

REPORT FROM THE CLERK/RFO TO LYDIARD MILLICENT PARISH COUNCIL

Purpose of Report

To inform members of their duties regarding Councils financial position, in readiness for the Councils adoption of the Annual Return which will be sent to PKF Littlejohn,(the appointed Auditors for the next five years); for them to complete the Limited Assurance Review.

Background

Under the Accounts & Audit Regulations 2015 all Parish and Town Councils with expenditure and income in excess of £25,000 must submit an Annual Return to the appointed External Auditors by 30th June. Lydiard Millicent Parish Councils accounts are managed by the Responsible Financial Officer (RFO) using RBS Alpha accounting and Internal Control carried out by the Council, irrespective of their inclusion on Bank Mandates.

Best Practise is for the RFO to administer the Council's finances in line with recommendations contained in *Governance & Accountability for Smaller Authorities in England – Practitioners Guide 2018*. The guide is produced by a Joint Panel on Accountability and Governance (JPAG); this is a National body set up to advise on and implement nationally recognised standards.

Current Position

Parish and Town Council Financial year runs from 1st April to 31st March. During each year the Council must produce a budget, detailing what it expects to spend in the next financial year (this is usually carried out in the preceding November and December); and give details of what has been transacted during the year, giving local electors an opportunity to exercise their rights to inspect accounts and to ask questions of the auditors.

Publication of Unaudited Accounts

The Local Audit and Accountability Act 2014 ss 26&27 state that interested persons (usually Local Government Electors) can inspect and make copies of the Annual Return and any associated documents. Statutory dates are defined in the Act as being a single period of 30 working days, which must include the first 10 working days of July.

Formal Notices will be placed on the Website and Noticeboard giving full details at the appropriate times.

The Annual Return

The form is split into four sections:

- Annual Governance Statement – approved by Parish Council
- Annual Accounting Statement – approved by Parish Council
- Internal Auditors Report – carried out prior to approval by Parish Council
- External Auditors Report – returned to Parish Council by 30 September

Annual Governance Statement was approved at the Full Council meeting held on 17 May 2018 (min ref: 064/18), and has been duly signed by the Chairman of the Council and the Clerk.

Internal Auditors have carried out an inspection and signed the appropriate section, after confirming the requested assumptions. A detailed report will be sent to the RFO and Councillors shortly.

External Auditors section will be completed once the statutory time limit has passed for Electors to ask questions. This statement must be returned to the Parish Council before 30 September so that it can be posted on the website and Noticeboard.

Annual Accounting Statement will be approved at this meeting. Full details are attached for Councillors. A summary is included for members of the public, although it must be remembered these figures have not yet been adopted by the Council.

Variiances

When there is a variance of at least 15% and above a monetary value of £200 a full explanation must accompany the Annual Return.

Explanations for boxes 2, 3 & 4 of the Accounting Statements are required for Lydiard Millicent.

Box 2 – Precept was increased by 31.83%, (£11,048) this has allowed the Council to progress with a balanced budget rather than deficit each year, which is not sustainable in the current climate.

Box 3 – Other Receipts decreased by 33.30% (-£2,031) these receipts refer to bookings at the Jubilee Club House (JCH) and Burial Fees. The Council is currently addressing the low booking income for the JCH; burials can not accurately be assessed, sometimes there are fewer people dying.

Box 4 – Staff Costs increased by 42.01% (£2,694), the Clerk is the only employee of the Council; an increase in hours has been necessary to oversee work now being carried out by contractors rather than voluntarily by Councillors.

Detailed comments, including monetary values, will be attached to the Annual Return, for members to make informed decisions.

Recommendations

The Internal Auditor returned the accounts for 2017/18 to the RFO on Sunday 3 June 2018. He has not highlighted any concerns and is happy to sign the Internal Auditors declaration.

In order for Lydiard Millicent Parish Council to comply with the Accounts and Audit Regulations 2014 the RFO makes the following recommendations:

1. The RFO has signed this statement prior to the meeting. The Council is asked to approve the Annual Account Statement and direct the Chairman to sign on their behalf.

2. Stock of £70.00 is written off during next years accounts. This amount represents a number of Parish Maps that were commissioned to celebrate the Millennium. The RFO has had no requests from members of the public to purchase. A map was recently gifted to the retiring Chairman of the Council, who moved away, the gesture was appreciated so the maps could be used when the Council is in need of official gifts.
3. Council should consider an appropriate amount to be held within its General Reserves. Accounts and Audit Recommendations are for General Reserves to be no more than 12 months expenditure; all other monies must be ear-marked for specific projects.
4. The Finance & Admin WG assist the RFO to create a number of ear-marked reserve headings ready for adoption at the next meeting.
5. All WG Chairmen meet (individually or together) with the RFO to discuss projects they wish to recommend.
Please note: Working Groups (WG) do not have the power to agree projects, only to recommend to the Council.

DEBORAH BOURNE
Parish Clerk/RFO