



## **Abertillery and Llanhilleth Community Council**

Report on 2025/2026 Accounts and Annual Return

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## **Background**

The Council is required to approve the accounts for the financial year 2025-26 and to submit them to Audit Wales, along with an Annual Governance Statement and other relevant documents. Audit Wales is the combined name for the Auditor General for Wales and the Wales Audit Office.

Under the Public Audit Wales Act 2004 and the associated Accounts and Audit (Wales) Regulations 2014, accounts should be certified by the Responsible Financial Officer and presented to the Council, along with an Internal Auditor's report, by 30 June in any given year. They should then be sent to Audit Wales, for external audit.

Electors have a right under the legislation listed above to inspect and make copies of the accounts and relevant associated documents (e.g., bills, invoices etc) and submit questions and objections to the accounts (to Audit Wales) if they wish.

## **Annual Return for the year ended 31 March 2026**

The draft Annual Return for the financial year 2025-26 (ending 31 March 2025) is attached. Once agreed by a meeting of the Full Council and duly signed, the form will be submitted to Audit Wales (the Auditor General for Wales) and published on the Council's website.

The data from the Council's accounting system used to complete the form is shown in appendix 1. Abertillery and Llanhilleth Community Council's accounts for 2025-26 will undergo a triannual full external audit by Audit Wales.

## **Internal Audit**

The Council's internal auditor's reports will be appended as separate documents.

## **Detail of Annual Return**

Particular points of note are:

For the seventh year in succession, the expenditure incurred by the Council during the financial year 2025-26 failed to meet its expected spending (its budget). The budget underspend figure was £89,999 at year end, this may seem excessive but see notes below. The main underspending points being:-

- £30,405 underspend on Staff Salary - late invoice for Q4 payment not included in 2025/2026
- £525 underspend on members training
- £1,157 underspend on staff training – Council got bursary for CILCA training
- £2,872 underspend on Members Allowances
- No telephone/broadband costs as we are in credit
- £1,000 on professional fees – expected lease costs for allotments not materialised.
- £2,251 underspend on Council Grants – some grants agreed but not paid in financial year
- £2,150 underspend on Ward Grants
- £3,541 underspend on Solar farm Grant – grants agreed but not paid in financial year. The actual underspend is £1,416
- £5,704 underspend for Christmas Lights Grants
- £1,158 underspend for Ffrindiau Tyleri
- £1,250 underspend on Community Tubs

In addition we recorded VAT in the budget, but this is not included in the accounts/outturn. This shows up as £9,927 underspend on the budget report for the Christmas Lights Central Contract, Party in the Park and Town in Bloom central Contract, all which had significant VAT.

The precept for 2026/27 was increased to £445,611 which is still under the over budget requirement of £503,400 for 2026/27. The previous year's underspend plus the receipts from the VAT reclaim will bridge this gap. By the end of the 2025/26 financial year, the total of the Council's accounting balances had increased from £221,452 to £281,451 This figure should be closely monitored.

Staff costs are paid through Blaenau Gwent County Borough Council's payroll system. Blaenau Gwent Council then invoices this Council for these costs for each quarter. If there is a delay before these invoices are sent to this Council, staff costs incurred during one financial year may not be paid until the following financial year. These unreceived invoices should have been recorded as creditors so that the staff costs recorded in the Annual Return accurately reflect the staff costs actually incurred by the Community Council in each financial year, but this was not done this year.

The £120,000 costs of the detached youth workers are now paid in the beginning of the new financial year so there are no year-end adjustments that are required.

There are £8,669 worth of pre-payments for 2025/26 that are for events being held in 2026/27.

### **Banking Accounts Summary**

The Council has two main bank accounts: a current account and an earmarked reserves account. These are both with Unity Trust Bank. It also has a general reserve/investment account with CCLA

At the start of the financial year 2025-26, the Council had an opening balance of £73,702.27 in its current account. The current account balance at the end of the year was £100,185.61.

