

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2022

### Accounting statements 2021-22 for:

Name of body: PRESTEIGNE AND NORTON TOWN COUNCIL

	Year ending		Notes and guidance for compilers
	31 March 2021 (£)	31 March 2022 (£)	

Please round all figures to nearest £.  
Do not leave any boxes blank and report £0 or nil balances.  
All figures must agree to the underlying financial records for the relevant year.

#### Statement of income and expenditure/receipts and payments

1. Balances brought forward	116,943	121,269	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	70,851	69,514	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	12,635	34,914	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	24,829	25,560	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	54,331	66,506	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	121,269	133,631	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	<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	121,269	133,631	<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	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	121,269	133,631	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	230,230	241,204	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	Yes	No	N/A	Yes	No	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).
	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<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*			
1. 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	
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 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	
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 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="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 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	
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 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.

EXPLANATION OF SIGNIFICANT VARIANCES 2021-22						
PRESTEIGNE AND NORTON TOWN COUNCIL						
Line in Section 1	2021	2022	Variance (2022-2021)	% Variance variance divided by 2021 figure x 100	Explanation Req. Less than 15% - No More than 15% Yes	
Line 3 - Other Receipts	12,635	34,914	22279	176.33	YES - ATTACHED	
Line 4 - Staff Costs	24,829	25,560	731	2.94		
Line 5 Loan etc	nil	nil	0	0.00		
Line 6 - Other Payments	54,331	66,506	12175	22.41	YES - ATTACHED	
Line 8 Debtors/Stock	nil	nil	0	0.00		
Line 9 - Total Cash/Investments	121,269	133,631	12362	10.19		
Line 10 - Creditors	nil	nil	0	0.00		
Line 12 - Assets	230,230	241,204	10974	4.77		
Line 13 - Borrowing	nil	nil	0	0.00		



## Significant Variances – 2021-22

### Presteigne and Norton Town Council

Two sheets required.

Line 3 – Other Receipts	£
Figure in This Year column	34,914
Figure in Last Year column	12,635
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	22,279

Reasons (as many as are applicable)	Amount £
Reason 1 – Welsh Water Compensation for pipeline on Council park	8,500
Reason 2 – Lottery Grant for play equipment	9998
Reason 3 - Covid Grant, High Street Works	3599
Reason 4 – Welsh Water Community Fund Grant	500
Unexplained – explained is £318 over variance.	318
Confirm unexplained amount is less than 15% of Last Year figure	YES

Line 6 – Other Payments	£
Figure in This Year column	66,506
Figure in Last Year column	54,331
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	12,175

<b>Reasons (as many as are applicable)</b>	<b>Amount £</b>
Reason 1 – Payment for new play equipment.	11,998
Reason 2 –	
Reason 3 -	
Reason 4 –	
Unexplained –	177
Confirm unexplained amount is less than 15% of Last Year figure	YES



## PRESTEIGNE AND NORTON TOWN COUNCIL

### Arrangements for making payments

<b>Cash and bank accounts</b>	
Does the Council operate more than one bank account?	<b>Yes</b>
If Yes, please provide a description of the accounts operated. Please do not include account numbers at this stage	<b>Two current accounts – main general account and account for Park and Allotments.</b> <b>Three Savings Accounts – general reserves, capital ring fenced reserves and reserve for Warden area (donated monies from Welsh Water).</b>
Does the Council operate petty cash or make any payments by cash?	<b>No.</b>
If Yes, what records of cash receipts and payments are kept?	<b>N/A</b>
<b>Payment methods</b>	
Does the Council make payments from its bank accounts by:	
<b>Cheque:</b> If Yes please describe the approval process for signing cheques (approval by council, numbers of signatories etc)	<b>Yes.</b> <b>Approval by Council.</b> <b>Two authorised signatures required on each cheque.</b>
<b>Debit card:</b> If Yes, please describe the approval process for debit card payments and how these are recorded	<b>Not at present.</b>

	Currently in the process of applying for a debit card for each current account and drafting usage policy.
<b>Direct debits and standing orders:</b> If Yes, please describe how the Council approves the setting up of the direct debit/standing order.	Yes. Direct Debit form signed by two authorised signatories.
<b>Bank transfers;</b> eg direct transfers using internet banking. If Yes please explain how individual payments are made and authorised	<p>Yes.</p> <p>Payments are set up by the Clerk.</p> <p>Payments are approved by Council as for cheque payments.</p> <p>Payment slip from banking printed off and signed by two authorised signatories.</p> <p>Internet banking policy drawn up as additional to general finance regulations.</p> <p>Authorised Councillor logs on to bank account regularly to check activity. (Councillor has view only access).</p> <p>Maximum £5000 per day payments.</p> <p>Policy and procedures reviewed by internal auditor.</p>
<b>Reporting payments to the Council</b>	
<p>Please describe how payments made are reported to the Council. For example:</p> <p>Does the clerk present a schedule of payments to the Council for approval before or after payments are made?</p> <p>Does the clerk report to the Council payments made using a debit card and payments made via standing order and direct debits?</p>	<p>Payments generally made after approval unless urgent/expenditure previously agreed.</p> <p>All payments reported to Council and payments to be made are included within the agenda and subsequent Minutes.</p> <p>No debit card payments at present but will be reported as above.</p> <p>Direct debit payments reported to Council as for normal payments.</p>



# Annual internal audit report to:

Name of body: PRESTCIGNE + NORTON TOWN 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.	✓				
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 minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				



	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	✓				
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

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.					
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/Board/Committee are included in my detailed report to the Council/Board/Committee dated 11th April 2022.] \* 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 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:

LEE STEPHENS

Signature of person who carried out the internal audit:

