

Llangoedmor Community Council	
Meeting Date:	15 th June 2026
Report Title:	Accounting Statements, Annual Governance Statement and Internal Auditor's Report for 2025-26
Agenda Item Number	5.1.1
Paper Reference	June 2026-7
Presented By	Clerk

Introduction

The paper deals with the following matters:

- Approval of the Accounting Statements for the Year Ended 31st March 2026
- Approval of the Annual Governance Statement for the Year Ended 31st March 2026
- To note the bank reconciliation at 31st March 2026
- To note the Annual Internal Audit Report for the Year Ended 31st March 2026
- To note the Fixed Asset Report at 31st March 2026
- To approve the Fixed Asset accounting policies used by the Council

Annual Return for the Year Ended 31st March 2026

A copy of the Annual Return for 2025-26 is attached as Appendix 1. The Annual Return comprises:

- Accounting Statements for the Year Ended 31st March 2026
- Annual Governance Statement for the Year Ended 31st March 2026
- Annual Internal Audit Report for the Year Ended 31st March 2026

The Council received income of £35,454 and spent £34,186 during the year. A summary of the income and expenditure is set out below.

Income

	2025-26	2024-25	Movement
	£	£	£
Precept	35,000	32,400	2,600
Burial Grounds	390	540	-150
Recycling	0	64	-64
Council Interest	57	56	1
Bank Interest	7	11	-4
Electric Failure Compensation	0	525	-525
Christmas Dinner Income	0	403	-403
	35,454	33,999	1,455

Expenditure

	2025-26	2024-25	Movement
	£	£	£
Councillors' Expenses			
Training	0	0	0
Training Expenses	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Staff Costs			
Salary	7,716	5,513	2,203
Expenses and Training	63	63	0
	<u>7,779</u>	<u>5,576</u>	<u>2,203</u>
General Expenditure			
Office Supplies	344	263	81
Hall Hire	250	434	-184
Repair and Maintenance	528	0	528
Grass Cutting	3,861	3,150	711
Playground	1,027	0	1,027
Litter	513	453	60
Bus Shelter	0	140	-140
Toilets	5,495	4,425	1,070
Church	571	559	12
Defibrillators	280	250	30
Insurance	2,135	1,858	277
Licences	615	78	537
Bank Charges	66	0	66
Professional Fees	5,138	1,020	4,118
S137 Expenditure	0	1,217	-1,217
Donations	5,150	0	5,150
Remembrance	40	20	20
Entertainment	0	68	-68
Capital	394	1,832	-1,438
	<u>26,407</u>	<u>15,767</u>	<u>10,640</u>
Grand Total	<u><u>34,186</u></u>	<u><u>21,343</u></u>	<u><u>12,843</u></u>

Fixed Asset additions in the year amounted to £394 including VAT and are set out in Appendix 2. Write offs in the year amounted to £672.

Subject to the comments in the Internal Auditor's report to the Council, the Internal Auditor was satisfied with the governance operated by the Council during the year.

Bank Reconciliation at 31st March 2026

The bank reconciliation at 31st March 2026 is set out below.

	Main Account £	Business Account £	Total cash Book £
Balance per the cash Book	94,926.70	1,026.57	95,953.27
Balance per the Bank Statement	98,777.77	1,026.57	99,804.34
Uncleared Cheques			
2307 Danfo	294.84		294.84
2310 Telemat	93.00		93.00
2313 Clerk	1,438.23		1,438.23
2314 National Eisteddfod	2,000.00		2,000.00
2309 Coracle Hall	25.00		25.00
	<u>3,851.07</u>	<u>0.00</u>	<u>3,851.07</u>
	<u>94,926.70</u>	<u>1,026.57</u>	<u>95,953.27</u>

Detailed Internal Auditors Report

The detailed Internal Auditors Report is attached as Appendix 3 to this report.

Fixed Assets and Accounting Policies

A Fixed Asset Register at 31st March 2026 is set out at Appendix 2.

The Council adopts the following policies in accounting for Fixed Assets:

- Assets are not depreciated
- Gifts are shown at zero value in the Asset Register
- Land is valued at £1 in the Asset Register

Proposal

It is proposed that the Council:

- Approves the Accounting Statements for the Year Ended 31st March 2026.
- Approves the Annual Governance Statement for the Year Ended 31st March 2026.
- Notes the bank reconciliation at 31st March 2026.
- Notes the Annual Internal Audit Report for the Year Ended 31st March 2026.
- Notes the Fixed Asset Report at 31st March 2026.
- Confirms the Fixed Asset accounting policies used by the Council.

