

Report from the Responsible Financial Officer ('RFO') to the Corporate Governance Committee ('CGC') — 13 March 2024

This report includes the RFO's direction to the CGC regarding: the proper administration of the Stanway Parish Council's financial affairs; the form of accounting records and supporting records; and the financial control systems.

1. Summary

This is the last report before the end of the financial year on 31 March 2024.

- The Council's financial performance is on track, with overall revenue income and expenditure in line with budgets for the current financial year. However, capital expenditure is off track, which has consequences for the General Reserve and impacts the balances carried forward into the next financial year.
- Current cash at hand is adequate to support both Earmarked Reserves and the General Reserve. However, the counterparty exposure to Unity Trust Bank is above the maximum threshold permitted by the Financial Regulations. Measures are in hand to address this but will not be executed fully until after the end of the financial year.

2. Interim Management Accounts (Appendix One)

The interim management accounts reflect the position as of 29 February 2024. The key points are as follows.

- The **Revenue Account** is satisfactory with overall expenditure in line with budget; however, costs have exceeded budgets in some areas. Material variances (i.e. greater than 15 percent or £1,000) are highlighted in the cost code summary.
- With expenditure exceeding income by £11,131 the **Capital Account** is in deficit and is likely to remain so at yearend; however, unlike previous years the funding shortfall is not expected to lead to an overall deficit for 2023–24.
- The total cash at hand is £262,701 of which £106,000 is ringfenced in identified **Earmarked Reserves**. The balance is held as the **General Reserve** and meets the applicable threshold per Financial Regulation 7.4.

3. Bank Reconciliation (Appendix Two)

The **Bank Reconciliation** shows the accounting records did not reconcile with the bank statements as of 29 February 2024. The mismatch corresponds to spend on a corporate debit card (highlighted on the account statement), for which supporting evidence was not provided. This is most likely an administrative oversight but, at this time, it has been impracticable to establish if this is the case.

The financial statements are prepared on an 'Income and Expenditure Basis'; therefore, references to 'Uncashed Payments' and 'Uncashed Receipts' reflect creditors and debtors respectively.

4. Payments List (Appendix Three)

The **Payments List** is colour-coded as follows:

- in yellow are proposed payments for more than £50; and
- in blue are proposed payments to new suppliers.

Uncoloured items on the list relate to:

- payments of less than £50 (already approved per Financial Regulation 21.5);

- payments by direct debit or standing order (already approved per Financial Regulation 22.4); and
 - payments made by corporate debit card and therefore already incurred without opportunity for further approval,
- and, as such, are provided as information for the CGC to note.

The CGC should authorise each proposed payment highlighted in yellow or blue (per Financial Regulation 21.4), provided it is satisfied that in each case all applicable requirements of the Financial Regulations have been met.

The **Payments List** includes expenditure incurred other than in accordance with the Financial Regulations. These items present a challenge because neither the Standing Orders nor Financial Regulations confer on the CGC or the Council the power to resolve to make a payment in circumstances where the Financial Regulations were not observed. Consequently, a resolution to make a payment in such circumstances would be ultra vires. The RFO, however, has an overriding statutory responsibility for the proper administration of the Council's financial affairs and, under this statutory power, directs the Council to settle each invoice for the following reasons.

- Although the Financial Regulations were not observed, in each case the goods and services were supplied, and the invoice is in order.
- Failure to settle an otherwise undisputed debt creates foreseeable legal and reputational risks.

Payments by electronic transfer from the current account with Unity Trust Bank have been set up for all items on the Payments List (except for those paid by Corporate Debit Card, Standing Order or Direct Debit). After the meeting a bank signatory will need to log on to internet banking to authorise the transactions.

5. Virements

No virements are proposed. However, the CGC may — subject to observance of Standing Order 1 — approve other virements as would be prudent taking account of financial performance for year to date against budget and reserves, and anticipated expenditure for the remainder of the 2023–24 financial year.

6. Large Capital Projects

There are no projects or acquisitions planned for the remainder of the 2023–24 financial year with expenditure of more than £50,000.

7. Investments

Nationwide Building Society transferred £32,300 to Unity Trust Bank on 26 January, which was credited to the current account. A further £31,700 (plus interest) is due on 18 March 2024.

Barclays Bank UK PLC transferred £71,950 to Unity Trust Bank on 26 February, which was credited to the current account. This accords with the balances as of 19 February and indicates the deposits with Barclays did not attract interest after 3 December 2023.

