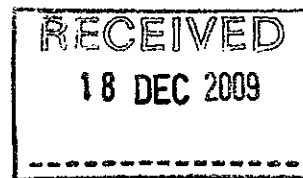


## Completion of the Annual Audit



Dear Clerk

We have completed our work on the audit for the year ended 31 March 2009 and I have pleasure in enclosing your certified Annual Return.

If any documents were submitted with the Annual Return which were not requested as part of the audit, these are now being returned to you. They have not been taken into consideration in the course of the audit.

I also enclose our fee note for the audit, which is in accordance with the fixed fee scale set by the Auditor General for Wales. We would be grateful if you could arrange for this to be paid at the earliest opportunity. (*Please return the remittance advice with your payment*).

You now need to consider what action to take in response to our audit certificate and report (where applicable) and to ensure you comply with the Accounts and Audit (Wales) Regulations 2005 (SI 2005 No. 368). We provide some guidance under these headings below.

### External Auditor's Certificate and Report

Our external audit certificate and opinion are given on Section 3 of the Annual Return. If there are any matters arising from the audit, they are included in the External Auditor's Report in Section 3. The Council must consider these matters and decide what action is required. In most cases, this will be self-evident. However, in a number of instances we have made reference to further guidance available from One Voice Wales (OVW) or the Society of Local Council Clerks (SLCC). In particular, we have referred to the publication "Governance and Accountability for local councils in Wales – A Practitioners' Guide 2009". This can be downloaded, free of charge, from the website of either organisation: <http://www.onevoicewales.org.uk/practitioners-guide/practitioners-guide> or <http://www.slcc.co.uk/news-item/governance-and-accountability-wales-practitioners-guide-now-available/34/>.

### The Accounts and Audit (Wales) Regulations 2005 (Statutory Instrument: SI 2005/368)

The Accounts and Audit (Wales) Regulations 2005 set out what you must do at the conclusion of the audit.

You should refer, in particular, to Regulation 10 [Publication of statement of accounts] and Regulation 17 [Notice of conclusion of audit]. Please note that the Annual Return is all that is needed to satisfy the requirements of the Regulations where these refer to the income and expenditure account, the record of receipts and payments, or the statement of balances. In summary you must:

- display a notice for a period of at least 14 days stating that the audit has been completed and that the Annual Return is available for inspection by local government electors;
- provide details in this notice of the address at which and the hours during which local government electors may exercise their rights to inspect the Annual Return;
- publish or display your Annual Return. In practice, this means that the Annual Return should be displayed on your notice board(s).

#### Notes:

It is acceptable to display a copy of the Annual Return, as long as it is a true facsimile and bears a note saying where the original can be inspected.

"Publication" is required where gross income or expenditure (whichever is the higher) was greater than £100,000 for the year and for each of the two immediately preceding years. ODPM Circular 04/2003 sets out good practice in this area and states that: "Good practice might include: putting a copy on a notice board, copying onto a website, publishing as a separate leaflet or publication in a newspaper or as part of a newsletter".

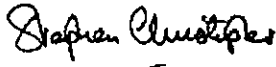
### What should you do?

1. Prepare the Notice of Conclusion of Audit and Right to Inspect the Annual Return (a proforma notice which you can use for this purpose is provided below.

## Completion of the Annual Audit

- Put the completed notice in a conspicuous place for at least 14 days along with the certified Annual Return. (The Annual Return should be displayed so that at least Sections 1-3 are visible).
- Retain evidence that this has been done to support compliance with the exercise of electors' rights, which forms part of the Statement of Assurance. Please note: We do not require you to send us a copy of the Notice.

Yours sincerely



**Stephen Christopher**  
Partner

BARRY TOWN Council

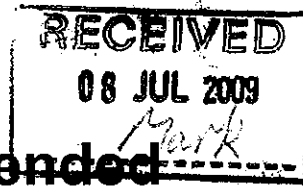
### Notice of conclusion of audit and right to inspect the Annual Return

Annual Return for the year ended 31 March 2009

Section 29 of the Public Audit (Wales) Act 2004  
Accounts and Audit (Wales) Regulations 2005 (SI 2005/368)

- |   |   |
|---|---|
| 1. The audit of accounts for the <u>BARRY TOWN</u> Council for the year ended 31 March 2009 has been concluded.                                   |   |
| 2. The Annual Return is available for inspection by any local government elector for the area of the <u>BARRY TOWN</u> Council on application to: |   |
| (a) Insert name, position and address of person to whom local government electors should apply to inspect the annual return                       | (a) <u>DEREK WOLFE, EXECUTIVE OFFICER,</u><br><u>BARRY TOWN COUNCIL, 7 GLADSTONE RD,</u><br><u>BARRA, CF62 8NA</u>  |
| (b) Insert the times between which a local government elector may apply to inspect the annual return  | between (b) <u>9.00</u> am and (b) <u>4.00</u> pm on Mondays to Fridays<br><br>(excluding public holidays), when any local government elector may make copies of the Annual Return. |
| (c) Insert a reasonable sum for copying costs   | 3. Copies will be provided to any local government elector on payment of (c)<br><br><u>£1.00</u> for each copy of the Annual Return.  |
| (d) Insert name and position of person placing the notice   | (d) <u>MARK SINS - FINANCE OFFICER</u>  |
| (e) Insert date of placing of the notice  | (e) <u>18.12.2009</u>   |

# Local Councils in Wales Annual return for the year ended 31 March 2009



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Local councils in Wales (town councils and community councils) and joint committees thereof may complete an annual return summarising their annual activities at the completion of each financial year. Members are responsible for ensuring that financial management is adequate and effective and that the council has a sound system of internal controls.

