

**CYNGOR CYMUNED LLANSTEFFAN A LLANYBRI
LLANSTEFFAN AND LLANYBRI COMMUNITY COUNCIL ACCOUNTING ACTION PLAN**

(Progress as at 20 Jan 2021)

The table below details what action the Llansteffan and Llanybri Community Council (to be referred to as LLCC within this document) has taken since Dec 19 to address the Audit Wales Report 'Inadequacies in Financial Management and Governance: 2017 – 2018 and thereafter'. The nine rows in the table address each of the nine recommendations made by Audit Wales.

1	<p><i>Recommendations 1: The Council must ensure that the Statement of Accounts is prepared and approved before 30 June each year and then promptly sent to the Auditor General for audit and published by 30 September.</i></p> <ul style="list-style-type: none"> • LLCC employed a new Clerk on 01 Sept 2020. The new Clerk holds the AAT Level 4 qualification. She is highly experienced and set about completing the task of bringing all aspects of the accounts for 20-21 into line with Financial Management and Governance Regulations. • The accounts are now maintained in such a manner that as at 31 Mar annually the Statement of Accounts can be prepared with ease and in a timely manner. • A Finance Committee was set up to ensure compliance with Financial Regulations going forward. • LLCC Finance Regulations were reviewed, updated and published in Feb 21. • The Clerk fully understands the requirements of the Local Government Accounting timetable, as do the newly established Finance Committee. • The Finance Committee has 4 members and 1 has undertaken the necessary training via OVW remote learning sessions. The other members have a relatively sound understanding of accounts; however, they plan to undertake the training as soon as work schedules allow. Work continues to improve this knowledge within the wider Community Council.
2	<p><i>Recommendations 2: Before approving the accounting statement and the annual governance statement, the Council should ensure that it has sufficient evidence to support the assertions it makes.</i></p> <ul style="list-style-type: none"> • The Finance Committee now oversees this work and formally undertakes a full examination of the evidence every quarter to coincide with the Bank Reconciliations and reports back to full Council accordingly. • The 20/21 accounting statement and the Annual Governance Statement went to full council for examination at the May 21 meeting.
3	<p><i>Recommendations 3: The Council should ensure it receives a copy of all internal and external audit reports and takes appropriate action in response to matters raised.</i></p> <ul style="list-style-type: none"> • The Clerk, overseen by the Finance Committee, will ensure both the Internal and External Audit Reports go to a full Council meeting for appropriate action as required. This did happen in June 2021 and will continue annually. • All matters raised will be addressed appropriately and in line with Financial Management and Governance Regulations.
4	<p><i>Recommendations 4: The Council should review its accounting system and its system of internal control to ensure it maintains an effective system.</i></p> <ul style="list-style-type: none"> • All finances are now managed effectively. There is now an efficient system of internal control to ensure proper financial records are kept. This process was initiated in February 2020.

	<ul style="list-style-type: none"> • Spreadsheets are maintained twice weekly; all corresponding supporting documentation is collated in a file accompanied by explanatory Receipt Vouchers and Payment Vouchers notes. The supporting documentation is entirely complete. • All payments are discussed and agreed at LLCC monthly meetings prior to payment as a separate agenda item. The corresponding cheques are then written, requiring two member's signatures. The bank mandate to this effect is up to date. • All cheques are written out in full (incl. the stub) prior to member signatures. A check is then made by signatories to ensure both stub, cheque and invoice correspond directly to each other and the supporting documentation. • All receipts are highlighted and discussed at each monthly LLCC meeting, also under the separate agenda item. • The Clerk maintains a schedule of regular payments to increase awareness of what and when they need to be paid. • Bank reconciliations are done on a quarterly basis and inspected by a member of the Finance Committee who then reports to full Council. However, it was recently resolved (20 Jan 22) that the whole Fin. Com would come together quarterly to examine the bank reconciliations. • It is acknowledged that budget process has previously been inadequate. However, this issue has been rectified and the full budget process for 21/22 and 22/23 was carried out by LLCC in a timely manner, the Precept was decided in good time accordingly. During this process consideration was given to LLCC reserves, and budget decisions affecting the level of reserves were made in line with Financial Management and Governance – Community and Town Councils 2018-2019 published Feb 2020. Pages 11 – 14. • The monitoring of income and expenditure against the budget now occurs on a quarterly basis in full council meetings. • The Clerk has produced a Financial Risk Assessment.
5	<p><i>Recommendations 5: The Council should review all payments made during 2017-18 for which no supporting evidence is available and ensure the payment was made to the correct payee.</i></p> <ul style="list-style-type: none"> • The Council began this work after the departure of the previous clerk and the Finance Committee is satisfied that all payments were made to the correct payee.
6	<p><i>Recommendations 6: The Council must ensure that it registers as an employer with HM Revenue and Customs and operates PAYE if it is required to do so.</i></p> <ul style="list-style-type: none"> • LLCC is now registered as an employer with HMRC and now uses the free HMRC PAYE payroll online package to administer the Clerk's pay. Employer PAYE reference: 120/GA62747, Payroll ID: CCPAY/Worrell. • Due to the fact that the Clerk currently does 10 hours per week at a rate of £11.53 per hour her monthly pay (£499.63) does not reach the NI threshold. Therefore, LLCC are not required to pay employers NI and she is not obliged to pay employee NI. Her income tax is paid monthly and in full through the HMRC payroll scheme.
7	<p><i>Recommendations 7: The Council must ensure that it prepares and maintains a register of members' interests.</i></p> <ul style="list-style-type: none"> • LLCC now maintains a register of interests and it is updated monthly and published on the website. • It was resolved (20 Jan 22) that, in addition to the monthly declarations of interest which are published on the website, a standing list of Cllr interests would be produced and published accordingly. It is understood that this is not a legal requirement in Wales but LLCC consider that in the interest of transparency it would be a beneficial initiative to adopt.

8	<p>Recommendations 8: The Council must ensure that it identifies which documents it is required to publish electronically and makes appropriate arrangements to promptly post these on its website.</p> <ul style="list-style-type: none"> • LLCC now has a full understanding of which documents it is required to publish electronically and prompt publication now occurs through the Clerk.
9	<p>Recommendations 9: The Council must ensure that it properly considers the terms of reference for its internal auditor and reviews all internal audit reports before concluding on whether it has an adequate and effective internal audit.</p> <ul style="list-style-type: none"> • Going forward the Terms of Reference for the internal audit will be formally agreed with the Internal Auditor. This was done for 19/20 through the Acting Clerk at the time. Terms of Reference for the 20/21 Statement of Accounts were completed by the Clerk. This procedure will be followed annually by the Clerk.

Rhian Worrell

Clerk/RFO

On behalf of Llansteffan and Llanybri Community Council

25 January 2022