



THE COMMUNITY COUNCIL OF ABERTILLERY & LLANHILLETH
CYNGOR CYMUNED ABERTYLERI A LLANHILLEDD

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Our Ref: **NOTICE OF MEETING**

11 November 2020

To: Members of the Finance and Grants Committee:

Councillors Gill Clark, Perry Morgan, Gary Oakley (Chair), Allen Rees, Nick Simmons and Glyn Smith

Dear Councillor

You are summoned to attend a meeting of the Finance and Grants Committee of Abertillery and Llanhilleth Community Council, to be held in the Council Chamber on **17th November 2020 at 4:30 pm.**

The agenda for the meeting is set out below.

The meeting is subject to the Councils COVID-19 Health Protocols which all attendees to the meeting should adhere to. The Protocols will be issued before the meeting and copies will be on the Councils website.

Meetings are restricted to two hours, unless the committee chooses during the meeting to suspend standing order 3(x), if it wishes the meeting to last beyond two hours.

Yours sincerely

Richard Gwinnell
Town Clerk

AGENDA

1. Apologies for absence and welcomes

2. Declarations of interest or dispensations

Members who consider that they have an interest to declare are asked to state the item in which they have an interest and the nature of the interest. Any member who is unsure should seek advice prior to the meeting in order to expedite matters at the meeting itself.

3. Budget 2020/21 Quarter 2 report and year end forecast (attached)

4. Provision of Credit/Debit/pre-paid Card for the Council.

5. **Youth Engagement Working Group update and projections.**
6. **Auditor (Attached Guidance on appointing an Auditor)**
7. **Council Grant applications**
8. **Ward Grant applications** To determine the following applications for ward grants:

Organisation	From Councillor	Amount
Zion Miner's Chapel	Keri Bidgood	£100
Llanhilleth Tenants and Residents Association	Keri Bidgood	£100
Swffryd Community Centre for children's Christmas activities	Gill Clark	£100

**Half Year (April 2020 to Sept 2020) -
Abertillery and Llanhilleth Community Council**

	Budget for Year	Spend to date	Full Year Estimate	Variance	Comments
Staffing Costs					
Staff Salaries	£49,078.29	£24,789.72	£49,579.44	£501.15	
Employer NIC	£4,051.73	£2,208.79	£4,417.58	£365.85	
Employer Pension Contributions	£8,834.09	£4,586.08	£9,172.16	£338.07	
Totals	£61,964.11	£31,584.59	£63,169.18	£1,205.07	The NALC pay increase was 2.75% so over the 2% increase that had been budgeted for so we are forecasting an over spend on staff costs budget for this year.
Training and subscriptions					
2 Memberships of SLCC	£450.00	£0.00	£450.00	£0.00	Paid in Q 4
Training Budget for Officers Including Conference Attendance	£400.00	£0.00	£400.00	£0.00	There has only been one online training course to date in this financial year but there is an assumption that all training costs will be paid. There will be a clearer picture at the end of quarter 3.
Training Budget for members	£1,000.00	£0.00	£1,000.00	£0.00	
Totals	£1,850.00	£0.00	£1,850.00	£0.00	
Administration					
Upgrade of IT Equipment - 3 Laptops @ £750 each with encrypted hard drives	£2,250.00	£1,785.91	£1,785.91	-£464.09	IT equipment has been upgraded and is installed.
Purchase and set up of Rialtas Accounting System (Year 1)	£645.00	£830.40	£830.40	£185.40	System is installed and officers are populating the data. The increase is because support and maintenance were not originally included to the estimate
Hosting of Cloud Based Accounting System - 3 Users	£1,122.00	£157.20	£374.00	-£748.00	We are only using a single licence instead of a 3 user licence
VSM Hosted File Sharing - 18 users	£432.00	£0.00	£0.00	-£432.00	We no longer require VSM
65" Android Wireless Smart Monitor + wall brackets and installation	£1,200.00	£0.00	£1,200.00	£0.00	In progress, likely to be cheaper than original estimates as the price of this technology has reduced over the past few months
Bank Charges	£210.00	£108.00	£216.00	£6.00	Current spend in line with forecast but may reduce as the impact of reduced expenditure in first half of the year start to come into play
Insurance	£800.00	£768.92	£768.92	-£31.08	
One Voice Wales Membership	£2,500.00	£2,624.00	£2,624.00	£124.00	
Printing and photocopying usage	£700.00	£199.21	£398.42	-£301.58	Reduced printing this year
Printer Rental	£1,500.00	£605.78	£605.78	-£894.22	There is now only a minimal service charge, final quarter payment was paid in September.
Internet and Phone (BT)	£250.00	£96.47	£192.94	-£57.06	