This means the funds are finally available to invest in line with the Council's resolution in September 2023. However, investment rates have changed since then, and it will be prudent to investigate the latest offerings to ensure the most favourable returns before executing the resolved actions. In the meantime, as resolved at the meeting on 15 February, an instant access deposit account has been opened with Unity Trust Bank to operate alongside the current account, attracting (at the time of opening) a gross interest

rate of 2.75%. On 6 March 2024 £50,000 was transferred from the current account to the savings account.

8. System of internal control

Following the RFO's report in February 2024 regarding the effectiveness of some of the internal controls, the CGC resolved the RFO should undertake a thorough refresh of the Financial Regulations in time for adoption at the Annual General Meeting in May 2024. This review is in hand and revised Financial Regulations will be presented for the CGC to review at the meeting scheduled for 10 April. In the meantime, the Financial Regulations dated November 2023 remain in force.

9. Review of supplier contracts and retendering

The review of outsourced services is taking longer than anticipated and will not be completed in time to award contracts from 1 April 2024. Although this is unsatisfactory, all services have been carried out based on verbal or ad hoc agreements for some time and the delay therefore is not anticipated to impact services.

- Mr Dines voluntarily terminated the contract for **grounds maintenance** in April 2022 and has since provided services under a rolling monthly verbal agreement, the cost of which is payable in arrears.
- The written agreement with A&J Lighting Solutions Limited for **streetlights maintenance** expired in September 2011. The supplier has continued to provide planned and unplanned maintenance on an ad hoc basis; however, the cost of the annual inspection (carried out in around January each year) is currently paid by equal instalments through the year. This will end after the March instalment so a decision on a permanent service provider can be taken in due course.
- The written agreement with TBS Hygiene Limited for **waste collection** expired in March 2023, although the supplier has continued to collect waste based on the same schedule each month, the cost of which is payable in arrears.
- The written agreement with TWH Tree Services Limited for **tree maintenance** expired in November 2023, although the supplier continues to carry out work on an ad hoc basis, the cost of which is payable in arrears.

Appendices

- 1. Interim management accounts**
- 2. Bank reconciliation**
- 3. Payments list**

1

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 29/02/2024)

A1 Revenue Income

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
1	Precept	353,793.00	353,793.00					(0%)
2	Wayleaves	1.00	1.00					(0%)
6	Credit Interest	75.00	1,320.08	1,245.08				1,245.08 (1660%)
53	Community Events	300.00	1,640.81	1,340.81		15.00	-15.00	1,325.81 (441%)
55	Burial Ground	4,000.00	2,693.00	-1,307.00				-1,307.00 (-32%)
77	All Other Revenue Income		150.00	150.00				150.00 (N/A)
SUB TOTAL		358,169.00	359,597.89	1,428.89		15.00	-15.00	1,413.89 (0%)

B1 Staff

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
8	Salaries (inc. employee's tax, NI				140,000.00	115,044.07	24,955.93	24,955.93 (17%)
9	Employers' NI Contribution					11,293.20	-11,293.20	-11,293.20 (N/A)
10	Home Working Allowance				936.00	858.00	78.00	78.00 (8%)
11	Employers' Pension Contribution				37,937.00	29,287.37	8,649.63	8,649.63 (22%)
13	Training, Membership Fees & St		770.00	770.00	4,350.00	4,947.50	-597.50	172.50 (3%)
14	Travel & Subsistence				596.00	278.56	317.44	317.44 (53%)
SUB TOTAL			770.00	770.00	183,819.00	161,708.70	22,110.30	22,880.30 (12%)

B2 Office & IT

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
17	Office Supplies & Consumables				2,970.00	1,476.08	1,493.92	1,493.92 (50%)
20	Telephone & Broadband		163.40	163.40	3,465.00	2,093.13	1,371.87	1,535.27 (44%)
22	IT Hardware & Software (inc. sup				5,510.00	3,878.14	1,631.86	1,631.86 (29%)
SUB TOTAL			163.40	163.40	11,945.00	7,447.35	4,497.65	4,661.05 (39%)

B3 Banking & Finance

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
38	Bank Charges				220.00	241.20	-21.20	-21.20 (-9%)
79	Capital Repayments				16,000.00	16,000.00		(0%)
80	Debit Interest				5,162.00	5,162.00		(0%)
SUB TOTAL					21,382.00	21,403.20	-21.20	-21.20 (-0%)

B4 Professional Services

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
24	Internal Audit				1,650.00	1,505.00	145.00	145.00 (8%)
25	External Audit				840.00	1,050.00	-210.00	-210.00 (-25%)

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 29/02/2024)

