

Ogmore Valley Community Council Cyngor Cymuned Cwm Ogwr



FINANCE AND GENERAL COMMITTEE MEETING CYFARFOD PWYLLGOR CYLLID A CYFFREDINOL

Wednesday 21 June 2023, 6.30 pm at Zoom
Dydd Mercher 21 Mehefin 2023, 6.30 pm yng Zoom

MINUTES

In Attendance

Cllr Dhanisha Patel (Chair)

Cllr Craig Batchelor Howells (Deputy Chair)

Cllr David Pound

Cllr Kevin Thorne

Scott Allin – Clerk

1 Apologies for Absence

There were the following apologies from Councillors:-

Cllr Hywel Williams – work commitments

Cllr Margaret Lloyd – leave commitments

Cllr Angela Jones – 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 21 March 2023

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

4 Matters Arising

It was noted that the action on reviewing potential savings accounts is underway but has been delayed by the resignation of the RFO.

5 To approve Annual Return – 2022/23

(i) Annual Return

It was noted that total balances carried forward were £182,790 and that a review of reserves and what these were ring fenced for should be undertaken.

It was noted that the Internal Auditors had checked the Annual Return and were content with its accuracy.

We are pleased to record that no issues arise in this area and, on the basis of the work undertaken during the course of our review for the year, we have “signed off” the Internal Audit Report, in the year’s Annual Return assigning positive assurances in all areas, with the exception of Internal Control objectives 1 & 2 in the Annual Return.

It was noted that the Internal Auditors had checked the cash book and identified that the version first sent to them was incorrect and there had been poor version control which led to difficulties in reconciling the Annual Return to the initial cash book. However, when this was pointed out to the Clerk, the correct version of the cashbook was sent to the internal auditors with the accurate figures.

It was noted that the Council’s reliance on excel spreadsheets to record its cash book had led to problems with version control and another review of Rialtas accounting software would be undertaken so that the Council was less reliant on experienced excel users.

Resolved to approve the Annual Return 2022/23 at Appendix 1.

(ii) Explanation of Variances

It was noted that a review of reserves and carried forward commitments would be undertaken given the movement of time since reserves for Audit Wales and the previous Clerk were set up.

Resolved to approve the Explanation of Variance.

(iii) Bank Reconciliation – 31 March 2023

It was noted that a review of the bank reconciliation report would be undertaken to make it more user friendly.

Resolved to approve the year end bank reconciliation

(iv) Internal Audit report

It was noted that the Internal Audit conclusion was :-

We are pleased to record that no issues arise in this area and, on the basis of the work undertaken during the course of our review for the year, we have “signed off” the Internal Audit Report, in the year’s Annual Return assigning positive assurances in all areas, with the exception of Internal Control objectives 1 & 2 in the Annual Return, Annual internal audit report: 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.

It was noted that the issues raised would be addressed by:-

- review of options for replacing excel spreadsheets with Rialtas accounting software;
- adjusting next year’s VAT return to reflect the error identified.

Resolved – To note that the Internal Audit report has been formally reviewed and a draft response agreed.

(v) Draft Response to Internal Audit Report

The draft response was agreed but the following response to recommendation 2:

At each face to face meeting of the Council, a selection of councillors would be asked to review a sample of invoices and sign these off which will supplement the fact that all invoices are sent to all Councillors electronically before authorisation at the meeting.

Resolved – To approve the revised Internal Audit Response as outlined in Appendix 2.

6 Recommendations to Full Council

The resolutions above to be ratified by Full Council.

The meeting closed at 7.30pm

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Signature of the Chairperson, Cllr Dhanisha Patel

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Date

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

APPENDIX 1

Accounting statements 2022-23 for:

Name of body: Ogmores Valley Community Council

	Year ending		Notes and guidance for compilers
	31 March 2022 (£)	31 March 2023 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	86,584	161,195	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	92,753	92,748	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	14,380	9,520	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	27,210	35,616	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	44,739	45,057	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	161,195	182,790	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	4,739	3,930	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	165,002	187,203	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	8,546	8,343	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	161,195	182,790	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	85,806	85,831	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/Board/Committee, 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 2023, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> • effective financial management during the year; and • the preparation and approval of the accounting statements. 	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12	
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7	
<p>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 Council/Board/ Committee to conduct its business or on its finances.</p>	<input checked="" type="radio"/>	<input type="radio"/>	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	
<p>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.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23	
<p>5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9	
<p>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.</p>	<input checked="" type="radio"/>	<input type="radio"/>	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	
<p>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 Council/Board/Committee and, where appropriate, have included them on the accounting statements.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6	
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23	
<p>9. Trust funds – The body 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</p>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.					
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* 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.

Additional disclosure notes*

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 and S2 Local Government Act 2000

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 2022-23 was £8.82 per elector.

In 2022-23, the Council made payments totalling £0 under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

Council/Board/Committee approval and certification

The Council/Committee 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

I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2023.

Approval by the Council/Board/Committee

I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:

Minute ref:

RFO signature:	Chair of meeting signature:
Name:	Name:
Date:	Date:

OVCC Responses to IA Recommendations

Review of Accounting Records & Bank Account Management

R1 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.

Response – The Council considered this previously and believed a spreadsheet was adequate for the level of transactions being processed. However, this will be reviewed again in the light 2022/23 experience.

Review of Expenditure

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

Response – At each face-to-face meeting of the Council, a selection of councillors would be asked to review a sample of invoices and sign these off which will supplement the fact that all invoices are sent to all Councillors electronically before authorisation at the meeting.

R3 The Clerk should review the s.126 VAT Reclaim for the 2022-23 financial year in full, to verify the correct value of VAT which should have been reclaimed for that period. A revised Reclaim correcting the current, incorrect Reclaim, should be made in the VAT Reclaim for the current financial year.

Response - Accepted

R4 The Clerk should ensure that the VAT Reclaim is made for the correct accounting period, where the s.126 VAT Reclaim is to be concurrent with the Council's financial year, the 1st April to the 31st March of that financial year.

Response - Accepted

Review of Budgetary Control & Reserves

R5 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.

Response - Accepted

Review of Investments and Loans

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.

Response – This will be reviewed by end of 2023. Delay due to resignation of RFO.