Annual Return for the Year Ended 31 March 2026

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Accounting statement 2025-26 for:

Name of body: Maelor South Community Council

	Year ending		Notes and guidance
	31 March 2025 (£)	31 March 2026 (£)	Please round all figures to nearest £. **Do not leave any boxes blank and report £0 or nil balances.** All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	22616	30603	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	24096	25400	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	1617	544	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	2824	2904	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	14902	15164	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	30603	38479	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	30603	38479	**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	30603	38479	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	64896	74656	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 £ NIL under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2. During the accounting period MSCC had £24,000 Section 106 which was used in line with the agreement for new play equipment in the MSCC owned Pendas Park Playground- a sum of £2232 is left as a balance that WCBC will hold for future maintenance. The funds and procurement exercise was conducted by WCBC but all equipment belongs to MSCC.
3. Designated Funds: **WCBC**: An amount of £15,000 is still held as a designated fund to be expended on the Zebra Crossing by Madras School. The works were undertaken by WCBC but were not satisfactory for three years so payment held back. MSCC is still awaiting invoice from WCBC but the funds are likely to be used to upgrade the Zebra Crossing to one with traffic lights to enhance children's safety more. £1000 is held for work on the website due to change of supplier for the domain this has not been possible to undertake in 2025-26 – anticipated in 2026/27. £1000 held for a new noticeboard in Tudor Drive, Penley – held over as this will link with a Heritage Trail arranged with the Rainbow Foundation- project 2026/27
4. End of Year Bank Balances: The increase is attributable to underspend on various potential community initiatives- depending on what projects we submit to WCBC for the Pride in Place funding some of the reserves could be added to make larger project. Community consultation is currently under way. This will bring in £48k to be spend by end of March 2027.

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.			**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:** 7.5

* Please include an explanation for any 'No' answers

RFO signature:	Chair signature:
	A Reay
Name: John Gallanders	**Name:** Cllr Alwyn Reay
Date: 12th May 2026	**Date:** 12th May 2026

* Please include an explanation for any 'No' answers

Annual internal audit report to:

Name of body: MAELOR SOUTH 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.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓			SEE ISSUE 2 IN INTERNAL AUDIT REPORT
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.	✓				
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.			✓		NO PETTY CASH.
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.	✓ *				* SUBJECT TO ISSUE 4 IN THE INTERNAL AUDIT REPORT

* 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 11/05/2026.] * 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:	JDH Business Services Ltd
Date:	11/05/2026.

* Please include an explanation for any 'No' answers

INTERNAL AUDIT REPORT
MAELOR SOUTH COMMUNITY COUNCIL
2025/26

The internal audit is carried out by the following testing of the internal controls specified on the Annual Return for local councils in Wales:

- 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)
- Year-end testing on the accuracy and completeness of the financial statements
- Where the Council is sole trustee of a charity, checking that the Council has procedures in place to meet its responsibilities as a sole trustee

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 issues reported in the action plan 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 Limited   11/05/2026

INTERNAL AUDIT REPORT
MAELOR SOUTH COMMUNITY COUNCIL
2025/26

ACTION PLAN

	ISSUE	**RECOMMENDATION**	**FOLLOW UP**
1	Testing of payments identified that the amount of the following payment had not been approved in the Council minutes: • World of Tech Ltd £1065.00 We also have not seen evidence of two signature authorisation for this payment before it was made via online banking. We do note that the decision to make the purchase (but not the amount) was recorded in the minutes prior to the purchase.	*Payments must be approved by Council and recorded within the minutes.* *When payments are not approved in the minutes before payment, evidence of two signature authorisation should be retained. This can be actual signatures or emailed authorisation.*	**The actual amount was negotiated down from the original quote. Members had authorised expenditure for a higher value.** **Due to the timing of the purchase (after the Julky meeting) and no meeting in August the payment was reflected in the financial statement presented in September.** **The report listing invoices for payment is proposed and seconded with all Council agreement at each meeting.**
2	The council did not review, update and approve a risk assessment during the financial year.	*The risk assessment should be reviewed, updated and approved by council each financial year. This should include the financial risks the Council face and controls over online bank payments.*	**Custom and practice has meant this has only been amended when changes have occurred not annually. This will be added to meeting schedule for future years linked to budget setting.**
3	The Council made a donation of £1,100 via bank transfer to Penley Youth Club in 2025/26. We have not seen any confirmation of receipt of the grant.	*Confirmation of receipt of grant should be requested for all grants/donations. This is particularly important when payments are made via online bank transfers.*	**Confirmation email now received and forwarded to Internal Auditor – all other donations at the time have been acknowledged.**

	ISSUE	RECOMMENDATION	FOLLOW UP
4	The asset register shows that the asset valuation is reduced each year by a depreciation charge. In 2025/26 assets had been depreciated by £12,895. The Practitioners Guide states the following: *19.10. Commercial concepts of depreciation, impairment adjustments, etc are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets may remain constant until disposal. If councils wish to recognise the diminution in value of non-current assets over time, this should be done by updating its valuation in the asset and investment register.*	*Deprecation should not be applied to the valuation of assets.*	**The RFO has continued custom and practice. Note 19.10 is noted and will no longer be amended for depreciation. 2026 will be set as the base level. This had not been highlighted previously by Audit Wales.**