

SEALAND COMMUNITY COUNCIL

**EXTRACT FROM MINUTES OF THE MEETING OF COUNCIL HELD ON 20th
APRIL 2015 AT THE SEALAND PRIMARY SCHOOL.**

PRESENT: Councillors: Norman Jones (Chairman), Mrs Gwyneth Bullock, Mrs. Barbara Hinds, Mrs Chris Jones (County Councillor), Alex Lewis, Mrs Mary Southall, Mike Walkeand David Wisinger (Vice – Chairman).

Peter Richmond - the Clerk and Financial Officer.

Also in attendance –

Five members of the public.

Wayne Jones - Street Scene Flintshire County Council
Acting Sergeant 1829 Mike Wilson
PC 229 Martin Price

**14/283 SEALAND COMMUNITY COUNCIL – SUMMARY ACCOUNTS
2014/15 FINANCIAL YEAR**

The Clerk outlined the overall finalised expenditure and income for the 2014/15 financial year. The Clerk detailed that the closing bank balances are -

Account - no – 0388217 - £4,211.78
Account - no – 7326098 - £42,112.04
Total - £46,323.82

Less unpaid cheques of £3,550.88

Cheque no – 002872 - £3,365.88: 002877 - £35.00: 002878 - £150.00

Total bank Accounts - £ 46,323.82 less unpaid cheques of £3,550.88 leaves a closing balance of £42,772.94

The Clerk confirmed that he had submitted to HMRC the Council's VAT claim for the 2014/15 financial year for £904.08

The Clerk also confirmed that he had completed the Council's HMRC end of year on line processes for 2014/15 and has set up the on line process for the 2015/16 financial year.

RESOLVED: - that-

- i) the report be noted.
- ii) the Chair and Clerk sign off the appropriate pages for the 2014/15 financial year in the Council's account book.

14/284

SEALAND COMMUNITY COUNCIL – SUMMARY ACCOUNTS

The Clerk outlined the detailed expenditure and income for the 2014/15 financial year.

2014/15

Financial Year

Income

	Actual	Anticipated	Difference
General Admin Inc. Precept / Payment from Welsh Audit office of £30	£53,030.00	£53,000.00	£30.00
Bank Interest	£21.70	£20.00	£1.70
Insurance Claims / Refunds	£2,377.59	£0.00	£2,377.59
VAT Refund	£646.11	£750.00	-£103.89
Milk Claims	£282.52	£600.00	-£317.48
Total	£56,357.92	£54,370.00	£1,987.92

Expenditure

	Actual	Anticipated	Difference
Play Areas	£7,796.40	£9,200.00	£1,403.60
Staffing Costs	£7,692.60	£7,637.00	-£55.60
General Admin Costs (inc new Chain of Office)	£8,745.19	£5,760.00	-£2,985.19
S137 Grants	£1,847.96	£3,000.00	£1,152.04
CCTV	£0.00	£250.00	£250.00
Street Lighting	£23,134.42	£25,100.00	£1,965.58
Notice Boards	£0.00	£1,000.00	£1,000.00
Insurances	£2,356.02	£2,500.00	£143.98
Milk	£2,635.76	£3,800.00	£1,164.24
Total	£54,208.35	£58,247.00	£4,038.65

Current Summary

Balance as at 31 March 2014	£40,623.37
Total Expenditure	£54,208.35
Total Income	£56,357.92
Balance	£2,149.57
Overall balance as at 31 st March 2015	£42,772.94
VAT Costs for 2014/15 financial year	£904.08

End of Year Prediction

Balance as at 31 March 2014	£40,623.37
Total Anticipated Expenditure	£58,247.00
Total Anticipated Income	£54,370.00
Anticipated Balance for the year	-£3,877.00
Anticipated Overall Balance as at 31 March 2015	£36,746.37

RESOLVED - that the report be noted.

14/285 SEALAND COMMUNITY COUNCIL – SUMMARY ACCOUNTS

The Clerk outlined expenditure and income for the 2015/16 financial year up to Cheque number 002885 - .

2015/16

Financial Year

Income

	Actual	Anticipated	Difference
General Admin Inc. Precept.	£0.00	£57,000.00	-£57,000.00
Bank Interest	£0.00	£20.00	-£20.00
Insurance Claims / Refunds	£0.00	£0.00	£0.00
VAT Refund	£0.00	£900.00	£0.00
Milk Claims	£0.00	£500.00	-£500.00
Total	£0.00	£58,420.00	-£58,420.00

Expenditure

	Actual	Anticipated	Difference
Play Areas	£0.00	£8,000.00	£8000.00
Staffing Costs	£754.05	£9,049.00	£8,294.95
General Admin Costs	£434.33	£4,930.00	£4,495.67
S137 Grants	£0.00	£2,000.00	£2,000.00
CCTV	£3,907.20	£4,000.00	£92.80
Street Lighting	£1,168.26	£26,700.00	£25,531.74
Street Furniture Repairs	£0.00	£500.00	£500.00
Insurances	£0.00	£2,500.00	£2,500.00
Milk	£0.00	£3,200.00	£3,200.00
Total	£6,263.84	£60,879.00	£54,615.16

