

# North Hinksey Parish Council

## Report of the Responsible Finance Officer to the Annual General Meeting of the Parish Council on 23<sup>rd</sup> May 2013

### Audited Final Accounts for the Year Ended 31<sup>st</sup> March 2013

#### INTRODUCTION

The attached audited accounts are for the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013. Councillors are aware of the audit process, which requires the accounts to be audited by its approved independent internal auditor and then figures contained in the 'Local Councils in England Annual Return for the Year Ended 31 March 2013' are considered and acknowledged by Council for forwarding to the Council's external auditor (BDO LLP) for their consideration and comment. The Parish Clerk will issue the statutory notice to advertise that the Council's annual external audit date has been fixed for Monday 1<sup>st</sup> July 2013. This is the start date when parishioners can raise objections to the accounts with the external auditor. The accounts and supporting records for 2012/2013 have to be made available for public inspection (by appointment), from Monday 3<sup>rd</sup> June 2013 to Friday 28<sup>th</sup> June 2013, and the 'Notice of Electors Rights' is being displayed on noticeboards Monday 20<sup>th</sup> May to Sunday 2<sup>nd</sup> June 2013. The external auditors (BDO LLP) have decided that the Parish Council will not be required to complete a full intermediate audit questionnaire. Councillors are reminded that an agreed 2012/2013 'Annual Return' and 'Statement of Assurance' must be approved and with the external auditor before the Council's audit date of 1<sup>st</sup> July 2013.

#### 2012/2013 ACCOUNTS

##### Actual Performance

The adjusted income and expenditure as shown in the Profit and Loss Account shows an excess of income of £6,208, which after taking into account the agreed below the line contributions to earmarked reserves and provisions of £5,822 (£5,000+£822), the General Fund shows an excess of income of £386 (£6,208-£5,822). Councillors should remember that the 2012/2013 budget was originally agreed and set in December 2011.

##### Performance Compared to the Revised Estimate

Councillors are REMINDED that during the financial year 2012/2013 it was announced that there was a proposal to re-develop the West Way complex including the demolition of the Seacourt Hall, the community hall for the parish. Following discussions with the VWHDC it became apparent that the Parish Council would need to incur significant additional costs in relation to appointing Property and Construction Consultants to protect the Parish Council's lease interests in the current hall and the provision of an adequate replacement community hall in the re-development. Rather than use balances, it was hoped that the additional costs could be accommodated within the approved expenditure for 2012/2013 by underspends in the planned budgeted expenditure for 2012/2013. Councillors are also reminded that committee budgets are monitored and controlled by the relevant total 'bottom line' figures. The following analysis explains the significant differences between actual expenditure and the agreed revised estimate for 2012/2013.

##### Administrative Budget

**Actual Expenditure £46,183    Budget £39,565**

**Overspends** amount to **£7,118**, which are accounted for by increased expenditure of **£6,841** on the Specialist Advice budget (Seacourt Hall replacement) and an increase in Election Expenses of **£2,779**, due to the second casual vacancy. The expenditure for the second by-election was incurred in March 2013, instead of May 2013. There were other various **savings** (net) including **£500** on Legal Fees, **£439** on Employees Expenses including Admin Support, **£236** on Audit Fees, **£185** on Computing costs, **£575** on Printing, Stationery, Postage etc. Expenses (as a result of buying supplies when they are on special offer).

##### Allotments Budget

**Actual Expenditure £1,424    Budget £2,020**

**Underspends** on the gross budget (before rents) amount to **£596**, and primarily results from in-year **reductions** in the need for grass cutting of **£123** and no need during the year to replace further gates and hedges, resulting in a **saving** on that budget of **£500**.

The Allotment Rental income of £1,171 was **£29** short of the budget figure of £1,200.



### **North Hinksey Garden Scheme Budget (Sec. 137)**

**Actual Expenditure £0 Budget £0**

This scheme was not run in 2012/2013 and therefore incurred no costs.

### **Highways Budget**

**Actual Expenditure £345 Budget £750**

There were **underspends** amounting to **£405**. The Highways budget includes annual contingency sums to cover one-off unplanned and exception expenditure in relation to Signs and Notices, Refuse and waste Removal and Renovation of Street furniture and no expenditure was incurred under these budgets.

### **North Hinksey Nature Reserve Budget**

**Actual Expenditure £1,356 Budget £1,840**

**Underspends** amount to **£484**, and resulted from the continued provision of a free dog bin emptying service **saving £150**, (although there is no guarantee this will continue), a **saving** in the Grass Cutting budget of **£124**, a **saving** in the Hedge and Tree Cutting budget of **£60**, a reduction in maintenance costs of **£96** and no plants were purchased **saving £50**.

