

# Ogmore Valley Community Council

## Cyngor Cymuned Cwm Ogwr



### FINANCE AND GENERAL COMMITTEE MEETING CYFARFOD PWYLLGOR CYLLID A CYFFREDINOL

Tuesday 21 March 2023, 6.30 pm at Zoom  
Dydd Mawrth 21 Mawrth 2023, 6.30 pm yng Zoom

## MINUTES

In Attendance

*Cllr Dhanisha Patel (Chair)*

*Cllr David Newman (Deputy Chair)*

*Cllr Margaret Lloyd*

*Cllr Angela Jones*

*Cllr David Pound*

*Scott Allin – Clerk*

### 1 Apologies for Absence

There were the following apologies from Councillors:-

Cllr Hywel Williams – work commitments

**Resolved: members unanimously accepted the apologies for absence.**

### 2 Declarations of Personal/Prejudicial Interests in accordance with the Council's Code of Conduct & Section 106 of the Local Government Finance Act 1992

No interests to declare.

### 3 Minutes 31 October 2022– Annex A

No items were raised as the minutes had been previously approved by Full Council.

#### **4 Matters Arising**

Nothing to raise that was not on the agenda.

#### **5 Audited Annual Returns**

It was noted the Council has finally received its Annual Returns from Audit Wales which cover the period 2016/17 to 2021/22.

It was noted that 2016/17, 2017/18 and 2018/19 were qualified due to the issues with payments to the previous clerk which had been reported previously in 'Inadequacies in Governance Arrangements, Financial Management and Internal Control'.

It was noted that the 2019/20 and 2020/21 Annual Returns were unqualified but that there is a qualification on the 2021/22 Annual Return relating to cash received relating to the Windfarm and VAT as well as a reconciliation issue. The internal audit for 2021/22 had not raised these issues and a meeting has been requested with Audit Wales to discuss the issue and provide further evidence to support the Council's position.

**Resolved – Clerk to continue discussions with Audit Wales on 2021/22 Annual Return**

#### **6 Internal Audit Responses**

It was noted that the internal audit responses from 2021/22 were outlined in the appendix

**Resolved – To approve the responses as outlined in appendix**

#### **7 Investments**

It was noted whilst many Councils use CCLA to deposit spare cash, they are not covered by the FSCS as they are funds rather than cash. It was noted that there are instant cash savings accounts such as Unity Bank which are covered by FSCS and it was agreed that in the current market uncertainty the preference is to deposit funds in a savings account covered by FSCS.

**Resolved – Clerk, RFO and Cllr Pound to review potential savings accounts and report back to Committee.**

## **8 Fixed Asset Register**

It was noted that one of the internal audit recommendations was to design a spreadsheet to record fixed assets. It was noted that the register could be improved by including a list of other small value equipment which the Warden has purchased and is kept in the container.

It was noted that all Council assets must be maintained at the original purchase value, excluding delivery and VAT. A separate column for insurance value is kept and new valuations for the BYCC and the two sets of chains are being sourced.

**Resolved – To approve the new Fixed Asset Register**

## **9 Financial Risk Assessment**

The Financial Risk Assessment was reviewed and the medium risk were noted in particular.

**Resolved – To approve the Financial Risk Assessment**

## **10 Payments**

It was noted that payments are authorised by Full Council with supporting evidence and the Chair then makes the actual payment by electronic bank transfer. However, in February 2023, the Chair had issues accessing the bank account, so on the Chair's authorisation, the Clerk made the payments and sent the Chair confirmation from the bank via statements that the payments had been made correctly. It was agreed that this was an acceptable back-up process in emergencies but that the Vice Chair should also be given access to the bank in order to provide another level of resilience in the system.

**Resolved - Clerk to makes payments in emergency cases with authorisation of Chair and confirmation of actions. The Financial Regulations to be amended as above.**

## **11 Financial Regulations**

It was noted that the numbering did not follow the contents and that they should be adjusted in line with the resolution in agenda item 10 above.

**Resolved – To agree the Financial Regulations.**

## **12 Recommendations to Full Council**

**The resolutions above to be ratified by Full Council.**

The meeting closed at 7.15pm

.....  
**Signature of the Chairperson, Cllr Dhanisha Patel**

.....  
**Date**

*Scott Allin -*  
**Clerk of the Council**  
**Scottallin495@gmail.com**

## **Responses to Ogmore Valley CC FY2021-22 Internal Audit Recommendations**

### **Review of Accounting Records & Bank Account Management**

Recommendation 1 - The Town Clerk/RFO and Members should consider the acquisition of a fully functional accounting package, such as Rialtas Business Systems Alpha platform, for its current and future financial management and recording needs, including regular financial reporting.