**Current
Summary**

Balance as at 31 March 2015	£42,772.74
Total Expenditure	£6,263.84
Total Income	£0.00
Balance	-£6,263.84
Overall balance as at 20 th April 2015	£36,508.90
VAT Costs for 2015/16 financial year	£690.40

**End of Year
Prediction**

Balance as at 31 March 2015	£42,772.74
Total Anticipated Expenditure	£60,879.00
Total Anticipated Income	£58,420.00
Anticipated Balance for the year	-£2,459.00
Anticipated Overall Balance as at 31 March 2016	£40,313.74

RESOLVED - that the report be noted.

The Clerk detailed the accounts for Council in the Local Council for Wales Annual Return for the year ended 31 March 2015.

Statement of Accounts

31-Mar-14	31-Mar-15	
£	£	
£41,708	£40,623	Total balances and reserves at the beginning of the year as recorded in the council's financial records.
£53,000	£53,000	Total amount of precept income received in the year.
£2,793	£3,358	Total income or receipts as recorded in the cashbook minus the precept Includes support, discretionary and revenue grants
£7,537	£7,693	Total expenditure or payments made to and on behalf of all council employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses.
£0.00	£0.00	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
£49,341	£46,515	Total expenditure or payments as recorded in the cashbook minus staff costs and loan/interest expenditure/payments.
£40,623	£42,773	Total balances and reserves at the end of the year.
£0.00	£0.00	Income and Expenditure Accounts only. The value of debts owed to the council at the year end.
£40,623	£42,773	All accounts. The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March – this must agree with the reconciled cash book as per the bank reconciliation.
£0.00	£0.00	Income and Expenditure Accounts only. The value of monies owed by the council (except borrowing) at the year end
£40,623	£42,773	Total balances

£254,820	£262,447	The recorded current book value at 31 March of all fixed assets owned by the council and any other long-term assets e.g. loans to third parties, other investments to be held for the long term i.e. more than 12 months.
£0.00	£0.00	The outstanding capital balance as at 31 March of all loans from third parties.
N/A	N/A	Trust Fund Disclosure

The Accounts and Audit Regulations were amended in 2014. Process to follow is –

1. RFO / Clerk prepare the Annual Return sections 1 and 2 – Completed.
2. Pass the Return to the internal auditor along with all the Council's appropriate records – (9th April 2015 returned on 16th April 2015) Completed.
3. Council considers the Annual Return at a full Council meeting before 30th June 2015. Section 3 is signed by the person presiding at the meeting. To be undertaken on 20th April 2015.
4. RFO/Clerk then sends a copy of the Annual Return and requested documents to the External Auditor.
5. External auditor completes the audit if there are no amendments the auditor will certify Section 3 send it back to Council for publication. If amendments are required the auditor will send the Return back to the Council for amendment and re-approval. The amended Return must then be sent back to the auditor for certification
6. The Council must publish the certified Annual Return by 30th September. If the Council is unable to publish the Annual Return by 30th September 2015 then it must publish statements together with a declaration and explanation that at the date of publication the auditor has given no opinion.

Section 2 – Annual governance statement

The Clerk outlined the Section 2 – Annual governance statement

We acknowledge as the members of SEALAND COMMUNITY 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, with respect to the Council's accounting statements for the year ended 31st March 2015 that -

	Agreed - Yes or No
We have approved the accounting statements accounts which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014(as amended) and proper practices.	YES
We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES

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, which could have a significant financial effect on the ability of the council to conduct its business or on its finances.	YES
We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014..	YES
We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES
We have maintained an adequate and effective system of internal audit of the Council's accounting records and control systems throughout the year and have received a report from the Internal Auditor.	YES
We have taken appropriate action on all matters raised in previous reports from internal and external audit	YES
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 and, where appropriate have included them on the statement of accounts.	YES
Trust funds – 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

Section1 – Following certification by the Responsible Financial Officer the Council is now required to approve the accounting statements in Section 3

Section 2 – The Annual Governance Statement has been presented to the Council. To the best of our knowledge and belief and subject to your audit findings, the responses to each statement of assurance in Section 2 are accurate, complete and represent the Council's final responses.

RESOLVED: - that –

- i) the report be noted.
- ii) Council should note the Annual Return for the year ended 31st March 2015 as presented by the Council's Responsible Financial Officer in line with Section 1 and Section 2 as reported to Council.
- iii) the Council approves the accounting statements under Regulation 15(2) Accounts and Audit (Wales) Regulations 2014 and the Annual Governance Statement for Section 3 to signed by the Chairman of Council.
- iv) the Chairman and Clerk should also sign the Council's ledger book.

