Annual Return for the Year Ended 31 March 2026

Accounting statement 2025-26 for:

Name of body: Llangybi Fawr Community Council

	Year ending		Notes and guidance
	31 March 2025 (£) reinstated	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	16,748	23112	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	25,000	25,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	3841	1754	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	5685	6557	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	16793	11401	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	23112	31,908	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances0			
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	23112	31908	**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	23112	31908	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	35367	35901	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.	Yes		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 [insert name of website].	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 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.	Yes		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.	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		No	Meets the eligibility criteria to exercise the general Power of	E

* Please include an explanation for any 'No' answers

out in Local Government and Elections (Wales) Act 2021			Competence	

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 £2400 under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2.

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 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	Approval by the Council
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.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference: Minute ref: 41/56 June 2026
RFO signature: Kate Burdge	Chair signature:
Name: KATE BURDGE	Name: N SMITHAM
Date: 11/05/2026	Date: 1.6.26

* 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 2026 of **Llangybi Fawr 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

Annual Governance Statement

I am unable to conclude whether or not the Annual Governance Statement is consistent with the Council's internal controls and governance arrangements for the year:

- Assertion 6: Section 50 of the Democracy and Boundary Commission Cymru etc. Act 2013 requires the Council to publish its audited accounts online. Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 requires the Council to publish the Annual Governance Statement alongside the accounts. Regulation 15 of the 2014 Regulations requires the Council to publish along with the accounts, any certificate, opinion, or report issued, given or made by the Auditor General. The Council has failed to publish its audit reports from previous years.

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.

Internal Auditor signed IA report after chair

In the Annual Governance Statement (AGS), the Council confirms that it has maintained an adequate system of internal control. An important source of evidence

over the adequacy of the system of internal control is provided by the Internal Auditor. However, the Council did not receive the Internal Auditor's report until after it had approved the AGS. We recommend that in future years, the Council ensures it has received and considered the Internal Audit report before it approves the AGS.

Information Required for Audit (Budget)

Each year we send the Council an audit notice that sets out the information we need to complete the audit. Failure to provide this information may lead to a qualified audit opinion and potentially an increased audit fee. The Council did not provide a properly quantified explanation of variances between the current and prior year accounts. Our requirements are set out in the audit notice. We recommend that the Council reviews the annual audit notice to ensure that all required information is provided on a timely basis.

Arithmetic Errors (Rounding)

The Accounting Statement contains a non-material arithmetic error due to rounding. We recommend that the Council checks the arithmetic accuracy of the accounting statement and makes the necessary corrections before the accounts are approved.

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: 28/09/2026**

Annual internal audit report to:

Name of body: **Llangybi Fawr 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				Cashbook maintained by Clerk throughout the year. The Clerk prepares a bank reconciliation monthly which is signed off at the monthly board meetings by Cllr Rogers as documented in the minutes. If Cllr Rogers is absent from a meeting this is approved by Cllr Statham instead. Payments and receipts are supported by relevant documentation (sample verified) and expenses are approved by the Council at monthly meetings (as agreed to minutes). Noted that accounts are maintained on a cash basis only and not on an accrual's basis. Budgets are also prepared and are used to determine the level of precept requested by the Council each year.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Yes				As noted above, a sample of payments have been verified to supporting invoices and approval in board minutes. The only issue noted was that 28% of our sampled payments had been documented as being approved for payment however they hadn't stated which councillors approved them. The council is not VAT registered however they submit a a VAT126 form to HMRC which allows them to claim back VAT on non-business activities. The refund from HMRC of £1474.35 in August 2025 (per cash book) was the claim for the period 01/04/24 - 31/03/25. The VAT126 form has been reviewed, and I am satisfied the

* 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**	
					invoices claimed for appear appropriate. As these accounts are prepared on a cash basis it is correct that these refunds are not accrued for.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes				Copy of risk report reviewed. This includes a summary of risks and potential consequences along with assessment of likelihood and details of controls in place to manage risks.
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				Budgets prepared and used to determine precept requested. Budgets reviewed regularly as documented in minutes. Explanation of variance report prepared detailing movements in balances.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	Yes				Income relates to precept requested and paid directly into bank account. Received in full in line with precept requested and confirmed by Monmouthshire County Council. The Council is not VAT registered.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	Yes				All petty cash payments are supported by receipts and approved at monthly meetings, a sample of which have been tested. All payments must be approved by 2 of the designated signatories and this is done at the Council meetings where expenses are discussed and once agreed signed off. As noted above, two sampled payments, being 28% of our sampled payments, had been documented as being approved for payment however they hadn't stated which councillors approved it. Please refer to point 2 above re treatment of VAT
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				The Council has two paid employees, Kate Burdge (Clerk) and L Taylor (Website Manager). Payroll is outsourced to a firm of accountants who calculate PAYE and NI. As with all expenses, wage payments are approved at Council meetings and signed off by two of the designated signatories.
8. Asset and investment registers were complete, accurate, and properly maintained.	Yes				Asset register reviewed. Asset register states assets owned, location of asset, acquisition date, original cost, estimated replacement cost, estimated life expectancy and disposal details (if applicable).

* 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.	Yes				Cashbook completed monthly. Accounts are prepared on a cash basis therefore only reconciling items relate to cheques which have been written and approved but not yet cashed. There were no reconciling items at the year end.
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				Cashbook completed monthly and supported by an adequate audit trail in respect of invoices and documentation in monthly minutes of approval of expenditure. However, noted that accounts are prepared on a cash basis rather than an accruals basis and as such no debtors or creditors recorded.
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			N/A		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. Loss of Council records – risk of fire/damage to records/loss of information.	Yes				Paperwork is kept inside a metal case at the clerk's home. Photographic evidence obtained in prior years. Confirmed with Clerk this is still the case.
13. Succession Planning - Succession plans to be discussed for Chairman and Vice Chairman positions.	Yes				Position of Chairman and Vice chairman is chosen annually at the AGM. 2025/26 - Cllr Statham was elected as Chairman and Cllr Williams was elected as Vice Chairman; approved by council in AGM May 2025 as agreed to AGM minutes. 2026/27 - Cllr Statham was elected as Chairman and Cllr Williams was elected as Vice Chairman; approved by council in AGM May 2026 as agreed to AGM minutes.

* 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 26/05/26.

* Please include an explanation for any 'No' answers

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: Rachel Bundy FCCA
Signature of person who carried out the internal audit: R Bundy
Date: 04/06/26

* Please include an explanation for any 'No' answers