#### **Council Response**

***The Council reviewed Rialtas and decided that the current spreadsheet cash book is sufficient for the Council's current needs. However, a new RFO has been appointed in September 2022 and this decision will kept under review.***

### **Review of Expenditure**

R2 The Clerk should consider acquiring an invoice certification stamp (as above). The stamp should be applied to each payment document, and the required authorisation information entered into the relevant field for each payment document.

#### **Council Response**

***The Council considered this recommendation and decided that the current system whereby all payments are authorised at each Council meeting and all supporting evidence is also provided to all Council members is sufficient. Furthermore, the Chair also checks supporting invoices for evidence prior to making the actual payments and often requests further information.***

### **Review of Budgetary Control & Reserves**

R3 The Clerk should ensure that the full value of the Precept being levied is recorded in the Minutes of the Full Community Council, in addition to the 'Band D' charge.

#### **Council Response**

### **Extract from 31 October Finance Committee**

#### **13 Review of 2022/23 Budget, Precept for 2023/24 and Budget for 2023/24**

***The spend figures from 22/23 were reviewed by the Committee and uprated for inflation and any adjustments such as the full year effect of changes plus any new initiatives. A small reduction of £250 for the Postage, Stationery and Printing budget for 2023/24 was agreed to reflect that less items are being posted out and more work is being done virtually which also reduces the Council's carbon footprint.***

***It was also noted that the Council will review ways of reducing energy costs through, for example, more solar powered Christmas trees and changing the dressing of trees to solar power.***

***It was noted that the Working from Home Allowance and officer's wages would be reviewed at the Personnel Committee. It was noted that the insurance budget included a contingency for any further insurance increases and that there was also a reserve of £30k set aside for Audit Wales costs.***

***Consideration was then given to budgeted levels of income for the forthcoming year by calculating the precept based on an estimate of 2,575 households paying £36.01 per annum. The spending and income were then reviewed together to see how affordable the plans are. It was decided not to increase the precept for 2023/24 given the pressures on the community from the cost-of-living crisis together with the fact that the Council still had balances from the Covid period which have yet to be spent. Reserves will be used to fund the gap between acceptable precept level and spending plans.***

***Resolved – To approve the revised budget for 2023/24 as outlined in Appendix 1 and to retain the Precept at £36 per household.***

#### **Extract from 28 November Full Council Meeting**

##### ***- 2023/24 Precept***

***It was agreed that given the cost of living pressures on households, the precept should remain at £36 per household which given the level of inflation would be a real terms reduction.***

***Resolved – To approve the Precept at £36 per household***

#### **Fixed Assets**

R4 The Clerk should ensure that a Spreadsheet Fixed Asset Register is developed for the Council's Fixed Asset Register requirements. A sample spreadsheet has been provided as an attachment to this report, for the Clerk's information.

#### **OVCC Response**

***Agreed – a new spreadsheet has been designed for year ending 2022/23***

#### **Review of Investments and Loans**

R5 The Clerk and Members should accelerate the development and adoption of the proposed Treasury Management Policy to ensure that, as far as it is practicably possible to do so, the Council's reserves remain protected.

#### **OVCC Response**

A new Investment Strategy has been agreed

R6 The Clerk and Members should consider investigating investment opportunities, both to mitigate the risk of having all its funds held on deposit with the Co-operative Bank and to maximise the return on its funds on behalf of its constituents.

### **OVCC Response**

The Council examined this issue at the Finance Committee – see extract below. However further review of CCLA indicated that it was not covered by the FSCS leading to the 21 March 2023 Finance Committee discussion – see also below.

### **Extract from 6 September 2023 Finance Committee**

*It was noted that the Council's cash balance at the end of July 2022 was £240,017 and was all held with the Co-operative Bank. Advice was that £85,000 of this sum was protected by the FSCS guarantee to protect against financial institutions going bankrupt. It was recognised that the risk of financial institutions going bankrupt was low. It was also noted that there was a balance to be struck between banking charges, the level of service provided, interest paid, cost of administration and security of deposits. It was noted that CCLA had been operating for over 50 years and was used by many local authorities and charities so had a track record of protecting public funds although it was recognised that all investments had some risk.*

**Resolved – To recommend to Council that:**

- *a CCLA Public Sector Deposit Fund be set up and to transfer £120,000 to this account leaving the remaining funds with Co-op.*
- *the Investment Strategy as outlined in appendix 1 be approved.*

**At the 21 March 2023 Finance and General Committee, the following was agreed**

*It was noted whilst many Councils use CCLA to deposit spare cash, they are not covered by the FSCS as they are funds rather than cash. It was noted that there are instant cash savings accounts such as Unity Bank which are covered by FSCS and it was agreed that in the current market uncertainty the preference is to deposit funds in a savings account covered by FSCS.*

**Resolved – Clerk, RFO and Cllr Pound to review potential savings accounts and report back to Committee.**