Web Hosting - Vision ICT	£250.00	£180.00	£430.00	£180.00	£180.00	There will be an overspend on this budget item, as we had additional work when old meeting agendas and minutes were transferred across to the new website
Stationary and Postage	£1,000.00	£145.14	£500.00	£500.00	£500.00	There is very likely to be a large underspend on this
Payroll - BGCBC	£600.00	£150.00	£600.00	£600.00	£0.00	
Information Commissioner	£40.00	£0.00	£40.00	£40.00	£0.00	Paid in Q4
Electricity from British Gas (Factory Unit)	£0.00	£0.00	£0.00	£0.00	£0.00	We are still in Credit
Internal Audit	£1,500.00	£1,577.20	£1,577.20	£1,577.20	£77.20	
Travel and Mileage	£500.00	£0.00	£500.00	£500.00	£0.00	No indication yet what these costs may be
External Audit 2019/2020	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	We do not have any indication yet of the costs for the 2019/2020 Audit
Welsh Water (Factory Unit)	£150.00	£58.96	£150.00	£150.00	£0.00	
Marketing and Publicity (Well Being, leaflets)	£2,000.00	£0.00	£0.00	£0.00	£0.00	There are no current marketing plans
Totals	£18,649.00	£9,287.19	£13,793.57	£9,287.19	-£4,855.43	
Grants and Members Allowances						
£200 per Councillor - Ward Grants	£3,800.00	£2,000.00	£3,800.00	£3,800.00	£0.00	It is assumed that all ward grants will be spent
Chairs Allowance (IRP Determination 49)	£1,500.00	£0.00	£0.00	£0.00	£-1,500.00	Council agreed at Meeting of 21st October not to pay the Chairs allowance
Deputy Chairs Allowance (IRP Determination 50)	£500.00	£0.00	£0.00	£0.00	£-500.00	Council agreed at Meeting of 21st October not to pay the Deputy Chairs allowance
Council Grants	£10,000.00	£0.00	£10,000.00	£10,000.00	£0.00	No grants yet been paid but is assumed that the entire allocation will be taken up
Specific Responsibilities Allowance (IRP Determination 43) * £500	£2,500.00	£0.00	£500.00	£500.00	£-2,000.00	Council agreed at Meeting of 21st October to only pay one £500 SRA to the Chair of HR Committee.
Members Allowance (19*£150)	£2,850.00	£0.00	£2,850.00	£2,850.00	£0.00	No allowances have yet been paid but is assumed that the entire allocation will be taken up, even though in past years a maximum of 5 have taken the allowance
Totals	£21,150.00	£2,000.00	£17,150.00	£2,000.00	-£4,000.00	As agreed at Council meeting of 17th September this underspend to be transferred to reserve account and used to offset next years IRP liabilities
Environment and Leisure						
Xmas lights - Central Contract	£25,000.00	£0.00	£25,000.00	£25,000.00	£0.00	
Llanhilleth Tenants and Residents - Christmas Lights	£3,000.00	£3,000.00	£3,000.00	£3,000.00	£0.00	
Brynithel Community Centre - Christmas Lights	£1,500.00	£1,500.00	£1,500.00	£1,500.00	£0.00	
Swffryd Community Centre - Christmas Lights	£1,500.00	£1,500.00	£1,500.00	£1,500.00	£0.00	
WinterFest (ALCC Activities)	£2,000.00	£0.00	£0.00	£0.00	£-2,000.00	No Winterfest for 2020
Ffrindiau Tyleri (Winterfest and Aberfest)	£2,000.00	£0.00	£0.00	£0.00	£-2,000.00	Council will have to decide what to do about these grants if these events do not take place
Abertillery Rock and Blues Festival	£1,000.00	£0.00	£0.00	£0.00	£-1,000.00	
Allotments	£542.40	£10.00	£542.40	£542.40	£0.00	
War Memorial Maintenance	£1,500.00	£1,030.00	£1,500.00	£1,500.00	£0.00	No forecast over spend as winter cost are below summer costs
Wreaths/Popples/Remembrance Day	£500.00	£0.00	£500.00	£500.00	£0.00	
SWALEC Costs for Christmas lights	£1,500.00	£0.00	£1,500.00	£1,500.00	£0.00	
Totals	£40,042.40	£7,040.00	£35,042.40	£7,040.00	-£5,000.00	