Appendix 1

Annual Return for the Year Ended 31 March 2026

Accounting statement 2025-26 for:

Name of body: Llangoedmor Community Council

	Year ending		Notes and guidance
	31 March 2025 (£)	31 March 2026 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	82,028	94,685	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	32,400	35,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	1,599	454	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	5,513	7,716	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	15,829	26,470	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	94,685	95,953	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	94,685	95,953	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	94,685	95,953	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	135,523	135,245	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement

We acknowledge as the members of the Council, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, that for the year ended 31 March 2026:

	Agreed?		'YES' means that the Council:	Toolkit
	Yes	No*		
1. In consultation with the community, we have developed a vision and purpose for the Council and used this vision to inform the Council's plans, budget and activities.	X		Has consulted with the community and focussed its activities to meet the community's needs	A, C
2. We have adopted a Code of Conduct for members and officers and implemented an appropriate training plan for members to ensure all councillors understand their role and responsibilities.	X		Ensures that councillors understand and are equipped to deliver their roles and responsibilities.	B
3. We have ensured that we electronically publish the information the Council is required to publish by law, on its website at [insert name of website].	X		Is transparent about its activities and provides the public with all information required by law	A, C, D, E
4. We have taken all reasonable steps to ensure that the Council complies with relevant laws and regulations when exercising its functions, including employment of staff and payment of allowances to members.	X		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it does so	
5. We have adopted standing orders, financial regulations and terms of reference and ensure that these are followed when conducting business including functions delegated to committees.	X		Has adopted rules and procedures to govern how the Council conducts its business including procurement of goods and services.	B, E
6. We have put in place arrangements for: <ul style="list-style-type: none"> • Effective financial management including the setting and monitoring of the Council's budget and preparation and approval of the annual accounts • Maintenance and security of accurate and up to date accounting and other financial records • Identifying potential liabilities, commitments, events and transactions that may have a financial impact on the Council. 		X	Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year and has prepared and approved its accounts in accordance with legislation	D
7. We have maintained an adequate system of internal control and management of risk, including: <ul style="list-style-type: none"> • measures designed to prevent and detect fraud and corruption including clearly documented procedures for authorising and making payments • assessment and management of risks facing the Council • an adequate and effective system of internal audit and reviewed the effectiveness of these arrangements. 	X		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge including arranging for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	D, E
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	X		Considered and taken appropriate action to address weaknesses /issues brought to its attention by internal and external auditors.	D, E
9. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations 2014.	X		Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit issued by the Auditor General.	E
10. General power of Competence – The Council has resolved to adopt the General Power of Competence set		X	Meets the eligibility criteria to exercise the general Power of	E

* Please include an explanation for any 'No' answers

Additional disclosure notes

Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement.

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1. Expenditure under S137 Local Government Act 1972

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2025-26 was £11.10 per elector.

In 2025-26, the Council made payments totalling £nil under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2. While the Council has effective financial controls in place it has only reported expenditure to date against budget at one meeting during the year. This is the reason that Annual Governance Statement 6 has a "No" against it. The Council plans to report expenditure against budget on quarterly basis in the 2026-27 Financial Year.

Trust Funds

Trust funds – The Council acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
	X			

Council approval and certification

The Council is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2026.	Approval by the Council I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference:
	Minute ref:
RFO signature:	Chair signature:
Name: K.L. Jones	Name: K. Symmons
Date:	Date:

* Please include an explanation for any 'No' answers

Annual internal audit report to:

Name of body:

Largoedmar 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.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				} except for issue 1.) in internal audit report
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.	✓				} except for issue 2.) in internal audit report.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		
7. Salaries to employees and allowances to members were paid in accordance with contracts/ minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

* Please include an explanation for any 'No' answers

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out	✓				
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 has met its responsibilities as a 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.					

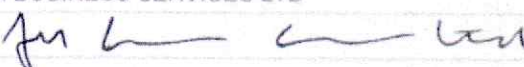
* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed)

** 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 20/05/2026.] * 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 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:	JDH BUSINESS SERVICES LTD
Signature of person who carried out the internal audit:	
Date:	20/05/2026

