

SEALAND COMMUNITY COUNCIL

MINUTES OF THE MEETING OF COUNCIL HELD ON 16th NOVEMBER 2020 ON LINE VIA GO TO MEETING

PRESENT: Councillors Barbara Hinds (Chair), Gwyneth Bullock, Jean Fairbrother, Ashley Griffiths, Bob James, Chris Jones (County Councillor), Norman Jones (Vice - Chair), Alex Lewis, Mary Southall, Mike Walker, Brian Ward and David Wisinger.

Peter Richmond: Clerk and Financial Officer
One member of the public.

20/147 SUMMARY OF ACCOUNTS – 2020/21 FINANCIAL YEAR

The Clerk outlined the expenditure and income for the 2020/21 financial year up to cheque number 003391.

2020/21 Financial Year	Actual	Anticipated	Difference
Income			
General Admin Inc. Precept	£38,000.00	£57,000.00	-£19,000.00
Bank Interest	£9.04	£22.00	-£12.96
Cancelled payment from 2019/20	£50.00	£0.00	£50.00
VAT Refund	£467.56	£400.00	£67.56
Milk Claims	£109.13	£400.00	-£290.87
Total	£38,635.73	£57,822.00	-£19,186.27
Expenditure	Actual	Anticipated	Difference
Bank Charges	£35.00	£60.00	£25.00
Chairman's Fund	£350.00	£800.00	£450.00
Staffing Costs	£7,470.02	£10,669.00	£3,198.98
Admin Costs inc printer cartridges	£2,476.37	£2,840.00	£363.63
Council Web Site	£2,458.00	£2,304.00	-£154.00
Insurances	£770.12	£875.00	£104.88
Defibrillator – LGA Act 2000(S2)	£0.00	£75.00	-£75.00
Play Schemes and New Equipment	£1,743.28	£10,500.00	£8,756.72
Highways	£0.00	£2,500.00	£2,500.00
Street Lighting	£26,820.17	£23,700.00	-£3,120.17
CCTV Maintenance	£0.00	£250.00	£250.00
Grants – Section 137	£1,350.00	£2,500.00	£1,150.00
School Milk – Section 137	£165.00	£2,800.00	£2,635.00
Total	£43,637.96	£59,873.00	£16,235.04

Current Summary	Balance as at 31 March 2020 including £25,000 contingency fund.	£41,075.46
	Total expenditure	£43,637.96
	Total income	£38,635.73
	Balance in year spend	-£5,002.23
End of Year Prediction	Overall balance as of 16 th November 2020	£36,073.23
	VAT Costs for 2020/21 financial year	£665.60
	Balance as at 31 st March 2020	£41,075.46
	Total anticipated expenditure	£59,873.00
	Total anticipated income	£57,822.00
	Anticipated balance for the year	-£2,051.00
	Anticipated Overall Balance as at 31st March 2021	£ 39,024.46

RESOLVED – that the report be noted.

20/149 COUNCIL'S STANDING ORDERS, POLICIES, REGULATIONS AND PROTOCOLS

The Clerk advised that Council is required to review on annual basis and then endorse the Council's Standing Orders, Financial Regulations, Internal Financial Controls, Annual Investment Strategy, Risk Assessment Processes, Freedom of Information Access Arrangements, Complaints Procedure, GDPR - Data Protection Policy, Records Management Policy, Information Security Policy, Health and Safety Policy, Press and Social Media Policy, Public Participation Protocol, Retention of Records Policy and Member's Self-Regulatory Protocol.

Copies have previously been provided to members of Council and are all currently available on the Council's web site.

The Clerk advised that the following had been updated and need to be considered and approved by Council – Financial Regulations, Internal Financial Controls, Annual Investment Strategy and Risk Assessment processes.

