

## RFO / FWG Report to PC Meeting 29<sup>th</sup> June 2020

### Finance Working Group Meeting 25<sup>th</sup> June 2020, 6pm – Notes of meeting

Present: Karen Ripley (Clerk/RFO); Cllr Nick Brown; Cllr Sean O'Hara; Cllr David Todd  
*Meeting held remotely, via Zoom, due to Covid-19*

#### Documents provided to members:

- 1) *Accounts Management Reports (computerised accounts programme):*
  - i) *Income and Expenditure Report* – detailed report of income and expenditure under each head of budget to 31/3/20, showing actual expenditure against that planned in the budget (Financial Regulations 4.8 refers) and funds unspent at end of year.
  - ii) *Budget Detail Report* – detailed report showing 19/20 precept figures against each head of budget, brought-forward amounts from 18/19, all virements made during 19/20, precept figures for 20/21.
  - iii) *List of Earmarked Funds.*
- 2) *Asset Register as at 31/3/20*
- 3) *Summary of Budget Transfers at year end (31/3/20).*
- 4) *Summary of Budget Surplus at year end (31/3/20) and details of amount to carry forward.*
- 5) *Summary of Reserves and Contingencies at 31/3/20.*
- 6) *Financial Statements for the year to 31/3/20: Income and Expenditure Account and Balance Sheet, with supporting Cash and Investment Reconciliations.*
- 7) *Annual Governance & Accountability Return 19/20 (AGAR):* Section 1, Annual Governance Statement; Section 2 Accounting Statements (completed).
- 8) *Reserves reconciliation* – showing the difference between box 6 & & on the AGAR
- 9) *Earmarked Funds Summary* – showing movements to and from EMF during the year.
- 10) *Bank Reconciliation 31/3/20* with details of uncashed payments
- 11) *List of Creditors and Accruals at 31/3/20.*

#### Documents available / referred to:

1. *All accounts and financial documents and records, Clerk's working papers, Minutes Book and all reference materials.*

1. **MATTERS ARISING FROM FWG MEETING 11/3/20** (not specifically covered elsewhere)
  - a. **Salaries review** – outstanding (delayed due to Covid-19)
  - b. **3-Year Budget forecasting** – agreed to complete in the current year (20/21) – pending

#### 2. **ASSET REGISTER (Financial Reg. 12.6)**

This was reviewed and the Clerk/RFO explained that it has been completed on the recommended basis for parish councils (items listed at cost, with no depreciation; disposed and new items recorded). The figure is not included in, and does not affect, the accounting records (balance sheet) but is included in the Annual Governance and Accountability Return (AGAR) Section 2 Accounting Statements, for the Auditor. Members were happy to recommend approval.

### 3. RISK MANAGEMENT (Financial Reg. 14.1)

Following some updating earlier in the year, and approval of the new Financial Risk Assessment document by Council in January, the main section will need further updating. Members discussed the need to consider recent issues caused by the Covid-19 pandemic, and the ability for the Clerks to have to work from home. Cllr O'Hara agreed to review the documents prior to the PCM on 29/6/20, when a programme for ongoing assessment can be agreed.

### 4. BANK RECONCILIATION (Financial Reg. 2.2)

The RFO confirmed that the monthly bank reconciliations are verified, with sight of the bank statements (and direct access to view the bank account), as part of the monthly payment review by a Member of the FWG (for the previous month). To date, bank reconciliations have been verified for each account up to and including 31 March 2020. Current year payments cannot be entered on to the system until the year-end process is complete, so verification of the reconciliations for April, May and June will be done in July.

### 5. BUDGET MONITORING 19/20 (Financial Reg. 4.2; 4.8; 4.9)

With reference to income and expenditure for the year, some specific virements were made from General Contingency prior to finalising the year end, to cover budget heads where expenditure on approved items had resulted in a small overspend; details are shown in the following table (F/R 4.2):

FROM			TO		
BUDGET CODE	DESCRIPTION	AMOUNT	BUDGET CODE	DESCRIPTION	REASON
<b>To Clear Overspends (all expenditure approved in year)</b>					
307/4070	*General Contingency	22.00	4008/101	Subscriptions	Underbudgeted
		72.00	4000/305	Pav/toilets Salaries	Appr. o/t after floods
		23.00	4061/307	Elec. War Memorial	Underbudgeted
		50.00	4045/307	Rec.Gnd. Car Park	Underbudgeted
		35.00	4064/312	Water, Stn.Rd.Car Park	Underbudgeted
		<b>202.00</b>			
<i>* (Earlier approved expenditure from G/C = £10,605; total exp. for year = £10,807; balance 31/3/20 = £21,460)</i>					

The balances of playground budget heads were transferred prior to year-end, to the Earmarked fund being built for future repairs and/or replacements; details are shown in the following table:

<b>Specific Purpose Funds - Move to Earmarked Reserves</b>					
309/4042; 4044	Playground Bishops Meadow	100.00	900/9005	To Earmarked Fund (Playground Fund)	Build fund for future repairs and/or replacements
401/4131	Playgrounds Capital Schemes	2,500.00			
		<b>2,600.00</b>			

Other funds unused at year end were reallocated as follows:

