

**MARCHWIEL COMMUNITY COUNCIL MEETING
MINUTES OF MEETING VIA ZOOM HELD ON FRIDAY 30th JULY 2020
TO DISCUSS THE 2019/20 AUDIT**

The Clerk reported collecting the internal Audit from JDH Services. The report was read and the six recommendations and Guidance Note were Noted. The actions were agreed. The Clerk and Chairman signed the 2019/20 Annual Return. The Clerk reported that she will prepare the documents requested by the External Auditor along with a statement of differences and post by recorded or special delivery to Grant Thornton in Cardiff.

Action Plan Recommendations

1a. The financial regulations provided for Audit 2018/19 stated the level at which three quotations should be obtained was £1000. The minutes of 26th June 2019 state that the Council had previously agreed this should be £10,000 but the financial regulations had not been amended.

In March 2020 the minutes state the financial regulations were amended in year to change this level to £5,000, however the wording in the financial regulations states that for contracts over 10k there should be a formal tender process and for contracts less than 5k the clerk shall obtain three quotations.

- **Financial Regulations** – Although these were Approved in September 2019. Members amended the Standing orders in February 2020 and asked the Clerk to amend the Financial Regulations to state when purchasing items we should ‘actively acquire’ 3 quotes this includes emails but any items or project of works costing above £5000 require three quotations:

RESOLUTION: Members Approved the amended Financial Regulations.

b. We did not see evidence during the audit the three quotations were obtained for the cemetery maintenance contract (value £5500)

- Members reported that when the cemetery maintenance contract was carried out Members had previously Resolved that only orders over £10,000 would require a formal tender and three quotations. At the time this was not required. In February 2020, Members made a new Resolution to amend their Financial Regulations to state when purchasing items we should ‘actively acquire’ 3 quotes this includes emails but any items or project of works costing above £5000 require three quotations:

2. A Review of the financial regulations found that:

The Financial Regulations relating to the procurement process include accountants, surveyors and planning consultants as specialist services that can be excluded from the Council’s standard procurement processes. The Wales Audit Office has taken the view that these services cannot be classed as specialist.

- Members Resolved to amend their Financial Regulations as per the 2019 model financial regulations issued by One Voice Wales to state the following for section 11.1a.ii:

'...for specialist services such as are provided by legal professional acting in disputes.'

Section 10 of the Financial Regulations refers to a Purchase Order System:

'An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.'

This does not reflect the current practice where a purchase order system is not in place.

- Members Resolved to update the way orders are placed and put in place an official order system. Currently orders are sent by email. The Clerk will create a table to record the orders and quotations received. Making it a clear record of procedure.

3. The draft annual return provided for audit was incorrect due to the following:

Staff costs of £7,060 did not reflect the total for salaries and pension stated in the cash book which amounted to £7178

- The Clerk reported that she had added the salary and the Council's Employer Pension contribution but had omitted the Clerks own pension contribution of £317 by mistake. She thought as this was her contribution it wasn't required in the figures.

Total other payments of £27,033 needed to be adjusted for the staff costs error and for the £71 out of date unrepresented cheques written out of the accounts.

- **Noted by Members**

Members thanked the Clerk for the work involved in completing the Audit and said it has been a difficult year but they appreciate all the work she has carried out.

PRESIDING CHAIRMAN - COUNCILLOR MR TERRY EDWARDS