Ogmore Valley Community Council
Cyngor Cymuned Cwm Ogwr

FINANCE AND GENERAL COMMITTEE MEETING
CYFARFOD PWYLLGOR CYLLID A CYFFREDINOL
Monday 21 June 2023, 6.30 pm at Zoom
Dydd Llun 21 Mehefin 2023, 6.30 pm yng Zoom

A G E N D A

MEMBERS OF OGMORE VALLEY COMMUNITY COUNCIL ARE SUMMONED TO ATTEND THIS MEETING
AELODAU CYNGOR CYMUNED CWM OGMORE YR ARCHWILIWYD I DDIWEDDAR Y CYFARFOD HWN

THIS IS A PUBLIC MEETING, MEMBERS OF THE PUBLIC AND THE PRESS ARE WELCOME TO ATTEND TO OBSERVE PROCEEDINGS. DOCUMENTS REFERENCED ON THE AGENDA MAY BE OBTAINED FROM THE CLERK PRIOR TO THE MEETING. CONTACT DETAILS AT THE FOOT OF THIS NOTICE

1 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

3 Minutes 21 March 2023 – Annex A

4 Matters Arising

5 To approve Annual Return – 2022/23
(i) Annual Return – Annex B
(ii) Explanation of Variances - Annex C
(iii) Bank Reconciliation – 31 March 2023 – Annex D
(iv) Internal Audit report – Annex E
(v) Draft Response to Internal Audit Report – Annex F

6 Recommendations to Full Council

Scott Allin –

Clerk of the Council
Scottallin495@gmail.com

Annex A

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

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Signature of the Chairperson, Cllr Dhanisha Patel Date

Scott Allin –

Clerk of the Council Scottallin495@gmail.com

Appendix

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.

Annex F

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 (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.

Response – Each face to face meeting the Chair and Vice Chair of Council will 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. Delay due to resignation of RFO.