40 Professional Fees		7,700.00	2,341.00	5,359.00	5,359.00 (69%)
SUB TOTAL		10,190.00	4,896.00	5,294.00	5,294.00 (51%)

B5 Other Admin

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
21 Communications & Advertising				1,750.00	1,575.00	175.00	175.00 (10%)
36 Insurance				6,100.00	6,321.04	-221.04	-221.04 (3%)
37 Subscriptions				1,700.00	1,496.99	203.01	203.01 (11%)
75 Chairman's Allowance				220.00		220.00	220.00 (100%)
78 Room Hire		58.00	58.00	198.00	15.00	183.00	241.00 (121%)
998 Uncategorised Expenditure					564.25	-564.25	-564.25 (N/A)
999 Accounting Adjustment					0.01	-0.01	-0.01 (N/A)
SUB TOTAL		58.00	58.00	9,968.00	9,972.29	-4.29	53.71 (0%)

CA1 Grounds

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
27 Buildings & Car Parks				8,500.00	6,665.05	1,834.95	1,834.95 (21%)
30 Play Areas				6,000.00	957.80	5,042.20	5,042.20 (84%)
31 Grounds Maintenance		267.25	267.25	20,000.00	16,243.26	3,756.74	4,023.99 (20%)
52 Tools and Consumables				1,500.00	805.93	694.07	694.07 (46%)
94 Maintenance Vehicle				7,489.00	2,089.65	5,399.35	5,399.35 (72%)
SUB TOTAL		267.25	267.25	43,489.00	26,761.69	16,727.31	16,994.56 (39%)

CA2 Streets

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
50 Streetlights - ex. Electricity				6,000.00	6,614.80	-614.80	-614.80 (-10%)
81 Street Furniture				3,800.00	1,762.46	2,037.54	2,037.54 (53%)
84 Streetlights - Electricity				24,000.00	8,959.25	15,040.75	15,040.75 (62%)
96 Footpaths				1,500.00		1,500.00	1,500.00 (100%)
SUB TOTAL				35,300.00	17,336.51	17,963.49	17,963.49 (50%)

CA3 Burial Ground

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
57 Burial Ground All Expenditure				5,200.00	3,286.13	1,913.87	1,913.87 (36%)
SUB TOTAL				5,200.00	3,286.13	1,913.87	1,913.87 (36%)

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 29/02/2024)

CS1 Community Services

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
54	Community Events - Expenditure		18.00	18.00	4,525.00	2,325.81	2,199.19	2,217.19 (49%)
70	Grants (all)				5,000.00	1,629.80	3,370.20	3,370.20 (67%)
91	Community Safety				5,000.00	4,712.10	287.90	287.90 (5%)
104	Community Services - other expi		30.00	30.00	475.00	329.91	145.09	175.09 (36%)
SUB TOTAL			48.00	48.00	15,000.00	8,997.62	6,002.38	6,050.38 (40%)

Summary

NET TOTAL	358,169.00	360,904.54	2,735.54	336,293.00	261,824.49	74,468.51	77,204.05 (11%)
V.A.T.		36,017.71			10,472.78		
GROSS TOTAL		396,922.25			272,297.27		

Summary of Receipts and Payments

Cost Centre Group - Capital Account (Between 01/04/2023 and 29/02/2024)

A2 Capital Receipts

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
3	Capital Grants & Other Donation		1,000.00	1,000.00				1,000.00 (N/A)
4	CCC Grants	53,000.00	54,000.00	1,000.00				1,000.00 (1%)
5	Other Grants	44,500.00	6,127.00	-38,373.00				-38,373.00 (-86%)
7	LCTS Administration Subsidy	5,259.00	5,259.00					(0%)
SUB TOTAL		102,759.00	66,386.00	-36,373.00				-36,373.00 (-35%)

Q Capital Expenditure

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
200	Community Services - environm				1,500.00		1,500.00	1,500.00 (100%)
201	Community Services - other new				12,000.00		12,000.00	12,000.00 (100%)
202	Car park extension				52,000.00	52,557.08	-557.08	-557.08 (-1%)
203	Soakaway				19,000.00	19,069.50	-69.50	-69.50 (-0%)
204	Car park resurfacing				30,000.00		30,000.00	30,000.00 (100%)
205	Electric vehicle charging point				1,000.00		1,000.00	1,000.00 (100%)
206	Air conditioning				5,000.00	4,558.27	441.73	441.73 (8%)
207	Jansma Park				10,000.00		10,000.00	10,000.00 (100%)
208	Grounds Machinery				2,000.00	1,332.50	667.50	667.50 (33%)
SUB TOTAL					132,500.00	77,517.35	54,982.65	54,982.65 (41%)

