Community and Town Councils in Wales
Annual Return for the Year Ended 31 March 2024

Accounting statements 2023-24 for:

Name of body: Abertillery and Llanhilleth Community Council

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	**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	204,383	289,958	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	289,000	289,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	35,992	37,238	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	60,223	83,413	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	179,194	307,301	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	289,958	225,482	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	116,317	16,464	**Income and expenditure accounts only:** Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	190,507	236,553	**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	16,866	27,536	**Income and expenditure accounts only:** Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	289,958	225,482	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	206,015	218,749	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, with respect to the accounting statements for the year ended 31 March 2024, that:

	Agreed?		'YES' means that the Council:	PG Ref
	Yes	**No***		
1. We have put in place arrangements for: • effective financial management during the year; and • the preparation and approval of the accounting statements.	Yes		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.	Yes		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 to conduct its business or on its finances.	Yes		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.	Yes		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 and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes		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.	Yes		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 and, where appropriate, have included them on the accounting statements.	Yes		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.	Yes		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

	Yes	No	N/A		
9. 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.			N/A	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 2023-24 was £9.93 per elector. In 2023-24, the Council made payments totalling £_________0_____ under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2.
3.

* 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.

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 2024.	**Approval by the Council** I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference: **Minute ref:** 31
RFO signature:	**Chair signature:**
Name: STEPHEN EDWARDS	**Name:** TRACEY DYSON
Date: 13-6-24	**Date:** 12-6-24

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 2024 of **Abertillery & Llanhilleth 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 of Qualification

Accounting Statement

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

- Insufficient detail in explanation of variances: The Council has not provided a full and quantified explanation of variances between the current and prior years' accounts regarding staff costs. Therefore I am unable to conclude whether or not the Accounting Statement is a full record of the Council's receipts and payments.

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.

Objection to accounts

I draw attention to the Auditor General's response to the objection to the 2023-24 accounts

We recommend that the Council reviews this response and ensures that the procedural deficiencies identified are addressed in future.

There are no further matters I wish to draw to the Council's attention.

 **Richard Harries, Director, Audit Wales** **For and on behalf of the Auditor General for Wales**	**Date: 12/05/2026**

Annual internal audit report to:

Name of body: Abertillery & Llanhilleth 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 2024.

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.	Yes				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Yes				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes				
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.	Yes				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	Yes				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			N/A		Council does not maintain a Petty Cash
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	Yes				
8. Asset and investment registers were complete, accurate, and properly maintained.	Yes				Please refer to Internal Audit Observations made

	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	Yes				
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	Yes				
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			N/A		Council does not act as a Sole Managing Trustee

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 04/03/2024 and 03/05/2024] * 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 2022-23 and 2023-24. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Kevin Rose ACMA IAC Audit and Consultancy Ltd

Signature of person who carried out the internal audit: K Rose

Date: 03/05/2024

1 Cwr y Ddinas / 1 Capital Quarter
Caerdydd / Cardiff
CF10 4BZ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

[redacted]

Reference: AMH/DE/ng

Date issued: 08 April 2026

Dear [redacted]

Abertillery and Llanhilleth Community Council
Objection to accounts and questions on accounts

I am writing for and on behalf of the Auditor General for Wales in relation to the objection to the 2023-24 accounts of Abertillery and Llanhilleth Community Council (the Council) that you made on 22 August 2024.

Appendix 1 of this letter summarises my audit findings and conclusions in relation to those matters for which you have raised your objection. Appendix 2 provides a response to your questions, where these are not already covered by my response to the issues on which you have made an objection. I also set out below my response to your objection and the course of action I have determined to be appropriate based on my findings and conclusions.

I have only considered those matters that are relevant to the Auditor General's functions under the Public Audit (Wales) Act 2004 (the 2004 Act).

Matters related to member conduct and Council administration are matters for the Public Services Ombudsman for Wales. The Ombudsman's website is www.ombudsman.wales. The homepage provides a link to advice on how to make a complaint.

Requested outcome

In making your objection, you asked the Auditor General to exercise his statutory functions to:

- issue a report in the public interest to draw attention to these matters; and
- to make an application to the court for a declaration that the expenditure referred to below was contrary to law.