RESOLVED – that

- a) the report be noted.
- b) consideration of the Clerk's Risk Assessment Report be accepted as the formal risk assessment for the 2021/22 financial year.
- c) in relation to the key risks, these are identified as relating to the Council's assets, bank accounts, internal controls and insurance cover for statutory and other purposes.
- d) the arrangements highlighted in the Risk Assessment details that Council is taking all the appropriate steps to minimise risks in conjunction with the documented Internal Financial Controls and that the Risk Assessment 2021/22 be noted.
- e) JDH Business Services Ltd be reappointed as the Council's internal auditor for the 2021/22 financial year.
- f) the 2021/22 Internal Financial Controls and Annual Investment Strategy be approved.
- g) the updated Financial Regulations be approved.
- h) the following be endorsed without requiring amendments – Standing Orders, Freedom of Information Access Arrangements, Complaints Procedure, GDPR - Data Protection Policy, Records Management Policy, Information Security Policy, Health and Safety Policy, Press and Social Media Policy, Public Participation Protocol, Retention of Records Policy and Members Self-Regulatory Protocol.

The audit arrangements Audit Wales have determined for community and town councils to be applied from the audit of the 2020-21 accounts incorporates a three-year cycle of two limited procedure audits and a transaction-based audit for each council. The introduction of the transaction-based audits will be staggered across the first three years of the new arrangements.

A summary of the audit approach is provided in Appendix 4 of the Welsh Audit Report as circulated on 22nd October 2020.

In addition to undertaking a transaction-based audit once every three years, auditors would still undertake additional audit work where it is considered necessary. Examples of situations where additional work may be required include - (but are not limited to):

- When matters come to the auditor's attention during the course of a limited procedure audit, e.g. through correspondence, objections or matters arising during the audit
- When transaction testing highlights areas of audit concern
- When councils fail to co-operate with the audit team
- When significant problems have been highlighted in previous years
- When a council fails to prepare accounts on a timely basis

Next steps

In late November 2020, Wales Audit will host a webinar to provide further detail to councils on how the new arrangements will work in practice. Audit Wales staff are discussing the arrangements with representatives of One Voice Wales and the Society of Local Council Clerks so that these organisations are equipped to support Community and Town Councils as the new arrangements are rolled out.

Audit Wales is also considering how the audits will be delivered. Further information will be provided to all councils by January 2021.

The audit of the 2020-21 accounts will be undertaken in the late summer of 2021. They expect that fees for two years of the three-year cycle will be broadly in line with current audit fees. For the audit year in which more detailed work is undertaken, they anticipate that there will be a modest increase in the audit fee. Audit Wales is currently developing a fee model to support this approach.

Councils should have an internal audit that undertakes much of the work proposed for the external audit. An annual internal audit that incorporates testing of transactions is sufficient to address the concerns raised by external auditors and removes the need for transaction testing by external auditors. Council's appointed internal auditor is JDH Business Services Ltd. The Accounts and Audit (Wales) Regulations 2014 require all councils to maintain an adequate and effective system of internal audit of their accounting records and of their system of internal control. The Auditor General's report on internal audit in the sector identified that not all councils make arrangements for internal audit. The Auditor General's

Financial Management and Governance reports comment on the discrepancies between the internal auditor's findings and the external auditor's findings that result in qualified audit opinions. This is particularly apparent at some councils where the Auditor General has issued a report in the public interest. In some cases, even though the internal auditor has provided positive assurances to individual councils, it is clear that the internal audit process was not adequate and effective. The issues highlighted in public interest reports are not common across the sector. The number of public interest reports is small and the problems identified are not common across all councils. A more proportionate response would be to target those councils that have issues rather than increasing audit measures across the sector. Response Audit work is normally undertaken by firms engaged by Audit Wales. However, when significant issues arise at individual councils, Audit Wales undertakes additional work inhouse. As a result of this additional work, since 2008, public interest reports have been issued to 25 councils across Wales. At present, the Auditor General is considering - Future Audit Arrangements for Community and Town Councils in Wales whether or not to issue public interest reports at another 14 councils. Audit Wales is currently undertaking additional audit work at a further 30 councils. This represents almost 10% of all councils in Wales.

Furthermore, the matters identified in the public interest reports are also identified in qualified audit reports at other councils.

RESOLVED – that the report be noted.

The meeting opened at 6pm and closed at 7.45pm