Earmarked Reserves (money allocated for specific future spending) is £42,788

General Reserves rose as funds were moved across to Earmarked Reserves and the General Reserves were moved into a higher interest investment account.

The initial investment in September 2024 was £101,671.11 it has since increased to £108,765 by March 2026. Official guidance suggests that community Councils should hold in reserves an amount in the range of 25 percent to 100 percent of the budget. The Council's budget for 2026/27 is £503,400.

General Reserves at the start of 2026-27 were £130,738, which is 25.9 percent of the budget figure. This is in line with audit governance advice that general reserves should be between 25% and 75%

Overall the Council had total cash assets at the end of 2025-26 of £281,451

### **Annual Governance Statement**

In agreeing the accounts for 2025-26, the Council is required to also agree the answers given in the Annual Governance Statement on page 3 of the Annual Return. The proposed answers to the questions are given below:

- 1: **No.** While the Council has developed a vision and purpose for the Council this was not done with consultation with the community only by internal consultation with Members
- 2: **Yes.** The Council has adopted a Code of Conduct for members and officers and implemented a training plan.
- 3: **Yes.** The Council electronically publishes the information that the Council is required to by law.
- 4: **Yes.** The Council has taken all reasonable steps to ensure that the Council complies with relevant laws and regulations.
- 5: **Yes.** We do have Standing Orders, Financial Regulations and Terms of Reference and these are followed when conducting business.

6: **Yes.** The Council operates a procedure whereby the majority of day-to-day payments and receipts (and their entry into the Council's online accounts system) are handled by the two Deputy Clerks, once the RFO (Clerk) has stamped and signed off the invoices. The payments are then authorised by 2 of 4 authorising councillors. This provides an adequate internal system of cross-checking throughout the financial year. bank reconciliations and payments are now carried out monthly by 2 members of the Finance and Governance Committee on a rota basis and presented to Council at the next full Council meeting.

7: **Yes.** The Council has a Financial Risk Register which is reviewed every 6 months

8: **No.** (1) The Council's Fidelity Insurance is insufficient and will be corrected at insurance renewal in 2026. (2) Allotment Leases/Income are not covered completely by lease agreements. (3) Clerk is not CILCA qualified but the Deputy Clerks are undergoing training and the new Clerk will be required to have this qualification. The current Clerk is due to retire in February 2027.

9: **Yes.** The Council has provided 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

10: **No.** The Council does not currently fulfil the eligibility criteria to exercise the General Power of Competence

## **Conclusion**

The attachments to this report, read together, form the Council's Annual Return and Annual Governance Statement for the year ended 31 March 2026, as required by the relevant legislation.

## **Next Steps**

The Annual Return (i.e., the accounting statements) plus an Annual Governance Statement will go before the Finance and Governance Committee for recommendation to Full council for approval before they are submitted to Audit Wales.

The Council will be recommended to:

- agree that the accounting statements shown in this report fairly present the financial position of the Council for the year ending 31 March 2026;
- authorise the Chair of the Council to complete and sign the Annual Return on the basis of the accounts;
- authorise the Responsible Financial Officer to submit the Annual Return, including the Annual Governance Statement, for the year ended 31 March 2026 and all relevant associated documents to Audit Wales as required.

The Annual Return and other attachments (income and expenditure details, bank reconciliation, variance statement, explanation of assertions etc) will then be submitted to Audit Wales, along with any other evidence required by the external auditor (e.g., dates of all meetings of Council and committees during the year and the Council's website address).

The Chair of the Council and the Responsible Financial Officer will sign the Annual Return before it is submitted to certify that the accounting statements fairly present the financial position of the Council and its receipts and payments for the year.

Audit Wales will, in due course (the timescale is unknown and beyond the control of the Council), provide its external audit opinion on these accounts. The Annual Return can then be published in its final form on the Council's website. Pending the external audit, the accounts will be published as 'unaudited accounts.'