

**19 December, 2013.**

**LLANELLI RURAL COUNCIL**

**Minute Nos: 346 – 354**

At a Meeting of the **FINANCE AND GENERAL PURPOSES COMMITTEE** of the Llanelli Rural Council held at the Council Chamber, Vauxhall Buildings, Vauxhall, Llanelli, on Thursday, 19 December, 2013, at 4.45 p.m.

**Present:**

**Cllrs**

S. M. Caiach	R. E. Evans
S. L. Davies	S. N. Lewis
G. N. R. Edwards	A. G. Morgan
M. L. Evans	W. V. Thomas

**346. APPOINTMENT OF CHAIRMAN PRO-TEMPORE**

**RESOLVED** that Cllr. R. E. Evans be appointed Chairman pro-tempore.

**347. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs. F. Akhtar, T. Bowen (Cllr. M. L. Evans deputising) and T. Devichand (Cllr. S. L. Davies deputising).

**348. MEMBERS' DECLARATIONS OF INTEREST**

No declarations of interest were made.

**349. FINANCIAL REPORTS**

**RESOLVED** that the committee reports for the Administration and Training Departments to 30 November, 2013, be noted.

**350. SCHEDULES OF PAYMENTS**

Consideration was given to the Schedules of Payments for the Administration and Training Departments for November 2013, (copies of which had been previously circulated) which revealed that the expenditure amounted to £48,542.17 and £110,840.10 respectively.

**RESOLVED** that the reports be noted.

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**351. CORPORATE RISK ASSESSMENT – ACTION PLAN**

Further to Minute No. 121, the Deputy Clerk (Administration) presented Members with the half yearly update of the action plan. After a brief discussion it was

**RESOLVED** that the half yearly update be noted.

**352. REVOCATION AND REMAKING OF THE ACCOUNTS AND AUDIT (WALES) REGULATIONS 2005**

Members received correspondence from the Local Government Finance and Performance Division, Welsh Government stating it intended to remake and restructure the above regulations with the aim of making them easier to follow.

The proposed changes included:

- Consolidation of all previous amendments.
- Definition of smaller and larger relevant bodies.
- A requirement for larger relevant bodies to include in the financial statement a note of the ratio between the highest paid employee and the median earnings across the organisation.
- Clarification of the requirements for smaller and larger relevant bodies.

The Accounts and Audit Regulations 2005 (the 2005 Regulations) were made under section 39 of the Public Audit Wales Act 2004 (the 2004 Act). They applied to all local government bodies audited by auditors appointed by the Auditor General for Wales and defined as local government bodies in section 12 of the 2004 Act.

The 2005 Regulations included important provisions on financial management; the form of the annual published accounts and procedures connected with the approval and publication of the annual accounts and the conduct of the audit.

Previously the 2005 Regulations had been amended by statutory instruments in 2007 (S.I. 2007 No. 388 (W39)) more substantially in 2010 (S.I. 2010 No. 683 (W.66)) and in 2013 (W.S.I. 2013 No. 217 (W29)). The amendments proposed now would add further difficulties to working with the 2005 Regulations. Consolidation was therefore highly desirable so that there was a clear statement of those important provisions for the benefit of those they affected.

The aim of the consolidation was to make the regulations easier to understand. The intertwining of different requirements affecting the types of bodies covered by the regulations namely, Local Authorities and Community Councils added to the complexity of the 2005 Regulations.

To facilitate the proposed division of the Regulations, a definition of a smaller relevant body had been included: Community Councils were classed as smaller relevant bodies.

Members were informed smaller relevant bodies were permitted by the Regulations to prepare simpler published accounts than the larger bodies and were also subject to less demanding procedural requirements. Such bodies were also subject to a limited assurance

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audit regime. However, to be classed as a smaller relevant body, a body must have gross income or expenditure (whichever was higher) of not more than £1 million in the year of account or in either of the two preceding financial years.

Consideration had been given to raising the threshold for placing a body in the smaller category to be consistent with the English Regulations which was increased to £6.5 million in 2011. However, the writer stated in Wales, it was proposed to leave the threshold at £1 million to ensure the appropriate accounting practices and audit regime was applied to bodies that had gross income or expenditure exceeding £1 million.

During discussion it was mentioned that the Rural Council would be classed as a larger relevant body under the draft regulations whereas in England because of the adopted higher threshold limit of £6.5 million no town or parish council fell into this category. Mention was made to the extensive audit process and the costs of funding this from the Council's budget; this annually ran into thousands of pounds.

If the draft regulations were amended to match the threshold limit as set in England, all town and community councils in Wales would be classed as smaller relevant bodies for audit purposes and Members views were sought as to whether the Council should highlight this for consideration when responding to the consultation and it was

**RESOLVED** that the draft regulations be accepted in principle but it be suggested in the Council's consultation response that in Wales the financial threshold should be increased to £6.5 million in order to enjoy parity with the financial arrangements in England.

**353. FINANCIAL ASSISTANCE**

Consideration was given to applications received for financial assistance and it was

**RESOLVED** that:

- (1) Carmarthenshire Association of Voluntary Services - that a contribution of £20 be made for a yearly subscription;
- (2) Marie Curie Cancer Care – that a contribution of £100 be made.

**354. SEASONAL GREETINGS**

The Chairman wished Members and Staff a Merry Christmas and Happy New Year.

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The Meeting concluded at 5.18 p.m.

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The afore-mentioned Minutes were declared to be a true record of the proceedings and signed by the Chairman presiding thereat and were, on 14 January, 2014, adopted by the Council.