Overall Total (Stand Still)		£143,655.51	£49,911.78	£131,005.15	-£12,650.36
Elective Spending Proposals					
Car Park - CAT	£0.00	£0.00	£0.00	£0.00	£0.00
Abertillery Underpass - Repair Estimate	£0.00	£0.00	£0.00	£0.00	£0.00
YOUTH ENGAGEMENT GROUP - Estimate					
BGCBC - Youth Workers	£37,806.00	£0.00	£0.00	£0.00	-£37,806.00
Space Youth Café - Youth Services (Food Project)	£3,380.00	£0.00	£0.00	£0.00	-£3,380.00
LEISURE AND TOURISM GROUP					
Party in the Park	£13,000.00	£0.00	£0.00	£0.00	-£13,000.00
Fun Run	£3,000.00	£0.00	£0.00	£0.00	-£3,000.00
In Bloom	£0.00	£0.00	£0.00	£0.00	£0.00
Install benches at war memorial	£1,000.00	£0.00	£0.00	£0.00	-£1,000.00
Toilets in Abertillery Centre	£0.00	£0.00	£0.00	£0.00	£0.00
WELL-BEING					
In Bloom	£22,000.00	£0.00	£0.00	£0.00	-£22,000.00
Defibrillator Maintenance	£2,000.00	£0.00	£0.00	£0.00	-£2,000.00
War Memorial Maintenance (Bounville and BG)	£3,000.00	£0.00	£0.00	£0.00	-£3,000.00
SHOP LOCAL					
Second drone video of further down the valley	£1,000.00	£0.00	£0.00	£0.00	-£1,000.00
Weights for remaining council gazebos	£200.00	£0.00	£0.00	£0.00	-£200.00
Halloween Event- Middle Tier of Multi Story Car Park	£0.00	£0.00	£0.00	£0.00	£0.00
Outdoor cinema (St. Micheals)	£0.00	£0.00	£0.00	£0.00	£0.00
Craft / Record Fayre	£0.00	£0.00	£0.00	£0.00	£0.00
Shop local events	£10,000.00	£166.80	£166.80	£166.80	-£9,833.20
Food Festival - Closure of Church Street	£0.00	£0.00	£0.00	£0.00	£0.00
Total Elective Spend	£96,386.00	£166.80	£166.80	£166.80	-£96,219.20
At this point in time there has been little spend because of COVID-19 restrictions					

Overall £240,041.51 £50,078.58 £129,321.95 -£110,719.56

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ONE VOICE WALES

GUIDANCE ON THE APPOINTMENT OF AN INTERNAL AUDITOR FOR COMMUNITY AND TOWN COUNCILS

Who can be appointed as an internal auditor?