Grounds for objection

You raised the following matters in your objection:

Increase in expenditure related to staff costs

On 23 July 2023, the Council's Human Resources (HR) Committee resolved to increase staff working hours including extending the working hours of the clerk and deputy clerk and the recruitment of a third staff member.

You believe that this decision and the subsequent expenditure was unlawful for the following reasons:

- The HR Committee did not have authority to decide to increase working hours and to recruit new members of staff.
- The HR Committee terms of reference do not include authority to exceed the staffing budget.
- No account was taken of the requirements of the Council's standing orders and financial regulations, specifically that the full Council must authorise all expenditure above £5,000.
- The estimated staff costs reported to the HR Committee were understated by 69%
- The Council's Clerk and Deputy Clerk breached the relevant Code of Conduct by failing to declare their interest, influenced the decision and failed to advise members of the need to comply with Standing Orders and Financial Regulations.

Appointment of Deputy Clerk to fill the position of Clerk following the Clerk's resignation in August 2023

Following the resignation of the then Clerk/RFO in early August 2023, the Council appointed the then Deputy Clerk as the acting Clerk/RFO and then to the substantive Clerk's position with effect from 1 September 2023.

You believe that this decision and the subsequent expenditure was unlawful for the following reasons:

- There is no formal minute appointing the then Deputy Clerk as acting Clerk/RFO following the former Clerk's resignation at the end of July 2023

- The HR Committee discussed the Clerk vacancy at its meeting on 23 August 2023 and determined that the Deputy Clerk would be the correct candidate for the role, while the Local Government Act 1972, the Local Government and Elections (Wales) Act 2021 and the Council's Financial Regulations (FR 1.8) require that the appointment of a Clerk must be made by the full Council and not a Committee.

Recruitment of third member of staff

On 25 July 2023, the HR Committee resolved to appoint a third member of staff, and the recruitment process commenced in August 2023.

You believe that this decision and the subsequent expenditure was unlawful for the following reasons:

- The HR Committee did not have authority to incur expenditure and approve new staff posts

- The decision did not follow the Council's Standing Orders and Financial Regulations that required the Council to consider a full business case before employing interim staff.

- The recruitment exercise carried out by the Vice-Chair, Clerk and Deputy Clerk did not meet the minimum quorum required by the Council's Standing Orders and no formal summons and agenda was issued to carry out the recruitment.

Exercise of Auditor General’s functions under the 2004 Act

The following paragraphs set out my decisions regarding your objection.

Report in the public interest

Section 22 of the 2004 Act provides that the Auditor General must consider whether, in the public interest, he should make a report on any matter which comes to his notice in the course of the audit, in order for it to be:

a. considered by the body, or

b. brought to the attention of the public.

The decision as to whether or not to issue a report in the public interest is a matter for the sole discretion of the Auditor General. Relevant factors taken into consideration include the quantum of any unlawful item of account or loss, whether there were significant failings in governance, whether the matters that might be the subject of a report are ongoing, whether there has been significant publicity in respect of the issues, whether the Auditor General has recommendations to make to the Council, whether the Auditor General believes that his independent view should be expressed in public, whether there are useful lessons to be learned, for example, such as might prevent loss to the public purse, and whether the costs of a public interest report are merited.

In making your objection, you requested that the Auditor General issue a report in the public interest to draw attention to the issues you raised.

Decision on making a report in the public interest

Based on my findings set out in Appendix 1, in this instance the matters do not appear to the Auditor General to require such a report. The Auditor General is of the view that a more appropriate mechanism for him to report on issues relating to the Council satisfying itself that it acts within the law, would be his Annual Audit opinion, which he is intending to issue to the Council by 10 May 2026 and which will in due course be a public document. Such an approach would be more proportionate, particularly in terms of the use of public money.

Application to the court for a declaration that an item of account is unlawful

Section 32 of the 2004 Act states that where it appears to the Auditor General that an item of account is contrary to law, he may apply to the court for a declaration that the item is contrary to law. If the Auditor General decides not to make an application for a declaration, he must notify a person who has made an objection under section 31(1)(a) in relation to the item of account of his decision.

Section 32 (6) of the 2004 Act provides that a person notified of the Auditor General's decision may require the Auditor General to state in writing the reasons for his decision within 14 days of being notified of the decision.

