

**MAESTEG TOWN COUNCIL
COUNCIL MEETING**

Minutes of a meeting of the **FINANCE COMMITTEE** held remotely via Microsoft Teams and at the Council Meeting Room, Council Offices, Talbot Street, Maesteg, on **Tuesday, 10th August 2021.**

PRESENT:

COUNCILLORS: **G Thomas (CHAIR)**
AR Davies, K Edwards, A James, R Martin and
L Thomas

APOLOGIES from Cllr R Penhale-Thomas,

DECLARATION OF INTEREST:

Cllr L Thomas declared an interest in items that may relate to AWEN Cultural Trust

137. **AUTHORITY TO COMMIT AND SEPARATION OF DUTIES**

1. Review of Authorised Signatories

Members were provided with a list of Current Bank Mandate Signatories (Cheque & online):

K Edwards	hasn't authorised anything yet but all online authorisation paperwork / card / card reader in the office
C Reeves	no longer wishes to be a signatory
L Thomas	regularly authorises payments online & cheques
G Thomas	rarely authorises payments, however does not want to sign any cheques or authorise payments on a regular basis, will do in an emergency but as the keeper of the keys should stay away from authorising payments directly since Chair of Finance ratifies the accounts and payments
I Williams	regularly authorises payments online & cheques
Clerk S Teisar	
Deputy Clerk M Thomas	

Members discussed the current list and that there should be cross party signatories, agreed to **recommend** to Council that the following changes be made:

Cllr C Reeves be removed and Cllr R Martin be added

2. Putting Trust Back into operations and RFO

Members agreed that procedures and systems have been implemented over the past 12 – 18 months to reinforce the security of the Councils' financial statements and cashflow. With this the members agreed that bringing back a 'petty cash' system to pay for essential items/services. It was noted that the RFO has now been issued a debit card with a petty cash limit of £250 which the members of the committee agreed was acceptable and reiterated the trust they have in having the RFO utilise this when required.

138. **GOVERNANCE STRUCTURE**

1) How will the accounting process be managed - reconcile of accounts, budget review, monthly report to Council?

The Chair of finance will reconcile the accounts once per month remotely and will review the invoices after each full Council meeting. A member stated that he does a partial check when signing invoices before they are paid to which the Chair advised that this is a good thing and should be happening. The Chair stated also that a governance statement is to be produced in the future and it would be prudent to complete a quarterly budget forecast and review of the previous quarter for a more interactive budget seen in 'real time'. This idea was agreed upon by a member who mentioned that fixed costs are unlikely to change so the budget for these can be determined for the length of the budget. Another member mentioned that with the new budget process the Council will be better informed in regards to how much capital is required per month, quarter and year so non-earmarked funds for this period can be invested to create more income for the Council. The Chair agreed with this in principle and stated that investment of the Councils' funds is something for the finance committee to discuss further when agreed terms and conditions along with legislation have been explored.

2) Formal Finance committee budget reviews (1 per quarter?)

It was agreed to recommend to Council that the Finance Committee meet to review the budget every quarter to also produce a quarterly publication to the public with a statement of finances placed on the website to include what funds remain in the budget.

3) Internal audit - and Councillor peer review.

The Chair stated that he was disappointed with this year's internal audit as recommendations from the previous auditor were not mentioned especially as the Council has yet to implement all of these recommendations. The Chair noted figure discrepancies and spelling mistakes within the report also. A member was unhappy as the auditor did not attend a Council meeting and introduce himself which the member was keen to happen, the Clerk did

mention that he was invited to a full Council meeting but he was otherwise engaged on that occasion.

The Chair asked then if MTC should continue with this internal auditor and outlined the advantages and disadvantages of doing so. A member asked about the contract that the auditor has signed as they thought this was a 3-year contract. The Clerk advised that a 3-year contract was tendered for but was unsure if the contract stated this. Another member added that auditing Council books is very difficult and not the same as auditing private company books. The process involves looking beyond figures and assessing the systems and legislative framework. It was agreed to discuss with the auditor to ensure he is meeting the Councils need would be a more prudent approach.

The Chair suggested that along with the internal auditor the Council should be proactive and have previous Chairs of finance audit the Councils finances every 6 months as an additional layer of checking.

139. **S137 POLICY**

Members were provided with:

- Welsh Government Appropriate Sum under Section 137(4) (A) of the Local Government Act 1972 - Section 137 Expenditure Limit for 2021-22
- NALC LTC 31: Local Council General Powers
- Previous minutes relating to S137 Policy
 - Finance Committee Meeting – 01/07/2016 Minute 69
 - Finance Committee Meeting – 28/04/2017 Minute 413
 - Finance Committee Meeting – 21/05/2018 Minute 435

Legislation:

Local Government Act 1972 Section 137 (as amended) empowers local Council to make grants to voluntary bodies and also to charities and disaster appeal funds where no specific grant-making powers in other legislation and where, in the Council's opinion, the grant will benefit any part of its area or its inhabitants.