* Please include an explanation for any 'No' answers

Appendix 2

Llangoedmor Community Council Asset Register 31.03.26

Asset Description	Date acquired	Purchase price
Converted old Church of the Holy Cross of St David to sacred ruin		
Valued at conversion costs		33,000
Title number WA915438 Millenium centre	21/05/1999	1
Two bus shelters (ins value)		3,543
Notice board end wall of toilet block	5.03.18	956
Notice board donated by Aberystwyth Arts Council		
Notice board in block bus shelter	05/09/2023	327
Public benches 9 in number		3,732
Remembrance Bench Church	12.10.17	400
New bench Church	12.10.17	471
Remembrance bench field	1.09.17	-
Millenium project		20,980
Festive lighting		
Playground equipment pre 03-15	pre 2015	
Roundabout	pre 2015	500
Double toddler swings	pre 2015	1,800
Double swings	pre 2015	1,700
Sovereign climbing frame	04/04/2022	17,597
Playground equipment - HAGS steel firon	17.03.15	3,706
Playground equipment - HAGS Turtle 4 way springer	17.03.15	366
Playground equipment - HAGS jetsky springer	17.03.15	450
Playground benches	14.09.15	
Playground surfaces (Quartzcoat Ltd)	14.09.15	12,097
Playground surfaces (Urban Leisure Ltd)	4.3.19	7,130
Playground post mounted bin	05/09/2022	219
Airman Plaque Llangoedmor	01. 08.15	-
Remembrance plaque church	May-16	372
Glasdon picnic benches x 2	12.3.19	988
Glason wheelchair access picnic bench	12.3.19	627
NBB recycled furniture childrens multi coloured picnic bench	12.3.19	339
Rmembrance bench by block bus shelter	03/03/2023	758
Plough in Memory of Cllr W D James		400
Information boards at Millenium Project building		6,000
Festive lighting		
Commemorative plaque and stone in playing fields		500
Replacement festive lighting	14.01.16	
Printer		
Lap top		
Laptop Dell Inspiron 15	11.04.16	449
Remembrance plaque	May-16	372
Christmas lights connection equipment upgrade	29.10.16	
Defib from Welsh Hearts	Aug-14	250
Defib box	Oct-14	
Replacement defib cabinet	28.06.18	375
Defib cabinet at Cardi Builders	Jan-23	510
Bench on verge at Preseli View	2.7.18	485

Bench at Llangoedmor	Sep-22	689
Regelia		1,365
Field path	2.7.18	9,263
New bin	3.12.18	171
Earth Anchors Limited EA37375	02/05/2023	222.90
Bin	15/07/2023	49.99
Laptop Computer	29/09/2023	468.32
Mobile Telephone	11/12/2023	59.99
Xmas Lights	15/01/2024	300.00
Sign and Bench Installation	03/08/2024	580.00
Laminated Dog Signs	07/10/2024	50.00
Defibrillator	28/01/2025	905.00

Value as at 31.03.25 **135,522.83**

Additions 2025-26

Earth Anchors	24/06/2025	250.14
Christmas Lights Electrical Control Box	09/01/2026	144.00

Write Offs 2025-26

Earth Anchors Limited EA37375	02/05/2023	-222.90
Laptop Dell Inspiron 15	11/04/2016	-449.00

Value as at 31.03.26 135,245.07

Confirmed at Council meeting of:

Playing field not on asset register as owned by Llechryd Playing Field Charity

The Council does not show depreciation

Gifts are also 0 value for the purposes of asset register

Land is valued at £1 for the purposes of asset register

W/O in year

	£
Fixed Assets @ 1/4/2025	135,523
Additions	394
Disposals	-672
Fixed Assets @ 31/3/2026	<u><u>135,245</u></u>

Per the AR 135,245

Appendix 3



Llangoedmor Community Council

Internal Audit
2025/26

JDH BUSINESS SERVICES LTD

Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

The internal audit of Llangoedmor Community Council is carried out by undertaking the following tests as specified in the Annual Return for Local Councils:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of 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
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Review of year-end financial statements

