were paid in accordance with minuted approvals and PAYE and NI requirements were properly applied.**

As noted in prior years there is a lack of segregation of duties simply due to the size of the Community Council with the Clerk being responsible for preparing her own salary. The Clerks salary is approved as part of the minutes.

The Clerk's salary was increased during the year inline with the NALC scales rates and the back payment made in September 2025 after approval at the November meeting.

From a review of the cashbook, it was noted that there were three PAYE and NI payments made during the year. The first 6 months were paid as a total followed by the later 2 quarters quarterly. The PAYE and NI was late during the year which means there could be HMRC penalties and interest

Recommendation - PAYE and NI needs to be paid on time. Consider setting up a DD for the PAYE and NI set by accessing the HMRC PAYE online account.

8) Assets and Investment registers were complete, accurate and properly maintained.

The objective here is to ensure that appropriate arrangements are in place for the safeguarding of the Community Council's assets.

I have noted that the Community Council maintains an appropriate asset register and that an annual review of the asset registered is evidenced. No asset additions or disposals this year.

9) Periodic and year-end bank account reconciliations were properly carried out.

Bank reconciliations are being prepared and reviewed regularly on the treasurer current account. During the year the bank required a change of account to a community account. No issues were noted from a review of the reconciliations prepared.

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 trail from underlying records and where appropriate debtors and creditors were properly recorded.

The yearend accounts are prepared on the receipts and payments basis which is appropriate for the size of the Community Council's income. There is a full trail from the spreadsheet which is reconciled to the bank to the final accounting statements presented.

11) Trust Funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.

N/A

Catherine A Williams Ltd
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Dated: 10th July 2026