

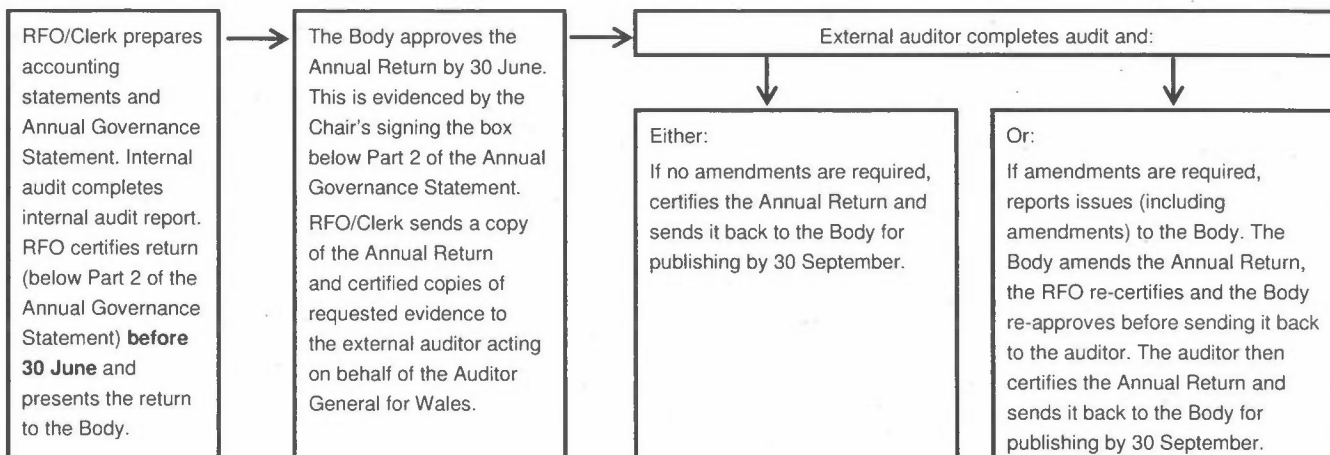


## Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2017

Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

### The accounts and audit process

The accounts and audit arrangements follow the process as set out below.



**Please complete all sections highlighted in red.** Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. **Please note that copies of all documents provided for the purposes of the audit must be certified as true copies of the originals by the Clerk and Chair.** Unless requested, please **do not** send any original financial or other records to the external auditor.

Bodies should note the changes to the Annual Governance Statement. This is to be completed in full by all Bodies.

Audited and certified returns are sent back to the Body for publication or display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

### Completion checklist

'No' answers mean that you may not have met requirements		Done?	
		Yes	No
<b>Initial submission to the external auditor</b>			
<b>Accounts</b>	Has the RFO certified the accounting statements and the Body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2016?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the bank reconciliation as at 31 March 2016 agree to line 9?	<input type="checkbox"/>	<input type="checkbox"/>
<b>All sections</b>	Have all red boxes been completed and explanations provided where needed?	<input type="checkbox"/>	<input type="checkbox"/>
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Supporting evidence</b>	Have all items and pages of supporting evidence provided to the audit been certified as a true copy of the original by the Clerk and Chair?	<input type="checkbox"/>	<input type="checkbox"/>

## Accounting statements 2016-17 for:

Name of Body: Ceredigion Harbour Authority (CHA)

	Year ending		Notes and guidance for compilers
	31 March 2016 (£)	31 March 2017 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	0	0	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	160,113	254,479	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	159,158	158,655	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs As most of the staff costs incurred are part of an overall charge for running the harbours from Technical Services (Ceredigion County Council) these costs are included in the 'Total other payments' line below.	0	0	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
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	319,271	413,134	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	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors and stock balances	5,936	4,732	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the Body and stock balances held at the year-end.
9. (+) Total cash and investments	45,093	42,649	<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	51,029	47,381	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the Body (except borrowing) at the year-end.
11. (=) Balances carried forward	0	0	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	1,565,932	1,538,117	The <b>original</b> 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).
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14. Trust funds disclosure note	Yes	No	N/A	Yes	No	N/A	The Body 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).
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

## Annual Governance Statement (Part 1)

We acknowledge as the members of the Body, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and proper practices.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Prepared its accounting statements in the way prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Body to conduct its business or on its finances.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect and to ask questions about the Body's accounts.	6, 23
5. We have carried out an assessment of the risks facing the Body and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered the financial and other risks it faces in the operation of the Body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the Body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Body and, where appropriate, have included them on the accounting statements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23
9. Trust funds – in our capacity as trustee, we have: <ul style="list-style-type: none"> <li>Discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