In making your objection, you requested that the Auditor General make an application to the court for a declaration that various items of account related to staff costs are contrary to law. These transactions were:

- payments of salary related to the appointment of the then Deputy Clerk/Acting Clerk to the substantive role of Clerk/RFO.

Decision on making an application to the court

For the purposes of section 32 of the 2004 Act, I have decided not to make an application to the court for a declaration that any item of account is contrary to law.

The following paragraphs state my reasons for this decision and meet my obligation to provide you with a statement of reasons under section 32(6) of the 2004 Act.

Statement of reasons

In my opinion, the payment of salary to the Council's officers is not contrary to law:

- Although I have identified procedural deficiencies related to these appointments, I do not consider that these deficiencies are sufficient to make the decisions unlawful.

- In particular, the procedural deficiencies do not negate section 112 of the Local Government Act 1972, which provides the Council with statutory powers to appoint such officers as it considers necessary for the proper discharge of its functions and that such officers shall hold office on such reasonable terms and conditions including as to remuneration as the Council think fit.

- The deficiencies I have identified in the HR Committee's terms of reference have already been addressed by the Council.

Appeal to the court

Under section 32 (7) of the 2004 Act, you may appeal to the court against the Auditor General's decision not to make an application under section 32. You must do this within 28 days starting with the day you receive this letter setting out the Auditor General's decision and his reasons. (The High Court and the county court have jurisdiction for the purposes of section 32 of the 2004 Act.)

Any appeal must be made by filing an appellant's notice in the prescribed form (Form N161) at the Administrative Court Office, Royal Courts of Justice, Strand, London, WC2A 2LL, within 28 days, calculated from the date on which you receive this letter. The procedures relating to statutory appeals are set out in the Civil Procedure Rules 1998 (as amended) and supplemental Practice Directions.

Should you make an appeal, the court has the same powers in relation to the item of account as it would have if the Auditor General had applied to the court.

Next steps

As I have decided not to issue a report in the public interest or to make an application to the court, I intend to complete the Auditor General's audit and issue the outstanding audit certificates and opinions in not less than 30 working days from today, i.e. on [date to be inserted]. This will allow sufficient time for you to consider whether or not you wish to appeal to the court as set out above.

I do not consider it to be in the public interest to undertake any further audit procedures in relation to these matters. Therefore, subject to any appeal you make to the court, I regard these matters closed, and we will not consider any further correspondence related to them.

Correspondence process and audit fees

As part of our audit process, we welcome information relevant to our audit functions that members of the public may provide to draw attention to potential financial management and governance issues at local councils. We take such information into account when planning and conducting our audit.

My audit team are dealing with a large number of councils and with other correspondents. When we receive correspondence, we review each item and consider what, if any, audit work is required. The time spent reviewing correspondence and undertaking any additional audit procedures is charged to the relevant council in full in accordance with our Fee Scheme, as required by statute. In most cases, the initial review is done by an audit manager at a current cost of £141 per hour. Additional work may be undertaken by a senior auditor at a cost of £91 per hour.

This means that dealing with large volumes of correspondence at an individual council significantly increases the audit fee charged to the council.

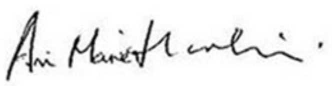
My staff have spent a substantial amount of time reviewing your correspondence and undertaking additional audit work in response to your concerns about the Council. The cost of this additional work is considerable and will be charged to the Council in accordance with the Audit Wales Fee Scheme.

I therefore request that if you have similar concerns in future, that you consider whether it might be helpful to refer matters related to administration and member conduct to the Ombudsman rather than my audit team.

Insofar as matters of concern that fall within the Auditor General's remit, I attach a copy of our correspondence policy and our information leaflet on your rights as a local elector in Abertillery. These documents set out more detail related to our responsibilities and your rights under the Public Audit (Wales) Act 2004.

I have copied this letter to Abertillery and Llanhilleth Community Council.

Yours sincerely



Ann-Marie Harkin
Executive Director – Audit Services
For and on behalf of the Auditor General for Wales

Audit considerations

Statistory provisions for the appointment of staff

Local Government Act 1972.

Section 112 of the Local Government Act 1972 provides the Council with statutory powers to appoint such officers as it considers necessary for the proper discharge of its functions and that such officers shall hold office on such reasonable terms and conditions including as to remuneration as the Council think fit.