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Ltd

May 20th, 2026

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
2025/26 Internal Audit			
1	<p>A high value officer purchase via a personal card was made for defibrillator equipment. Financial Regulations prohibit this under section 6.20 <i>'Personal credit or debit cards of members or staff shall not be used under any circumstances.'</i></p>	<p><i>The council must comply with the card usage requirements of the adopted Financial Regulations.</i></p>	
2	<p>The council has not regularly reviewed budgetary control during the financial year except for a six month budget report. Financial Regulations require the following:</p> <p>4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget.</p>	<p><i>The council must comply with the budgetary control requirements of the Financial Regulations.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
2024/25 Internal Audit			
1	<p>The council has not reviewed budgetary control during the financial year except as part of the annual budget setting. Financial Regulations require the following:</p> <p>4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget.</p>	<p><i>The council must comply with the budgetary control requirements of the Financial Regulations.</i></p>	<p><i>See 2025/26 issue 2.)</i></p>
2	<p>No VAT reclaim was received or submitted to HMRC during the financial year. Financial Regulations require the following:</p> <p><i>9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end</i></p>	<p><i>The council must comply with the VAT reclaim requirements of the Financial Regulations.</i></p>	<p><i>Implemented</i></p>
3	<p>The council did not review, update and approve a risk assessment during the</p>	<p><i>The risk assessment should be reviewed, updated and approved by council each financial year. Previous recommendations</i></p>	<p><i>Implemented</i></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>financial year. Financial Regulations require the following:</p> <p><i>17.1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.</i></p>	<p><i>regarding improvements to risk assessment processes should be implemented.</i></p>	
2023/24 Internal Audit			
1	<p>Although the risk assessment was approved during the financial year the improvements recommended in issues 6.) and 7.) in our 2022/23 report below remain outstanding.</p>	<p><i>The risk assessment should be reviewed in 2024/25 and our 2022/23 recommendations for improvement implemented.</i></p>	<p><i>Implemented</i></p>
2	<p>The last charity annual return for year ended 31/03/23 has not been submitted and as at the date of the internal audit (22/08/24) was 204 days overdue.</p>	<p><i>The council as sole trustee must ensure all returns to the Charity Commission are filed within deadlines.</i></p>	<p><i>Implemented</i></p>
3	<p>Recurring Issue:</p>	<p><i>Instead of carrying forward year after year the historical reconciling items relating to</i></p>	<p><i>Implemented</i></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
	The bank reconciliation contains a number of historical reconciling items relating to differences between cheques issued and the amount recorded in the cashbook.	<i>cheques differences, the council should adjust the differences in the 2024/25 cashbook.</i>	
2022/23 Internal Audit			
1	The legal ownership of two material assets was clarified in the financial year as the council accepted legal advice that it did not own the car park and toilet block situated at the Coracle Hall. These items were removed from the 2022/23 fixed asset register and the fixed assets value. However, as the council did not legally own the assets in 2021/22 the external auditor may want the 2021/22 comparative for fixed assets to be restated in the 2022/23 annual return accounts to reflect this.	<i>The council should secure guidance from external audit or One Voice Wales as to whether the comparative 2021/22 fixed asset figure in the 2022/23 Annual Return needs to be restated to reflect the clarified legal ownership of the car park and toilet block.</i>	<i>Implemented</i>
2	The bank reconciliation contains a number of minor reconciling items relating to underpayments and minor cashbook errors regarding the value of cheques.	<i>The council should ensure underpayments are corrected with further payments where necessary and the cashbook is amended for any cheque amounts where the incorrect value is included.</i>	<i>Implemented</i>

	ISSUE	RECOMMENDATION	FOLLOW UP
3	The staff costs disclosure in the Annual Return accounts includes the clerks expenses. Only actual payroll costs should be included in staff costs as specified in the following Annual Return guidance ' <i>Staff costs should include 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.</i> ' If this also occurred in 2021/22 then the 2021/22 comparatives should be restated to exclude staff expenses.	<i>Staff costs in the Annual Return should not include staff expenses.</i>	<i>Implemented</i>
4	General reserves at the year-end were in excess of 100% of the 2022/23 precept level of £30,000. Sector guidance is that councils should aim for a general reserve level of between 25% and 100% of the precept or net operating expenditure. The practitioners Guide also notes this recommended level of reserves.	<i>The council should review the level of general reserves during the budget setting process with reference to sector guidance.</i>	<i>Implemented – earmarked reserves have been established for medium term projects and schemes.</i>
5	The council did not review, update and approve the risk assessment during the financial year, although the risk assessment for 2022/23 was reviewed and approved by the council in March 2022.	<i>The risk assessment should be reviewed, updated and approved by council each financial year.</i>	<i>Implemented in 2023/24 , however, see issue 1.) in 2023/24 report above.</i>

	ISSUE	RECOMMENDATION	FOLLOW UP
6	<p>The risk assessment document could be improved as follows:</p> <ul style="list-style-type: none"> - There is no clear evidenced rationale for classification of individual risks as High, Medium or Low, such as an 'impact vs 'likelihood' risk matrix with definitions of scoring weightings. Therefore, 'impact' and 'likelihood' risk scores are not multiplied to show total risk which should then be plotted on a risk matrix using a traffic light system. - The risk assessment does not contain an important part of risk management which is to show the movement in risks (Direction of Travel) since the last risk assessment. Risk management is a dynamic process ensuring that new risks are addressed as they arise. It should also be cyclical to establish how previously identified risks may have changed. 	<p><i>The risk assessment should be further developed as noted and council should ensure it covers the entire scope of the council operations, governance and finances.</i></p>	<p><i>Implemented</i></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
7	<p>The risk assessment does not address the risks of supplier fraud. The supplier fraud risks can be managed via appropriately robust policies and procedures. Examples of prevention actions include:</p> <ul style="list-style-type: none"> - training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information. - establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change - periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments. 	<p><i>The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.</i></p>	<p><i>Recommendation Outstanding</i></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
	<ul style="list-style-type: none">- checking address and financial health details with Companies House - checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account		