*[Signature]*

Date:

8/04/2022



**Council Audit Plan 2021/22**  
**Presteigne and Norton Town Council**

1. Check the books of account have been properly kept throughout the year
2. Check payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved and VAT is correctly accounted for.
3. Review the Council's risk management assessment ensuring adequate arrangements are in place to manage all identified risks
4. Verify that the annual precept request is the result of a proper budgetary process, that budget process has been regularly monitored and that the Council's reserves are appropriate.
5. Check income records ensuring that the correct price has been charged, income has been received, recorded & promptly banked, & VAT is correctly accounted for
6. Review petty cash records to ensure that payments are supported by receipts, expenditure is approved & VAT is correctly accounted for
7. Check salaries to employees have been paid in accordance with Council approvals and that PAYE requirements have been applied
8. Check accuracy of asset and investment registers
9. Test accuracy and timeliness of periodic and year end bank account reconciliation
10. Test accuracy and completeness of year end financial statements.
11. Review and assess the Councils internet banking payment arrangements.
12. Any other appropriate additional relevant testing to support the validity and integrity of the above.

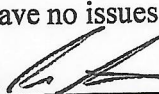
Internal Audit - Question/action list – 2021/22 accounting year PRESTEIGNE AND NORTON TOWN COUNCIL			
1		Appropriate books of account properly kept throughout the year?	✓
2	a	Appointed responsible financial officer with duties listed in Financial Regs or elsewhere?	✓
	b	Fin Regs. in place & regularly reviewed?	✓
	c	Standing Orders in place & regularly reviewed?	✓
	d	Delegated Powers on expenditure in place & adhered to?	✓
	e	Payments supported by invoices?	✓
	f	Expenditure properly approved?	✓
	g	VAT shown separately? Is there any thing unusual in the reconciliation? Has a VAT refund been requested recently, if not is the VAT paid since the last refund at a level that is sensible to request a refund?	✓
3	a	Have the risks been listed and a start been made on assessment and minimisation of risk?	✓
	b	Is there sufficient management of risk?	✓
	c	Insurance in order and the correct things covered?	✓
	d	Members check the accounts OR internal audit at least twice a year	✓



		and report back to council?	
	e	Are balances invested in the best safe account?	✓
	f	Initialled cheque stubs?	✓
	g	Regular internal audit?	✓
	h	Minute showing appointment of internal auditor?	✓
4	a	Council budgeted in a clear and adequate way?	✓
	b	Checks in place to ensure correct precept has been received?	✓
	c	Clerk or RFO report to council regularly to give progress reports on expenditure verses budget?	✓
	d	Reserves/balances appropriate? Is/are there specific project(s) for balances in excess of the annual precept?	✓
5	a	Was income received/expected? Did income equal expected income? If not why not?	✓
	b	System of receipt of income ensures that it is properly recorded and promptly banked?	✓
	c	VAT on income properly accounted for?	✓
6	a	Adequate check on petty cash?	N/A
	b	Payments properly supported by receipts/invoices?	N/A
	c	Expenditure approved?	N/A
	d	VAT properly accounted for? Reclaimed on petty cash?	N/A
7	a	Clear minute and contract which details the employees' pay and conditions	✓
	b	Employee(s) paid by/to those decisions?	✓
	c	PAYE and NI payments been made (if required) or written contact been made with the Inland Revenue giving details of taxable income?	✓
	d	Staff pension/gratuity? Minuted? Held in reserves? HMRC approval for service to 5 April 2006?	✓
8	a	Asset & investment registers?	✓
	b	Complete?	✓
	c	Accurate?	✓
	d	Maintained?	✓
	e	Checked/modified at least yearly eg. at annual council meeting?	✓
9	a	Cash book up to date, correctly sub-totalled and accounts reconciled at least once per quarter?	✓
	b	Clear record of the end of year statement?	✓
10	a	Accounts prepared on correct basis?	✓
	b	Agree with the cash book?	✓
	c	Supported by an adequate audit trail	✓
	d	A record of debtors and creditors?	✓
	e	Clear separate list of S137 payments	✓
	f	Year end accounts clear and accurate?	✓
	g	All account balances shown?	✓
	h	Correct supporting statements?	✓
11	a	Other risks been covered adequately?	✓
	b	Data Protection Registration held if needed & current/appropriate?	✓
	c	Electronic data backup arrangements adequate?	✓
12	a	Review Internet Banking payment arrangements	✓

I confirm that I have carried out the internal audit for Presteigne and Norton Town Council and I have no issues to raise/have issues to raise as attached (delete as appropriate).

Signed



L. Stephens, Internal Auditor

Date

8/4/22

Audit Report

# LRS Auditing

11 April 2022

Mrs T.Price  
Presteigne Council Clerk,

Dear Mrs Price,

This is to verify the findings of the Internal Audit of Presteigne Town Council for the year April 2021 to April 2022.

Mrs Price has maintained appropriate accounts in an organised manner with a clear and thorough audit trail. Payments were verified through bank statements, the cheque books and invoices.

Salaries have been paid in accordance with Financial Regulations.

VAT has been claimed for appropriately.

The Council budget has been appropriately monitored and maintained throughout the year. The annual precept has been planned for and any significant variances have been noted.

Please note that Mrs Price has provided very organised accounts and additional information to support the internal audit.

I have enclosed the invoice for my work completed. If you have any questions regarding my audit, please don't hesitate to contact me.

Yours sincerely,

Lee Stephens

Internal Auditor

LRS Auditing

9 Glandwr, Newtown, Powys SY16 1RE

07528 163275

[Lee.stephens83@gmail.com](mailto:Lee.stephens83@gmail.com)