Local Government and Elections (Wales) Act 2021

Sections 54 to 59 of the 2021 Act refer to the appointment of Chief Executives and assistants to executive.

However, these provisions apply to principal authorities only i.e. the unitary authorities and do not apply to community councils.

HR Committee

Section 101 of the Local Government Act 1972 permits the Council to arrange for the discharge of any of its functions by a committee or an officer of the Council.

The HR Committee's terms of reference set out the functions delegated to the committee by the Council. The Terms of Reference (dated May 2023) state that, amongst other matters, the HR Committee will exercise on behalf of the Council its powers relating to:

- Recruitment, rates of remuneration, termination of service, education, training, conditions of service, career development and all other similar matters relating to employees and, where relevant (such as in matters of training), members of Council.
- All matters concerning working conditions, employee service, staff welfare, agreements concerning salaries, sickness and grievance procedures, disciplinary measures, disputes and consultations with employees and their representatives.

Council Standing Orders and Financial Regulations

Your letter specifically refers to Financial Regulation 1.8. Financial Regulation 1.8 states:

> "The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly."

You also refer to financial regulations related to budgetary control. Financial Regulation 4 Budgetary Control and Authority to Spend, states the following:

> "4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
>
> - the Council for all items over £5,000;
> - a duly delegated committee of the Council for items over £500; or
> - the Clerk, in conjunction with the Chairman of the Council or Chairman of the appropriate committee, for any items below £500.
>
> Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.
>
> Contracts may not be disaggregated to avoid controls imposed by these regulations.
>
> 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee."

Financial Regulation 7 states:

> "7.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council or relevant committee.
>
> 7.8. Before employing interim staff, the Council must consider a full business case."

Audit findings and conclusions

Contrary to assertions made in your objection, there are no statutory requirements for the appointment of the Clerk to be advertised. The minutes of the 23 August 2023 meeting sets out a reasonable rationale for the appointment of the Deputy Clerk to the vacant Clerk's position.

The Council's Financial Regulations (1.8) do not require the Clerk to be appointed by the Council. The Regulation states that the office of RFO will be held by the Clerk.

The minutes of the HR Committee meeting of 25 July 2023 set out that "The Committee discussed the current staffing levels, the pressure and workloads on its current officers with only 50 hours a week staff time. Both the Clerk and Deputy Clerk put forward the idea to increase the number of staff hours so that Council could fulfil its statutory obligations and be able to facilitate the increasing Council workload as Council has became more ambitious in its work programme."

I have confirmed with the Council that no report, setting out a business case for an increase in working hours, was presented to the meeting. I understand that the then Clerk and Deputy Clerk orally proposed at the meeting that their working hours be increased to 30 hours per week. The proposal to recruit a third member of staff was put forward by a councillor and not the then Clerk or Deputy Clerk.

It is clear that the former Clerk and the Deputy Clerk had a personal interest in any discussions about changes to terms and conditions of work. However, as the Council's only two employees, it was appropriate for them to set out the facts for the Committee to consider. Having done so, it would have been appropriate for them to have withdrawn from the meeting while the Committee discussed staff resources.

The current Clerk has confirmed that neither the then Clerk nor the then Deputy Clerk left the meeting.

The Council's Financial Regulations make clear an expectation that significant additional items of expenditure (over £5,000) should be approved by the full Council. This means there is a potential conflict between the Committee terms of reference that allows the Committee to appoint staff and the Financial Regulations that require Council approval of significant items of expenditure. In this case, it would have been appropriate for the HR Committee's decisions to have been approved by the full Council.

The HR Committee's terms of reference allow the Committee to establish a sub-committee or working group. The minutes of the 25 July 2023 meeting record that the recruitment of a third staff member would be carried out by a working group of the Chair, Vice-Chair and the Clerk. The HR Committee did not establish a sub-committee and therefore the quorum requirements did not apply.