Local councils secure internal audit in various ways. The following table sets out a range of options. As stated above, it is for each local council to determine how best to meet the legal requirement for an internal audit having regard to its business needs and circumstances. Local councils secure an internal audit in various ways including:

- appointing a local individual or a member of a panel of individuals. An individual will need to demonstrate adequate independence and competence to meet the needs of the local council;
- employing a competent internal auditor with sufficient organisational independence and status to undertake the role;
- purchasing an internal audit service from the principal authority where it is usual for a small team of employees to be established as internal audit;
- purchasing an internal audit service from a local firm or specialist internal audit practice. The firm needs to have an understanding of the local government framework and a number of professional firms offer a service to public bodies, authorities and commercial companies. For the largest of local councils a specialist contractor appointment may be appropriate.

There are two key principles which all local councils must ensure are met by their internal audit function, regardless of how procured. These principles are independence and competence.

Independence means that the internal auditor must not be involved in the council's management or administrative roles. Members would find it difficult to demonstrate that they are sufficiently independent of the financial decision-making and procedures of the council. In order to maintain their independence such a member would need to exclude themselves from the council's key financial decisions.

In the same way, it would be inappropriate for someone engaged by the council to assist with bookkeeping or preparing the statement of accounts to be the internal auditor.

Councils should be aware of possible conflicts of interest when appointing an internal auditor. For example, providers of accounts software may offer internal audit services through an associate company, firm or individual.

Councils should not ask those charged with carrying out internal audit to offer consultancy or advice on the council's financial controls and procedures. For them to do so would prejudice their ability to give an objective and independent view on whether these meet the needs of the council.

There is no requirement for a person providing the internal audit role to be professionally qualified. However, the essential competencies needed for any internal audit service are an:

- understanding of basic accounting processes;
- understanding of the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management;
- awareness of risk management issues; and
- understanding of accounting requirements of the legal framework and powers of local councils.

There are a number of practical examples of how local councils have sourced their internal audit service such as:-

- local panels of members who are no longer able to carry out the internal audit function at their individual councils;
- local panels of officers (usually clerks) providing internal audit services to each other and sometimes wider afield;
- local residents who are retired accountants;
- local residents who are former members or clerks of the local council;
- local bank managers (some high street banks have community development policies which encourage their officers to take part in community activities – they are not allowed to charge);
- local business owners and managers – a number of larger corporations have policies similar to the banks with regard to community action;
- independent examiners for local charities;
- specialist internal audit service providers operating on a fixed fee or on an hourly rate;
- consortia organised by the local SLCC branch (or sometimes in partnership) providing affordable internal audit services;
- individuals identified by SLCC acting under their quality controls to provide internal audit services to local councils. Subject to the guidance that one to one reciprocal arrangements between councils are unlikely to be seen as being sufficiently independent to satisfy this requirement

What does the internal audit involve?

The duties of internal audit relate to reporting to the council on the adequacy of systems of control. Section 4 of the annual return includes an internal audit annual report. The guidance given within the annual return is necessarily brief.

The work of internal audit should be subject to an engagement letter on first appointment by the Council. This letter sets out the terms of the appointment. Terms may include:

- roles and responsibilities;
- audit planning
- reporting requirements;
- assurances around independence and competence;
- access to information, members and officers;
- period of engagement;
- remuneration; and
- any other matters required for the management of the engagement by the council.

It is proper for internal audit to carry out other tests on the systems of the council. The external auditor or the council's own risk management process may suggest such tests. The council should receive reports on all such work. Any internal audit report addressed to the council, may suggest actions required by the council. The council should treat these documents as documents open to view by local taxpayers.

Annual review of internal audit

Councils need to carry out an annual review of the effectiveness of their system of internal control. This review is a vital part of improving governance and accountability. Internal audit is an integral part of the system of internal control.

As best practice and as part of the review of internal control, local councils should at least once a year, carry out a review of internal audit. The results should be included in the annual governance statement.

The review must reflect the council's internal audit needs and usage. It should provide sufficient assurance for the council that internal audit's work meets required standards and is effective. Councils must judge the extent and scope of the review by reference to their own individual circumstances.

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