

Briefing Note

Financial Report Year End 2022-23

8 April 2023

1.0 Cash and Bank Reconciliation

The year-end bank reconciliation is complete and shows the year beginning with £9,641.78 in cash and ending with £13,779.20, a difference of £4,137.42. This increase is mainly due to receipt of two CIL (Community Infrastructure Levy) payments and the 6th of 20 annual Aura Wind Turbine payments.

In May 2022 St Ewe Parish Council moved its bank accounts from HSBC Bank to Unity Trust Bank, because of the rising cost of doing business with HSBC and because of the advantages of higher bank interest and online multiple authorisations at Unity Trust Bank.

2.0 Reserves and earmarked funds

At year end the total for reserves and earmarked funds is £13,779.20, which is the total cash held by the council. Parish councils do not carry unallocated cash over to the next fiscal year.

St Ewe has an election reserve and a contingency reserve for unspecified over-expenditure. The contingency reserve and election reserve have remained the same at £2,560.84 and £3,345.00 respectively. There is a new noticeboard reserve of 1,209.33, which comes from 'cash available for budget' at the end of the fiscal year.

The earmarked grant funds are as follows:

Community Infrastructure Levy (CIL)

Parish councils receive a 15% 'Neighbourhood Portion' of the CIL income raised in the parish. The county council receives 85%. CIL should be spent on "infrastructure needed to support development" and the council has five years to spend the money.

Last year was the first year St Ewe PC received CIL money, £1,748.78. In 2022-23, St Ewe parish received £989.57 from PA21/05174 and £522.00 from PA22/01502. No CIL funds have been spent and the total now stands at £3,260.35.

St Ewe Climate Action Group (SECAG) funds

SECAG was formed in November 2020 to address the climate emergency at the parish level. Grants toward tree planting from the Ward Member's Community Chest have been very welcome. SECAG has purchased and planted community Christmas trees and wildflower seed in the verges. The fund currently stands at £40.62.

Other projects are being discussed and any interested people are welcome to join the group.

Emergency Fund

First aid training was held last year, but there was no expenditure in 22-23. The fund remains at £169.50.

The Aura Wind Turbine Fund

This fund has been used for SECAG, for vital marquee accessories, a grant for the St Goran defibrillator, and wildflower seed for the verges. At year end the fund stands at £2,684.12. St Ewe's Grant Application form is available on the website if anyone wishes to request funds for parish benefit.

Transparency Fund

The transparency fund remains at £109.40 to purchase a printer/scanner, for the clerk's office, but it is still not needed.

St Ewe Defibrillator

The parish council has £400.04 for equipment maintenance and training. Further fundraising will be needed for equipment maintenance in the future.

3.0 Budget & Precept

The budget for 2022-23 was £7,774, 3.6% more than the previous year. The 2022-23 precept was £6,587.

PRECEPT.

The Precept is a tax that parish councils charge parish taxpayers in order to meet the parish council's budget requirements. Parish Councils do not receive direct funding from central government and rely on their Precept to fund their activities. The precept is calculated each year by subtracting projected receipts from projected payments.

Parish councils monitor the precept increase at the Band D property level. The precept tax paid by a Band D property is the total precept divided by the taxbase. In 2022-23 the taxbase increased significantly after the pandemic. Though the precept for 2022-23 was £315 or 5% more than the previous year, the precept was paid by more households, and therefore the Band D increase was only £0.48 over the whole year.

4.0 Budget Comparison

The budget for 2022-23 was £7,774.

Total payments for 2022-23 are £7,942.29 (without VAT). £679.91 was spent from reserves, so subtracting £679.91 from total payments leaves £7,262.38 as payments from the 2022-23 budget.

Therefore, subtracting the payments against budget (£7,262.38) from the budget (£7,774) shows the parish council to be £511.62 under budget.

VAT

Parish councils do not take VAT into consideration for budgeting purposes because parish councils may reclaim VAT. A VAT claim to the end of March 2023 will soon be submitted for £306.24.

5.0 The AGAR, the Transparency Code and audits

All councils must publish their Annual Return (called the AGAR or Annual Governance and Accountability Return) along with the Notice of Period for the Exercise of Public Rights.

The Transparency Code for Smaller Authorities applies to St Ewe, as its annual turnover is well under the £25,000 cut off. In accordance with the Code, the council's financial details have been published on its website since the 2014-15 financial year, and these include a list of all payments. The Code requires a list of payments over £100 and St Ewe publishes all payments.

External Audit.

At St Ewe's level of expenditure, the external audit is a 'limited review' audit. Since 2017-18, St Ewe has not been required to have an external audit and, accordingly, the council is again able to opt out of the limited review external audit for 2022-23 (saving £200). This means that the council does not submit the AGAR to the external auditor, but the AGAR is still published on the website, along with the other documents required by the *Transparency Code*.

Internal Audit.

In accordance with Audit Regulations, all parish councils have an internal audit for assurance that the council is conducting its affairs lawfully and handling its public money properly. An independent and competent internal auditor is appointed each year by the council. The internal auditor's report forms part of the Annual Return and any issues raised by the internal auditor must be addressed by the council before it completes its Annual Governance Statement for the AGAR. Internal audit is the public's assurance that its council operates lawfully and effectively.

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Proper Officer and Responsible Financial Officer

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