Conclusion

In my opinion:

- the HR Committee's terms of reference relevant at the time, provided the Committee with authority to make changes to terms and conditions of service and the establishment posts.
- there was no specific requirement for the appointment of a new Clerk to be made by the full Council. The HR Committee had sufficient delegated authority to appoint staff and make changes to terms and conditions of employment
- there was a significant weakness in the Committee's terms of reference in that decisions made by the Committee could potentially have a significant impact on the Council's finances
- the Committee should have been provided with a fully costed business case to support any proposed increase to the establishment posts or a permanent change to the current staff members' working hours.
- The proposal to increase the Clerk/Deputy Clerk's working hours and to recruit an additional member of staff should have been reported to the full Council for approval as it resulted in a significant increase in establishment costs.

Notwithstanding that there were procedural deficiencies in the decisions made, I do not consider these deficiencies to be sufficient to render the decisions contrary to law. Furthermore, the Council has subsequently amended the HR Committee's terms of reference to address the deficiency noted above.

Annual Return for the Year Ended 31 March 2025

Accounting statement 2024-25 for:

Name of body: **Abertillery and Llanhilleth Community Council**

	Year ending		Notes and guidance
	31 March 2024 (£)	31 March 2025 (£)	**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	289,958	225,482	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	289,000	381,132	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	37,238	75,454	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	83,413	112,110	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	307,301	348,506	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	225,482	221,452	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances0			
8. (+) Debtors	16,464	20,408	**Income and expenditure accounts only:** Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	236,553	229,315	**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	27,536	28,272	**Income and expenditure accounts only:** Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	225,482	221,452	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	218,749	237,884	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, with respect to the accounting statements for the year ended 31 March 2025, that:

	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.		No	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.	Yes		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 http://www.abertilleryandllanhilleth-wcc.gov.uk/	Yes		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.	Yes		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.	Yes		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 • 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.	Yes		Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year	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.	Yes		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.	Yes		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.	Yes		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 out in Local Government and Elections (Wales) Act 2021		No	Meets the eligibility criteria to exercise the general Power of Competence	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 2024-25 was £10.81 per elector. In 2024-25, the Council made payments totalling £___________0___ under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2. Point 1: The Council has developed a vison and purpose but this was done only by internal consultation of Members. Point 10: The Council does not currently fulfil the eligibility criteria to exercise the General Power of Competence.

Trust Funds

	Yes	No	N/A	
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.			N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

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 2025.	**Approval by the Council** I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference: **Minute ref:** 30
RFO signature:	**Chair signature:**
Name: STEPHEN EDWARDS	**Name:** Joshua Lowcliffe
Date: 30/6/25	**Date:** 30/6/25

* Please include an explanation for any 'No' answers

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 2025 of **Abertillery & Llanhilleth 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: Unqualified

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.

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:

Developing a Vision for the Community Council

I draw attention to the negative response to assertion 1 in the Annual Governance Statement. In exercising its statutory functions, the Council will benefit from having a clear vision for its community that has been developed in partnership / consultation with all sections of the community. Developing this vision will help inform Council plans, budgets and activities to ensure the Council best works with and in the interests of the community.

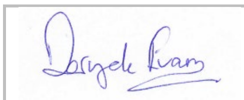
Further information is provided in the Finance and Governance Toolkit for Community and Town Councils.

Explanation of Variances

Each year, we send the Council an audit notice that specifies the information required for audit. This includes details of requirements for explaining variances between the current and prior years’ accounts. Further guidance is set out in the Practitioners’ Guide.

We recommend that the Council carefully reviews the audit notice and Practitioners' Guide to ensure that it provides the information required for audit.

There are no further matters I wish to draw to the Council's attention.

 **Deryck Evans, Audit Manager, Audit Wales** **For and on behalf of the Auditor General for Wales**	**Date: 12/05/2026**

Annual internal audit report to:

Name of body: **Abertillery and Llanhilleth 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 2025.

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.	Yes				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Yes				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes				
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.	Yes				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	Yes				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			N/A		
7. Salaries to employees and allowances to members were paid in accordance with contracts/ minuted approvals, and PAYE and NI requirements were properly applied.	Yes				
8. Asset and investment registers were complete, accurate, and properly maintained.	Yes				

	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.	Yes				
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.	Yes				
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			N/A		

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 ____________11/05/2025_________.] * 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 2024-25 and 2025-26. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	Kevin Rose ACMA IAC Audit & Consultancy Ltd
Signature of person who carried out the internal audit:	K Rose
Date: 11/05/2025	