### **Louie Memorial Pavilion Budget**

**Actual Expenditure £1,004 Budget £2,265**

**Underspends** amount to **£1,261** and include **savings** of **£750** as no parish Council contribution was need towards general running costs. The Electrical and other Testing budget **saved £225** and there were no maintenance expenditure needed thereby **saving £350**. The Caretaking budget **overspent** by **£64** as a result of the increased salary rate from 1<sup>st</sup> January 2013.

### **Playing Fields Budget**

**Actual Expenditure £7,111 Budget £12,135**

**Underspends** amount to **£5,024** and result from a number of budgets including a **saving** of **£1,347** as a result of reduced costs resulting from voluntary work and less copse/tree damage as a result of less storm damage than in the previous year. A **saving** of **£634** as a result of no further need for BCV Training for Volunteers/Specialist Advice. An **saving** of **£800** on the planned renovation and repair to seats in the 'Lower' playing field, as the bad weather meant that the work could not be done as it needed completely dry timber and days to undertake the work.

**Recommendation:** *It is recommended that the £800 budget provision for the renovation of the 5 seats in the Louie Memorial 'Lower' playing field in carried forward into 2013/2014 as the work is planned in May/June 2013.*

A **saving** of **£180** as no new Football related equipment needed repair/replacement. A **saving** of **£300** planned for the MUGA surface to be pressure hosed, but this has not been done due to inadequate water pressure in the Louie Memorial Pavilion. A **saving** of **£185** on litter clearing as this was partly done by a volunteer. A **saving** of **£477**, on the Grass Cutting, Hedge, Tree and Weed Removal budgets as a result of weather conditions and reduced requirements. A **saving** of **£532**, as a result of reduced damaged and repair to play equipment and no damage to the Children's Shelter. A **saving** of **£608** on the Fencing, Gates and Signs budget, due to less than anticipated amount of repair work. A net **overspend** of **£39** including an increase in Caretaking and Inspection costs as a result of the increased salary from 1<sup>st</sup> January 2013.

### **Remembrance Day Budget (Sec. 137)**

**Actual Spend £570 Budget £550**

A net **overspend** of **£20** resulted from NHPC's turn to find an additional wreath.

### **Subsidies/Grants/Subscriptions Budget**

The budget was **underspent** by **£650** due to a reduced demand for grants.

### **BALANCES – 31<sup>st</sup> MARCH 2013**

As a result of the net underspend of £386 in 2012/2013, the level of General Fund balances at 31<sup>st</sup> March 2013, has increased to £37,773. Councillors are reminded that at some time in the future work may still have to be undertaken to accommodate the requirements of the Disability Discrimination Act and some of the balance may need to be used to fund additional specialist advice to protect the council's interests in relation to the proposed redevelopment of parts of the West Way complex, including a possibility that the Council may have to contribute to some internal furniture and fittings costs of any new community centre or community hall.

**Council is CONSIDER any comments from the Finance and General Purposes Committee in relation to the following General Fund balance transfers and AGREE that:**

- a). **£3,000 of the balance is transferred to the Legal Expenses Earmarked Reserve to cover any non-budgeted legal or specialist advice fees in relation to the proposed redevelopment of the West Way complex,**

- b). £3,000 is transferred to a new Parish Elections Earmarked Reserve to cover any future casual election costs, and
- c). £10,000 is transferred to a new Equipment/Internal Fittings Earmarked Reserve to cover any costs or contributions that the Parish Council may have to contribute/fund to ensure adequate internal furniture/fittings at the proposed new community centre/community hall.

**NB:** If the above transfers of General Fund balances are agreed it will reduce the funds balance to £21,783, which the Parish Clerk is happy is as an adequate level for General Fund balances.

#### **FIDELITY GUARANTEE INSURANCE**

The Independent Internal Auditor (IIA) has recommended that the level of 'Fidelity Guarantee' insurance for 2013/2014 be **increased** from **£156,000 to £166,000** in line with the increase in balances. This is something the Parish Clerk discusses with the IIA each year.

#### **RECOMMENDATIONS**

- i). Councillors are asked to **CONSIDER** the report and explanations and **NOTE** that: -
  - a). The audited accounts and supporting documentation are required to be open to public inspection during the period Monday 3<sup>rd</sup> June to Friday 28<sup>th</sup> June 2013.
  - b). BDO LLP have fixed the annual external audit for Friday 1<sup>st</sup> July 2013.
- ii). To consider any recommendations made by the Finance and General Purposes Committee and **SUPPORT** the Parish Clerks recommendations in his report.
- iii). **AGREE** that £800 can be carried forward to 2013/2014 to fund the renovation of the seats in the 'Lower' playing field.
- iv). Councillors are asked to **AGREE** a **RECOMMENDATION** to Council that the Parish Clerk arranges for the 'Fidelity Guarantee' insurance cover for 2013/2014, to be increased from £156,000 to £166,000, as recommended by the IIA.

Alan Stone, Clerk and Responsible Finance Officer 17/05/2013