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

## Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We calculated and approved the Body's budget requirement for the 2016-17 financial year in accordance the Local Government Finance Act 1992 and proper practices.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Properly planned its financial activities for the year and set a budget in accordance with statutory requirements.	13
2. We have received detailed financial reports setting out the income and expenditure and a summary of the Body's financial position on a regular quarterly basis throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Effectively monitored its financial position, income and expenditure against that budget throughout the financial year.	13
3. We have ensured that the Body's internal audit is independent of its day-to-day decision-making process and maintenance of the accounting records and have agreed appropriate terms of reference for the internal audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ensured that its internal audit function is able to undertake its work without potential conflicts of interest and with sufficient scope to provide an adequate and effective service.	8

\* Please delete as appropriate.

### Body approval and certification

The Body is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Body, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017.</p>	<p><b>Approval by the Body</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Body under minute reference:</p> <p>Insert minute reference and date of meeting</p>
<b>RFO signature:</b>	<b>Chair signature:</b>
<b>Name Stephen Johnson</b>	<b>Name:</b>
<b>Date:</b>	<b>Date:</b>

### Body re-approval and re-certification (only required if the annual return has been amended at audit)

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Body, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017.</p>	<p><b>Approval by the Body</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Body under minute reference:</p> <p>Insert minute reference and date of meeting</p>
<b>RFO signature:</b> 	<b>Chair signature:</b> 
<b>Name:</b> name required <b>STEPHEN JOHNSON</b>	<b>Name:</b> name required <b>LYNFORI THOMAS</b>
<b>Date:</b> dd/mm/yyyy <b>21/9/17</b>	<b>Date:</b> dd/mm/yyyy <b>21/9/17</b>

## Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2017 of:

Ceredigion Harbour Authority (CHA)

### External auditor's report

On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

### Other matters and recommendations

On the basis of our review, we draw the Body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the Body.

None

External auditor's name:

ANTHONY JAMES BALLETT

External auditor's signature:

ASB

Date:

26/9/17

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.

## Annual internal audit report to:

Name of Body: Ceredigion Harbour Authority (CHA)

The CHA'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 2017.

The internal audit has been carried out in accordance with the CHA'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 CHA.

	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The account is managed via Cyngor Sir Ceredigion's (CSC) computerised financial ledger, and supported by detailed working papers (spreadsheets).
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Payments are administered in accordance with CSC's Financial Regulations and procurement guidelines.
3. The Body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The body is included with CSC's Technical Services and is therefore subject to the Council's corporate risk management arrangements.
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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The budget is set and monitored by Technical Services in accordance with CSC's annual budgetary procedures.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Fees collected as quoted in CSC fees & charges and administered in accordance with CSC income procedures. Cash floats reconciled at year end.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	No petty cash imprest accounts issued to Harbourmasters.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Salaries are administered and paid in accordance with CSC's HR arrangements and Financial Regulations.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Both registers maintained in keeping with CSC guidelines.

	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	As per point 4 - budget is set and monitored in accordance with CSC's annual budgetary procedures.
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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	As per point 4 - budget is set and monitored in accordance with CSC's annual budgetary procedures.
11. Trust funds (including charitable trusts). The CHA has met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	No trust funds.

**For any risk areas identified by the Body (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. Harbour pontoons included in CSC property insurance schedule.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Item 7 of Property Module.
13. Corporate Risk Register – CORP 13 – Coastal Erosion and Flood Incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Risk included to monitor work undertaken to mitigate risk identified. Reported to Audit Committee.
14. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insert text

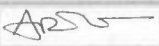
\* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\* 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.

### Internal audit confirmation

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the Body or as a member of the Body during the financial years 2015-16 and 2016-17. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Amanda Roberts

Signature of person who carried out the internal audit: 

Date: 15/06/2017



## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange ([www.audit.wales/good-practice/finance/community-council-money](http://www.audit.wales/good-practice/finance/community-council-money)) provides further information on the accounts and audit process along with guidance on governance matters.
3. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the Body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs.
4. **There are now two boxes for certification and approval by the Body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.**
5. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2015) equals the balance brought forward in the current year (line 1 of 2016). Explain any differences between the 2015 figures on this annual return and the amounts recorded in last year's annual return.
7. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
8. Make sure that the copy of the bank reconciliation 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 short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in section 1. More help on bank reconciliation is available in the Practitioners' Guide\*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
14. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