FROM			TO		
BUDGET CODE	DESCRIPTION	AMOUNT	BUDGET CODE	DESCRIPTION	REASON
<b>Other unused funds reallocated prior to year-end</b>					
301/4042	Rec. Ground Maint.	500.00	900/9008	EMF Football pitch fund	Build funds for major drainage work
201/4030	Lights power supply	600.00	900/9004	Total £1,000 to Lighting Upgrades	Build funds for upgrades
201/4031;4032	Lights maint /repairs	400.00			
4062/312	Stn.Rd.car park rates	500.00	9016/900	Total £7,000 to EMF Station Road Car Park / Toilets Towards refurb. of toilets	Refurbishment of toilets outstanding (approximately £11,000)
4062/313	Stn.Rd.toilets rates	500.00			
4020/313	Stn.Rd. toilets Misc.	1,000.00			
4042/313	Stn.Rd. toilets Maint.	3,000.00			
4135/401	Stn.Rd. car park capita	1,700.00			
4136/401	Stn.Rd. toilets capital	300.00			
		<b>8,500.00</b>			
300	Shayler's Funfair	<b>500.00</b>	9008/900	EMF Football pitch fund	Build funds for major drainage work

## 6. YEAR END SURPLUS / RESERVES

The final budget position for 19/20 showed an unspent total of £49,326. This includes £26,195 of specific purpose funds: General Contingency £21,460, Summer Event £711 and Youth Projects £4,024. £13,505 represents committed, approved or anticipated expenditure and a remaining general surplus balance of £9,626 to carry forward to General Contingency (Financial Reg. 4.2)

Members discussed the level of reserves and were satisfied that they are within recommended levels. The 'working' General Contingency has been carried forward, and the balance of general surpluses at year-end added. The resulting balance of £31,086 for 20/21 is slightly lower than at the start of 19/20, but reasonable.

Details of carry-forward amounts and reserves can be seen in two supplementary documents;

- **Summary of budget surplus** at year end (31/3/20) which details amounts to carry forward.
- **Summary of reserves and contingencies** at 31/3/20.

**\*\*\*[POST MEETING NOTE: Following the meeting, the RFO realised that three creditors totalling £287.12 had been missed from the year- end figures. These were subsequently corrected, prior to the Internal Audit and consideration by Council. The Year-End Surplus / Reserves figures detailed above, should therefore read as follows:**

The final budget position for 19/20 showed an unspent total of £49,039. This includes £26,195 of specific purpose funds: General Contingency £21,460, Summer Event £711 and Youth Projects £4,024. £13,242 represents committed, approved or anticipated expenditure and a remaining general surplus balance of £9,602 to carry forward to General Contingency (Financial Reg. 4.2) **\*\*\*]**

## **7. FINANCIAL STATEMENTS / RECORDS 19/20**

The statutory Income and Expenditure Account, Balance Sheet and Bank Reconciliation have been produced and the following specific items are explained:

- £805 income shown under Grants and Donations in the Income and Expenditure Account represents the donation from the Jazz Club for the new defibrillator in Brightling Road. The £200 shown as Admin income is from the Robertsbridge Arts Partnership towards the new oak information lectern for the Jubilee Garden (received prior to lockdown, not yet installed).
- Street Furniture expenditure of £865 is for dog-waste emptying (down on previous year figure which included £1,080 for grit bin refilling).
- Capital Schemes expenditure £5,480 is: £700 for sockets for Christmas lighting, £805 for the new defib, £3,975 for new notice boards.
- Transfers To / From Reserves of £6,400 is the net transfer (£11,600 to reserves less £5,200 from reserves); full details are shown on the Summary of Reserves and Contingencies at 31/3/20 document.

## **8. INTERNAL AUDITOR'S YEAR END REPORT**

The Internal Audit is due to take place on 29<sup>th</sup> June (before the PCM). All information has to be provided electronically in advance of a Zoom meeting in the afternoon. The Auditor will hopefully be able to complete page 3 of the Annual Governance and Accountability Return (AGAR).

## **9. ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) (Financial Reg. 2.3)**

- a. **Section 1 Annual Governance Statement** – Members reviewed the nine questions which have to be considered and answered by all Members at the PCM on 29/6/20, in respect of the year to 31/3/20. It was felt that all could be answered positively.
- b. **Section 2 Accounting Statements** – this has been completed and signed by the RFO from the financial records (see item 7). This will need to be agreed and signed off at the Meeting on 29/6/20. FWG Members were satisfied that the figures fairly represent the position of the Council and could be signed off.

## **10. APPOINTMENT OF INTERNAL AUDITOR 20/21 (Financial Reg. 2.5)**

This will be considered by the FWG at their next meeting and a recommendation to Council. 19/20 is the first year by Keith Robertson, so he could be re-appointed.

### **Recommendations by the FWG for Parish Council Meeting 29/6/20:**

- To approve the Risk Management Documents and agree further review process. (Agenda item 22)
- To approve the Asset Register as presented. (Agenda item 23)
- To approve the budget virements as detailed, and the Summary of Reserves. (Agenda item 24a)

- To approve the year-end surplus and carry forwards (as shown in the separate summary of surpluses 19/20) for General Contingency, Summer Event, Youth Projects and various other budget heads to cover outstanding, approved or scheduled items or works, and the remaining general budget surplus to General Contingency (Financial Regulation 3.5 refers). (Agenda item 24a)
- To approve the Income & Expenditure Account, Balance Sheet and Bank Reconciliation as presented. (Agenda item 24b)
- To receive the Internal Auditor's Report (page 3 of AGAR) 2020. (Agenda item 25a)
- To agree the assertions in the Governance Statements at Section 1 of the AGAR. (Agenda item 25b)
- To sign off the Accounting Statements at Section 2 of the AGAR. (Agenda item 25c)