

Briefing Note

Financial Report Year End 2018-19

25 April 2019

1.0 Cash and Bank Reconciliation

The year-end bank reconciliation is complete and shows the year beginning with £74,884.27 in cash and ending with £58,501.55.

The decrease in cash is due to 1) the delayed payments of monies owed the parish amounting to £1,920.60, 2) the planned expenditure of reserve funds and 3) the council's increased responsibility for services to the parish.

2.0 Reserves

Reserves in 2018-19 (including earmarked funds received during the year) were £76,033.31 and finished the year at £58,025.43. Payments from reserved funds amounted to £18,007.88.

Major works, £12,044.44.

The Playing Area equipment was refurbished, the Cemetery landscaped and retarmacked, the old bus shelter (now a shed) was reroofed, the automatic lighting in the Public Toilets was fixed and the alarm in the wheelchair accessible toilet was improved.

Neighbourhood Plan, £1,715.06.

The Neighbourhood Plan Steering Group has received government grants which are held by the Parish Council and are strictly monitored. The Neighbourhood Plan has not used any parish council funds.

Other reserves, £4,248.38.

The council used a grant from Cllr Sally-Anne Saunders' Community Chest for training on the defibrillators. Working reserve was used to boost salaries after receipt of the delayed salary point review for the clerk. A questionnaire about the parishioners' preferred uses for the Bodwen Solar Park funds was very helpful to the parish council. In July, parishioners requested a by-election, which was uncontested but still used a bit of the election reserve.

3.0 Budget Comparison

Total payments for 2018-19 are £41,097.72 (without VAT). Subtracting the payments of reserves, total payments from the 2018-19 budget amount to £23,089.84. Compared to the budget of £22,106, the difference is £983.39 over budget.

This overspend can be accounted for by: the purchase of a laptop for the clerk, higher auditing fees, extra maintenance of the footpaths and the first more expensive clearance for verge maintenance.

This fiscal year (2019-20) the parish council will sign an Agency Agreement with Cornwall Council. Cornwall Council will now help financially with maintenance of the verges. The Agreement contract will cover, if not all, most of the verge maintenance costs which makes Luxulyan Parish look better year round.

VAT.

Parish councils do not take VAT into consideration for budgeting purposes because parish councils may reclaim VAT.

4.0 Transparency Code and audit

Luxulyan Parish Council voluntarily complies with the Transparency Code for Smaller Authorities, although its annual turnover has been over the £25,000 cut off for the last few years. In accordance with the Code, the council's financial details are published on its website and this includes a list of all payments. The Code requires a list of payments over £100 and Luxulyan publishes all payments.

External Audit and the Annual Return.

In accordance with legislation for local councils with a turnover under £200K, Luxulyan Parish Council submits its Annual Return each year for a limited assurance external audit.

Before July, all councils must publish their Annual Return along with the Notice of Period for the Exercise of Public Rights. The Annual Return was rebranded last year as the Annual Governance and Accountability Return or

AGAR. It is sometimes still referred to as the Annual Return. Once the external audit is complete, the auditor's comments are also published on the website.

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 by the council each year. The internal auditor's report forms part of the Annual Return, which is published on the council's website, and any issues raised by the internal auditor must be noted by the council for future action before it completes its Annual Governance Statement for the Annual Return.

Internal audit is the public's assurance that the council is proceeding lawfully and effectively.



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