Abertillery and Llanhilleth Community Council

Report on 2025/2026 Accounts and Annual Return

Author: Steve Edwards – Responsible Financial Officer

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 vison 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 Councils 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.'

Steve Edwards
Clerk and Responsible Financial Officer - 11 May 2026

Annual Return for the Year Ended 31 March 2026

Accounting statement 2025-26 for:

Name of body: Abertillery and Llanhilleth Community Council

	Year ending		Notes and guidance
	31 March 2025 (£)	31 March 2026 (£)	**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	225,482	221,452	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	381,132	434,023	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	75,454	41,833	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	112,110	90,595	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	348,506	325,263	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	221,452	281,451	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	20,408	22,908	**Income and expenditure accounts only:** Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	229,315	273,712	**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	28,272	15,169	**Income and expenditure accounts only:** Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	221,452	281,451	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	237,884	249,657	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	Agreed? No*	'YES' means that the Council:	Toolkit
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.		✓	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.	✓		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 https://abertilleryandllanhilleth-wcc.gov.uk	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.		✓	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.	✓		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		✓	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 2025-26 was £11.10 per elector. In 2025-26, the Council made payments totalling £8025 under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2. Point 1: Limited consultation has been implemented in areas but this is an area the Council are prioritising next year as it works through the Finance & Governance Toolkit. Point 8: Several issues have been raised during previous internal audits which have not been corrected: • The Council's Fidelity Insurance is insufficient – will be corrected at renewal in 2026. • Allotment Leases/Income – these are not current and are being reviewed and updated. Council does not currently maintain a register of income due. • Clerk is not CiLCA qualified – both Deputy Clerks are undertaking CiLCA training and the next Clerk will be required to have this qualification.

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.			✓	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts. **N/A**

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: **Minute ref:**
RFO signature:	**Chair signature:**
Name:	**Name:**
Date:	**Date:**

* Please include an explanation for any 'No' answers

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 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.	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 22nd May 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: Kevin Rose ACMA – IAC Audit and Consultancy Ltd
Signature of person who carried out the internal audit:
Date: 29th May 2026