Summary

NET TOTAL	102,759.00	66,386.00	-36,373.00	132,500.00	77,517.35	54,982.65	18,609.65 (7%)
V.A.T.					15,503.47		
GROSS TOTAL		66,386.00			93,020.82		

Stanway Parish Council
Reserves Balance up to 29th Feb 2024
2023-2024

<u>Reserve</u>	<u>OpeningBalance</u>	<u>Transfers</u>	<u>Spend</u>	<u>Receipts</u>	<u>CurrentBalance</u>
Earmarked					
Office Equipment	2,000.00				2,000.00
Specialist Fees (legal, accountir	1,500.00	4,500.00			6,000.00
Car Park	5,000.00	1,000.00			6,000.00
Workshop & Store	1,000.00	1,000.00			2,000.00
Planning	1,500.00				1,500.00
Village Halls & Community Cent	7,743.00	6,757.00			14,500.00
Footpaths	1,000.00	9,000.00			10,000.00
Trees & Open Spaces	2,500.00	2,500.00			5,000.00
Notice Boards	1,000.00				1,000.00
Streetlights	2,000.00	3,000.00			5,000.00
Staffing	20,000.00	5,000.00			25,000.00
Vehicle	500.00	-500.00			0.00
Community Safety	1,000.00				1,000.00
Elections	3,000.00	1,000.00			4,000.00
Burial Grounds	2,500.00	-500.00			2,000.00
Outdoor Gym	500.00	3,500.00			4,000.00
Bus Shelters	1,745.00	3,255.00			5,000.00
Playground Equipment	10,000.00	2,000.00			12,000.00
Jansma Park					0.00
Total Earmarked	64,488.00	41,512.00			106,000.00
TOTAL RESERVE	64,488.00	41,512.00			106,000.00
GENERAL FUND					184,380.35
TOTAL FUNDS					290,380.35

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Stanway Parish Council
Uncashed payments/transfers out (All banks)
(Upto 29/02/2024)

Voucher	Date	Cheque No.	Description	Total	Bank
438	10/02/2024		Office consumables	16.32	1. Unity Trust XXXXX053
439	13/02/2024		Maintenance consumables	5.59	1. Unity Trust XXXXX053
440	14/02/2024	DIRECT DEBIT	Telephone and broadband	171.55	1. Unity Trust XXXXX053
441	16/02/2024		Maintenance consumables	7.78	1. Unity Trust XXXXX053
442	19/02/2024		Management Report	480.00	1. Unity Trust XXXXX053
443	19/02/2024		Waste collection	286.80	1. Unity Trust XXXXX053
444	19/02/2024		Streetlights maintenance	1,376.40	1. Unity Trust XXXXX053
445	25/02/2024		Streetlights - Electricity	2,635.67	1. Unity Trust XXXXX053
447	26/02/2024	DEBIT CARD	Fuel	49.80	1. Unity Trust XXXXX053
448	29/02/2024		Payroll services	151.20	1. Unity Trust XXXXX053
449	29/02/2024		Maintenance consumables	133.00	1. Unity Trust XXXXX053
450	28/02/2024		Streetlights maintenance	628.80	1. Unity Trust XXXXX053
451	28/02/2024		Grounds maintenance	240.00	1. Unity Trust XXXXX053
452	29/02/2024		Grounds maintenance	430.00	1. Unity Trust XXXXX053
453	29/02/2024		Burial ground	200.00	1. Unity Trust XXXXX053
Total-----				6,812.91	

Stanway Parish Council
Uncashed receipts\transfers in (All banks)
(Upto 29/02/2024)

Voucher	Date	Cheque No.	Description	Total	Bank
			Total-----		

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Stanway Parish Council PAYMENTS (AWAITING AUTHORISATION) LIST