The annual return on the following pages is made up of four sections:

- **Sections 1 and 2** are to be completed by the person nominated by the council.
- **Section 3** will be completed by the external auditor.
- **Section 4** is to be completed by the council's internal audit provider.

The council must ensure this annual return is approved no later than 30 September 2009.

Guidance notes, including a completion checklist, are provided in Section 5 and at relevant points in the annual return. In the event that further guidance may be required, councils should refer to the One Voice Wales/SLCC publication **Governance and Accountability for Local Councils in Wales – A Practitioners Guide 2008 (Wales) (the Practitioners Guide)** or contact One Voice Wales or SLCC through the helplines set up for this purpose. The Practitioners Guide may be found on-line at:

- [www.onevoicewales.org.uk](http://www.onevoicewales.org.uk): or
- [www.slcc.co.uk/news-item/governance-and-accountability-practitioners-guide-now-available/34/](http://www.slcc.co.uk/news-item/governance-and-accountability-practitioners-guide-now-available/34/)

Please complete all sections highlighted in green. Do **not** leave any green box blank. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Please send the annual return, together with any additional information requested, to your appointed external auditor.

If required, your auditor will identify and ask for any documents needed for audit. Unless requested, please do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the council for publication or public display of sections 1, 2 and 3.

It should not be necessary for councils to contact the external auditor or the Wales Audit Office directly for guidance.

# Section 1 – The Statement of Accounts

**BARRY TOWN COUNCIL**

In completing the boxes below please explain any significant variances on a separate sheet and send this to the external auditor together with a copy of your bank reconciliation as at 31 March 2009. See Section 5 and the Practitioners' Guide for guidance.

Year ending		Notes and guidance for compilers	
	31 March 2008 £	31 March 2009 £	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to the council's underlying financial records for the relevant year.
1. Balances brought forward	53,728	153,935	Total balances and reserves at the beginning of the year as recorded in the council's financial records. Must agree to Line 7 of the previous year.
2. (+) Annual precept	780,000	815,000	Total amount of precept income received in the year.
3. (+) Total other receipts	133,767	129,504	Total income or receipts recorded in the cashbook minus the precept. Includes support, discretionary and revenue grants.
4. (-) Staff costs	624,248	648,293	Total expenditure or payments made to and on behalf of all council employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses.
5. (-) Loan interest/capital repayments	30,510	29,687	Total expenditure or payments of capital and interest made during the year on the council's borrowing (if any).
6. (-) Total other payments	158,802	289,455	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	153,935	131,004	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
8. (+) Debtors and stock balances	57,764	67,419	<b>Income and expenditure accounts only:</b> enter the value of debts owed to and stock balances held by the council at the year-end.
9. (+) Total cash and investments	232,037	238,167	<b>All accounts:</b> 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	135,866	174,582	<b>Income and expenditure accounts only:</b> enter the value of monies owed by the council (except borrowing) at the year-end.
11. (=) Balances carried forward	153,935	131,004	<b>Total balances should equal Line 7 above:</b> enter the total of (8+9-10).
12. Total fixed assets and long-term assets	846,289	876,647	The recorded current book value at 31 March of all fixed assets owned by the council and any other long-term assets – eg, loans to third parties, other investments to be held for the long term ie, more than 12 months.
13. Total borrowing	268,280	251,359	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
14. Trust funds disclosure note	NO	NO	The council acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

I certify that the Statement of Accounts contained in this annual return presents fairly the financial position of the council, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2009.

Signed by Responsible Financial Officer:



Date: 09-07-2009

I confirm that these accounts were approved by the council under council minute reference:

194 (2)

Date: 20-07-2009

Signed by Chair of meeting approving council's accounts:



Date: 20-07-2009

## Section 2 – Annual Governance Statement

We acknowledge as the members of BARRM TOWN Council our responsibility for the preparation of the Statement of Accounts and for the council's internal controls and confirm, to the best of our knowledge and belief, with respect to the council's Statement of Accounts for the year ended 31 March 2009 in Section 1, that:

	Agreed – Yes or No*	'YES' means that the council:
1. We have approved the Statement of Accounts which has been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations and proper practices.	YES	Prepared its Statement of Accounts in the way prescribed by law.
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.
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 which 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.
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005.	YES	Has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
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 council and has dealt with them properly.
6. We have maintained an adequate and effective system of internal audit of the council's accounting records and control systems.	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 council.
7. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	YES	Has responded to matters brought to its attention by internal and external audit.
8. 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 Statement of Accounts.	YES	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.
9. Trust funds – 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.