A limit for this funding is set each year by Wales Government for allocation to Section 137 payments, based on the number of local electorates.

For 2021/22: £8.41 x 13,020 (actual figure provided by BCBC Electoral Services 02/08/2021) = £109,498.20 maximum

Precept: £40,000 (to include financial assistance applications and Power of Wellbeing)

It was agreed to **recommend** to Council the following S137 Policy:

- The Council to create an S137 application form
- All applicants can apply for one payment per annum
- All applicants be asked to submit a financial statement for consideration within the application where they can outline earmarked funds so the Council can make an informed decision
- National & Local Charities: up to a maximum of **£500**
- All applications above the **£500** maximum to be referred to the Finance Committee for recommendations
- Local Groups/Clubs (including sporting clubs):
 - i. An application from the parent club: **£500**
 - ii. Applications from Individual section (age groups): advise to apply through parent club
- Local Comprehensive and Primary Schools: **£300** however to be earmarked for a specific project within the school.
- Groups representing the Country on a World or European stage: maximum **£500, to be determined by the Finance Committee for recommendations.**

140. **TO DISCUSS ANY OTHER ITEMS RELATNG TO FINANCE**

1. **MEETING LOCATION** - The Chair advised that he was disappointed that the hybrid meeting wasn't in the Chamber and the Clerk advised that this can be done but would require the set up of equipment (laptop, Wi-Fi extender, screen, speakers, webcam, projector) be moved from the meeting room to the Chamber and time would be needed to enable this. The Chair advised that the Communications Committee should be requested to enquire with ITCS for their expertise in implementing this.
2. **POWER OF WELLBEING** - The Chair advised that the Council needs to meet 2 criteria factors to be considered for Powers of Wellbeing. These are two qualified audits and a CILCA qualified Clerk. The Clerk also advised terms of receiving signed off audits from Audit Wales.
3. **INSURANCE** - The Council have received advice from OVW which stated that although the Council can tender their insurance each year as the current insurance provider is assessing a claim then it would be professional to stay with this company until matters are concluded.
4. **STAFF TRAINING** - The Chair suggested that £500 is allocated for staff training and that this should be used for the deputy Clerk to attend the first ILCA qualification. A member suggested that this be passed onto the personnel committee to discuss also.

5. **TENDERING** - The Clerk queried whether tenders for annual contracts should be re-tendered annually? The members agreed that as a newly formed finance committee that everything should be put to tender each year unless there is a strong business or financial reasoning why this should not take place.
6. **BUDGET** – The Chair queried whether the way the Budget is set annually should include a 3 or 5 year plan, however this would be difficult to implement as the next financial year is an election year. Members deliberated and agreed to recommend that instead of a fixed term plan that a Medium-Term Financial Strategy (MTFS) plan is implemented, in order that any changes / proposals can be made by the incoming elected Council members.
7. **INVESTMENT STRATEGY** - A member stated that the Council should review its investment strategy immediately to start allowing the Councils money to work for them instead of sitting in an account not earning interest. The Chair responded that this is a future agenda item as the legislation and terms surrounding it need to be explored and understood before making any uninformed investments. The Chair did mention that he has spoken with several parties including the County Borough Council in how best to invest the Council's money. A members suggested that the Clerk seek advice from the S151 Officer for advice on safeguarding funds.

141. **RECCOMENDATIONS:**

- a) That the Authorised signatory changes as listed in minute 137.1 be completed. i.e. Cllr C Reeves be removed and Cllr R Martin be added
- b) New procedure be implemented as discussed in minute 138
- c) Finance Committee meets quarterly and produce a quarterly publication to the public with a statement of finances placed on the website to include what funds remain in the budget.
- d) A previous Chair of finance to complete a peer review every 6 months of the accounts
- e) New S137 Policy be agreed, implemented and added to MTC Website
- f) Communications committee to meet to discuss hybrid meetings within the Council chamber and to contact ITCS.
- g) Renew the Insurance for 1 year
- h) Additional £500 be added into the general fees budget header for training
- i) Re-tender all non-longstanding contracts annually
- j) Council agrees to a MTFS plan and councillors to submit ideas to the committee
- k) Clerk to seek advice from the S151 Officer for advice on safeguarding funds.

Minutes emailed to all Councillors to Read on 13th August 2021

**Minutes accepted at a remote meeting of the Council
held on 7th September 2021**

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Mayor