Notice of Appointment of Date for the Exercise of Electors' Rights, Annual Return for the Year Ended 31 March 2015

The Clerk advised that each year the Council's annual return is audited and any person

interested has the opportunity to inspect and make copies of the annual return and all books, deeds, contracts, bills, vouchers and receipts relating to them.

The Clerk outlined the public notice and details of the public inspection arrangements. Inspection runs 29th April and ends on 30th May 2015.

The notice has been displayed since 14th April 2015 on the Council's notice boards and on the Council's web site.

RESOLVED: - that the report be noted.

14/287 SEALAND COMMUNITY COUNCIL – SUMMARY ACCOUNTS
2014/15 FINANCIAL YEAR

The Clerk advised that the Internal Audit was completed by JDH Business Services Ltd and there were no issues to report – the auditor has provided a guidance note for the 2016/17 financial year.

The audit was undertaken using the following tests as specified by the Audit Commission on Section 4 of the Annual Return for Local Councils in England and 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.

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 recommendations reported in the action plan overleaf.

Guidance Note

An area of potential risk for the Council in 2015/16 is ensuring they meet the requirements of The Pension Regulator with respect to auto enrolment, or they may face fines. Even if staff are not eligible to be auto enrolled into a pension scheme the Council may still have to complete a declaration of compliance.

Recommendation – The Council should review this risk if they have not already done so and ensure that they meet any requirements of The Pension Regulator – see www.thepensionsregulator.gov.uk for further information.

The Clerk advised that he has been in contact with The Pension Regulator and Council's auto enrolment date is 1st April 2017 and he is now recorded as the Council's contact.

The Clerk will keep the Council informed on this issue.

RESOLVED: - that the report be noted.

14/288 LETTER OF ENGAGEMENT BETWEEN SEALAND COMMUNITY COUNCIL AND JDH BUSINESS SERVICES LTD FOR CONTINUING INTERNAL AUDIT SERVICES

The Clerk outlined the purpose of this letter which is to acknowledge that the Council has reviewed its Internal Audit arrangements at its meeting held on 20th April 2015 and wishes to continue with using the services of JDH Business Services Ltd, an arrangement which has been in place since 2005. The Council in making this decision is mindful of the professional approach and expertise in audit matters by the company and the helpful and timely way it carries out this function. It is confirmed that the company is entirely independent of Sealand Community Council and has never been used for any professional service other than the annual internal audit.

Respective responsibilities of Sealand Community Council and JDH Business Services Ltd as Internal Auditors

The Council's responsibilities

To prepare and approve accounts for each financial year in accordance with the Accounts and Audit Regulations in force at the time and proper accounting practice.

Maintaining an adequate system of internal control including measures designed to prevent and detect fraud and corruption.

Undertaking all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Council to conduct its business or on its finances.

Carrying out an assessment of the risks facing the Council and taking appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

To make available to the Internal Auditors, as and when required, all the Council's books of accounts and records and related information necessary to carry out their work and also full disclosure of any relevant information.

As part of normal procedures the Council may be required to provide written confirmation of any information or explanations given orally to the Internal Auditors during the course of their work.

To respond to any Annual Action Plan items indicated in the report of the Internal Auditor as reported to the Council.

Internal Auditors responsibilities

These are solely confined to carrying out the internal audit testing as specified by the Audit Commission for Wales in Section 4 of the Annual Return and are currently as follows:

Checking that books of accounts have been properly kept throughout the financial year.

Checking that the Council's Financial Regulations and Standing Orders have been met, payments are supported by invoices, expenditure is approved and VAT correctly accounted for.

Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks including the disclosure of Members personal interests and investment strategy.

Verifying that the annual precept request is the result of a proper budgetary process: that the budget progress has been regularly monitored and the Council's reserves are appropriate.

Checking income records to ensure that the 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 by way of RTI to HMRC have been properly applied.

Checking the accuracy of the asset and investment registers.

Testing the accuracy and timeliness of periodic and year-end bank account reconciliations.

Year-end testing on the accuracy and completeness of the financial statements.

Fees

The Council will meet the fee of each annual internal audit for the work spent on the basis of the responsibilities detailed above and if it necessary to carry out work outside of these it is acknowledged that this will involve an additional fee.

Agreement and Terms

The terms in this letter shall take effect for internal audit for the 2015-16 financial year which is due to take place in April 2016. It is agreed that this letter remains effective until it is replaced by way of the Council renewing the appointment of JDH Business Services Ltd on an annual basis in January each year for internal audit that will take place after the commencement of the next financial year.

We confirm that we have read and understood the contents of this letter and agree that it accurately reflects the services that we have instructed you to provide.

RESOLVED – that –

- i) the report be noted.
- ii) the letter of engagement be approved and for it to be signed by the Chairman and Clerk