This Annual Governance Statement is approved by the council and recorded as council minute reference:

194 (2) Date: 20.07.2009

Signed on behalf of: BARRM TOWN COUNCIL

Signed by Chair: [Signature] Date: 20-07-2009

Signed by Clerk: [Signature] Date: 20-07-2009

\* Please provide explanations to the external auditor on a separate sheet for each 'no' response that has been given; and describe what action is being taken to address the weaknesses identified.

### Section 3 – External auditor’s certificate and opinion

#### Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2009 of:

BARRY TOWN	COUNCIL
------------	---------

#### Respective responsibilities of the council and the auditor

The council is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit (Wales) Regulations and for the preparation of an annual return which:

- summarises the council’s accounting records for the year ended 31 March 2009; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Auditor General for Wales and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

#### External auditor’s report

~~(Except for the matters reported below)\*~~ On the basis of our review, in our opinion, the information contained in the annual return is in accordance with the Auditor General for Wales’ requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met (\*delete as appropriate).

(Continue on a separate sheet if required.)

Other matters not affecting our opinion which we draw to the attention of the council/meeting:

A) THE COUNCIL SHOULD ENSURE THAT THE RISK ASSESSMENT IS REVIEWED AND APPROVED ANNUALLY .

B) THE COUNCIL SHOULD REVIEW THE CONSISTENCY BETWEEN THE RECORDING OF ASSETS IN THE ASSET REGISTER AND THE INSURANCE SCHEDULE .

(Continue on a separate sheet if required.)

External auditor’s signature: Mazars LLP

External auditor’s name: Mazars LLP, Southampton, SO15 2DE Date: 14/12/2009

**Note:** The auditor signing this page has been appointed by the Auditor General for Wales and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Auditor General for Wales’ publication entitled Statement of Responsibilities of Auditors and local councils.

# Section 4 – Annual internal audit report to

**Barry Town** 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 2009.

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 opposite are 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? Please choose from one of the following Yes/No*/Not covered**
A	Appropriate books of account have been properly kept throughout the year.	Yes
B	The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Yes
C	The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	No. Last review 2005/06 See IA Report
D	The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	Yes
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	Yes
F	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	Yes
G	Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Yes
H	Asset and investment registers were complete and accurate, and properly maintained.	Yes but still in need of review + update
I	Periodic and year-end bank account reconciliations were properly carried out.	Yes
J	Year-end accounts were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	Yes
K	The council has met its responsibilities as a trustee.	N/A/As applicable

For any risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

[Empty box for listing risk areas]

Name of person who carried out the internal audit: **S J Pollard for Auditing Solutions Ltd**

Signature of person who carried out the internal audit: *[Signature]*

Date: **14th July 2009**

\* 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 (add separate sheets if needed).

## Section 5 – Guidance notes on completing the 2009 annual return

1. Use the *Practitioners' Guide*\* for guidance. This publication is regularly updated and contains everything you should need to prepare successfully for your financial year-end and the subsequent statutory audit. Both One Voice Wales and SLCC have help lines open should you wish to talk through any problem you encounter.
2. Please make sure that your annual return is complete (ie, no empty green boxes) and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, cross out the incorrect entries, make sure the amendments are approved by the council, properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns containing unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
3. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair to review your annual return for completeness before sending it off to the auditor.
4. Make sure that the copy of the bank reconciliation which you send to your auditor with the annual return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your council holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 on the Statement of Accounts. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
5. Please **explain fully** significant variances in the Statement of Accounts. Do not just send in a copy of your detailed accounts instead of this explanation. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guide*\* to assist you. You will need to quantify the impact of each of your explanations.
6. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
7. Please make sure that your Statement of Accounts adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2008) equals the balance brought forward in the current year (Line 1 of 2009).
8. **Do not complete Section 3.** This section is reserved for the external auditor who will complete it at the conclusion of their audit..

Completion checklist – 'No' answers mean that you may not have met requirements		Done?
Section 1	Council approval confirmed by signature of Chair of meeting approving accounts? <b>NB: Approval of the annual return must be no later than 30 September 2009.</b>	YES
	An explanation of significant variations from last year to this year is provided?	YES
	Bank reconciliation as at 31 March 2009 agreed to Line 9?	YES
Section 1 and 2	Trust funds – all disclosures made if council is a sole managing trustee? <b>NB: Do not send trust accounts unless requested.</b>	N/A
Section 2	For any statement to which the response is 'no' an explanation is provided?	N/A
Section 4	All green boxes completed by internal audit and explanations provided where necessary?	Yes
All sections	All green boxes have been completed?	Yes
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	Yes

\* *Governance and Accountability for Local Councils: A Practitioners' Guide 2008 (Wales)* is available from One Voice Wales and SLCC.