Voucher Code	Date	Minute	Bank	Cheque No	Description	Supplier	VAT Type	Net	VAT	Total
438	10/02/2024		1. Unity Trust XXXXX		Office consumables	Saint IT Ltd	S	13.60	2.72	16.32
439	13/02/2024		1. Unity Trust XXXXX		Maintenance consumables	Screwfix Direct Ltd t/a Trak	S	4.66	0.93	5.59
440	14/02/2024		1. Unity Trust XXXXX	DIRECT DEBIT	Telephone and broadband	New Star Networks Ltd	S	142.96	28.59	171.55
441	16/02/2024		1. Unity Trust XXXXX		Maintenance consumables	Screwfix Direct Ltd t/a Trak	S	6.48	1.30	7.78
442	19/02/2024		1. Unity Trust XXXXX		Management Report	ESSEX ECOLOGY SERVICES	S	400.00	80.00	480.00
443	19/02/2024		1. Unity Trust XXXXX		Waste collection	TBS Hygiene Ltd	S	239.00	47.80	286.80
444	19/02/2024		1. Unity Trust XXXXX		Streetlights maintenance	A&J Lighting Solutions Ltd	S	1,147.00	229.40	1,376.40
445	25/02/2024		1. Unity Trust XXXXX		Streetlights - Electricity	Colchester City Council	S	2,196.39	439.28	2,635.67
447	26/02/2024		1. Unity Trust XXXXX	DEBIT CARD	Fuel	Sainsbury's Supermarkets I	S	41.50	8.30	49.80
448	29/02/2024		1. Unity Trust XXXXX		Payroll services	RE Group Accountants Lim	S	126.00	25.20	151.20
449	29/02/2024		1. Unity Trust XXXXX		Maintenance consumables	Screwfix Direct Ltd t/a Trak	S	110.83	22.17	133.00
450	28/02/2024		1. Unity Trust XXXXX		Streetlights maintenance	A&J Lighting Solutions Ltd	S	524.00	104.80	628.80
451	28/02/2024		1. Unity Trust XXXXX		Grounds maintenance	TWH Tree Services Limited	S	200.00	40.00	240.00
452	29/02/2024		1. Unity Trust XXXXX		Grounds maintenance	M J Baker	X	430.00		430.00
453	29/02/2024		1. Unity Trust XXXXX		Burial ground	M J Baker	X	200.00		200.00
455	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER	IT software and support	Saint IT Ltd	S	176.61	35.32	211.93
456	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER	IT software and support	Saint IT Ltd	S	99.00	19.80	118.80
457	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER	Streetlights maintenance	A&J Lighting Solutions Ltd	S	127.30	25.46	152.76
458	01/03/2024		1. Unity Trust XXXXX		Street furniture	M J Baker	X	300.00		300.00
459	01/03/2024		1. Unity Trust XXXXX		Grounds maintenance	Dines Agri Services	X	515.20		515.20
460	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER						
461	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER						
462	01/03/2024		1. Unity Trust XXXXX	STANDING ORDER						
463	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
464	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
465	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
466	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
467	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
467	01/03/2024		1. Unity Trust XXXXX		Employers' Pension Contribution					
468	01/03/2024		1. Unity Trust XXXXX		Salaries (inc. employee's tax, N					
468	01/03/2024		1. Unity Trust XXXXX		Employers' NI Contribution					
469	05/03/2024		1. Unity Trust XXXXX		Tools and Consumables	Ernest Doe & Sons Ltd	S	21.40	4.28	25.68
470	05/03/2024		1. Unity Trust XXXXX		Maintenance consumables	Ernest Doe & Sons Ltd	S	163.32	32.67	195.99

**Stanway Parish Council
PAYMENTS (AWAITING AUTHORISATION) LIST**

Voucher Code	Date	Minute	Bank	Cheque No	Description	Supplier	VAT Type	Net	VAT	Total
471 Grounds Machinery	05/03/2024		1. Unity Trust XXXXX		Grounds maintenance machine	Ernest Doe & Sons Ltd	S	129.17	25.83	155.00
472 Training, Membership Fees & S	06/03/2024		1. Unity Trust XXXXX		Expenses reimbursement	██████████	S	32.68	6.54	39.22
472 Telephone & Broadband	06/03/2024		1. Unity Trust XXXXX		Expenses reimbursement	██████████	X	10.00		10.00
473 Professional Fees	06/03/2024		1. Unity Trust XXXXX		Payroll services	RE Group Accountants Lim	S	126.00	25.20	151.20
Total								21,952.24	1,205.59	23,157.83

Prepared by: Lee Needham, Responsible Financial Officer Date: March 7, 2024

Name and Role

Approved by: _____ Date: _____

Name and Role

Approved by: _____ Date: _____

Name and Role

Background Papers

These papers include personal data, financial information and confidential information belonging to third parties which the Council does not have express permission to publish. Consequently, these papers are exempt from disclosure or inspection pursuant to the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, as amended, Standing Order 11, and Financial Regulation 21.6.

- 1. Invoices and other supporting paperwork**
- 2. Bank statements — Unity Trust Bank plc, Barclays Bank UK PLC and Nationwide Building Society**

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