

PENALLY COMMUNITY COUNCIL

Minutes of the General Meeting of the Penally Community Council held under Section 26 of the Public Audit (Wales) Act 2004 on Sunday 30th September 2018 at The Village Hall, Penally at 11.00am for the transaction of the following business:-

Present: Cllrs P Bradbury (Chair), J D'Arcy, M Hancock, C Dessent, C Bradbury, M Neil and S Robinson

In attendance – Three members of the public
The Clerk

01 2018/09/30 Apologies for Absence: Cllrs J Preston and J Rilstone

Cllr P Bradbury welcomed the members of the public.

Cllr P Bradbury reiterated to the Council that the reasons, as reported by the Assistant Auditor General, why Penally Community Council were issued an Audit Report under Section 26 of the Public Audit (Wales) Act 2004 are:-

- The Council had failed to prepare annual accounts for the years 2015/16 and 2016/17 in accordance with the statutory timetable.
- Insufficient evidence was produced to confirm that proper arrangements had been made for the exercise of Public Rights.
- Failure to maintain proper arrangements to administer payroll and PAYE, including the payment of the Clerk's income tax to HMRC.
- No proper budget for 2015/15 and 2016/17 were prepare, approved or the precept levied on Council tax payers for these financial years.
- Insufficient third-party documentation to support payments was submitted.

It was also noted that no misuse of funds had been reported, that a new Council was appointed in May 2017 and the present Clerk and Responsible Finance Officer was appointed in August 2018.

The consideration of the Council's response to the recommendations set out within the Audit Report - Report in the Public Interest – Failures in Financial management and Governance – Penally Community Council as issued by the Auditor General for Wales.

The Clerk reported that all Councillors had received a copy of the Report and recommendations prior to this meeting and that copies of the Report were available if members of the public required a copy.

02 2018/09/30 Discussions took place whether the Report requires the Council to take any action or not. Cllr Hancock proposed that the Council act in accordance with the report; Cllr C Bradbury seconded the proposal with all Councillors in full agreement.

03 2018/09/30 Discussion took place whether the recommendations in the report are accepted or not. Cllr Robinson proposed that each recommendation, as set out in the Report, be addressed and the appropriate action required by Councillors and Clerk/Responsible Finance Officer be noted against that recommendation (noting that some actions are already being carried out); Cllr C Bradbury seconded the proposal with al Councillors in full agreement.

The Council's reply to the recommendations of the Report are as follows:-

- R1 All Councillors acknowledged that a very comprehensive Finance Report is prepared by the Responsible Finance Officer and presented each month, this includes the Statement of Accounts (as per the month end). As part of our Annual Meeting agenda the presentation and signing of the years end (Annual) Statement of Accounts will become a regular agenda item and the responsibility of all Councillors to ensure this is part of the agenda.

If the Council do not receive the Statement of Accounts at the year end from the Responsible Finance Officer, the Council is required to publish a Statement identifying the reasons for the Officer's non compliance and agree a course of action. (Public Audit (Wales) Act 2004 and Accounts and Audit (Wales) Regulations 2014 (part 5 (2) and (3))

- R2 It was noted that every Councillor carries a responsibility for the compliance to any Regulation (Code of Conduct as adopted each year by each Councillor (August 2018)).

- 04 2018/09/30** Cllr P Bradbury proposed that a Finance sub-committee is formed to ensure that all Councillors and the Responsible Finance Officer are aware of the Welsh Auditing process and they are fully complying with the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulation 2014; Cllr Hancock seconded the proposal with a majority vote in favour.

Cllr P Bradbury suggested that one of this Sub Committee's first tasks should be to draft an up-to-date Financial Regulations for adoption by the Council.

- R3 It was agreed that to ensure that the statutory timetable for Audit is adhered to in future a timetable flowchart for such be drafted by the Responsible Finance Officer and Finance Sub-committee for adoption by the Council.

- R4 A letter dated 2nd August 2018 was received (Via the previous Clerk) upon August 8th by Cllr Bradbury, within which was the Notice of Audit 2015-2016 and 2016-2017. This was displayed upon notice boards within the village. The accounts were made available from the 20th August until the 19th September 2018 for electors to inspect. (as per Public Audit (wales) Act 2004)

- R5 Photographs taken and Welsh Auditor advised, and acknowledgement of such received, via telephone, on the 9th August 2018.

- R6 Following the Council becoming aware of the 2011 Employment Guidelines for Community Council as set out by HMRC, the Council appointed a Chartered Accounting Company to register the Council as an employer and implement the PAYE scheme, paying any back PAYE and NI owing.

The Council are confident that these guidelines have been and will remain to be adhered to with complete openness at meetings. It has been agreed. Minute reference 2018/08/08/09. that the new Responsible Finance Officer adopt the PAYE duties.

Monthly – The presentation of the Clerk's Payslip, HMRC submission report and the corresponding cheque signed in the meeting as per the proposed Financial Regulations

Quarterly - June, September, December and March. The Payments record, as per the HMRC printout and payment book, is presented to the Council and the amount owing, as per the payment record, paid.

All the above to be signed by the Chair and Responsible Finance Officer and available for inspection at any time.

- R7 The Council has followed the Guidelines of Employment from the National Association of Local Councils and have issued the New Clerk/Responsible Finance Officer with a Model Contract, using the recognised job elevation question sheet calculated the salary to be awarded. Minute reference 2018/08-08/10

The terms of the Contract were agreed at a meeting of Councillors.

1. The past Clerk was also issued with a Contract in April 2018 (just prior to leaving - Minute Ref:- **3. 2017/18 Chair's Report**).
- R8 During December a budget meeting will be held where the Finance Sub-Committee will prepare a draft budget, in accordance with the Local Government Finance Act 1992, for approval by full Council. The abstract of this Act relevant to Local Precepting Authorities should be incorporated into the new Financial Regulations.
- R9 Within the monthly financial report the monies spent are shown against the monies budgeted. This is shown in figures and graph form. The budget is discussed at each meeting.
- R10 No invoices are paid without the relevant paperwork (this should be incorporated into the new Financial Regulations). The Responsible Finance Officer will ensure that the invoices received/sent file is available at all meetings for anyone to inspect.

05 2018/09/30 Questions from persons attending

No questions were asked and the Council were thanked for a full and open discussion of the Audit Report and their responses.

Three members of the public left the meeting.

Discussion took place regarding the format of the reply to the Auditor General. The Clerk to draft a reply and circulate it to all Councillors before the October meeting for their consideration.

Meeting ended 12.30pm