

Report from Finance Advisory Group Chairman

1. Update on arrangements for Internal Audit

Further to the previous discussion on options for Internal Audit during the Covid-19 pandemic the Clerk, with the support of the Chairman of the Finance Advisory Group, has agreed to pay for the auditor to have time, limited and controlled remote access to the information in the EDGE Finance IT system that is needed for the audit. The cost annually is £56 ex VAT but less in our first year contracting for this finance system function.

The Annual Governance and Accountability Return (AGAR) for 2019/20 can therefore be presented to the full Council in July 2020, enabling us to meet the revised statutory deadline for submission.

2. Change of basis for accounting to Income & Expenditure

The original accounting basis was 'Receipts & Payments' (R&P). This was continued when the accounting for Buckden Parish Council was transferred in June 2018 from a simple spreadsheet to a formal accounting system used by a large number of local Councils. However, at that time the use of R&P was not amended, so future debtors and creditors were not readily visible to either the Clerk or Councillors e.g. bills paid monthly, accounts paid in advance across more than one financial year and commitments made through order or contracts for goods which were yet to be paid.

The national Joint Panel on Accountability and Governance (JPAG) guidance requires that local authorities which have a turnover above £250,000 pa must use Income and Expenditure (I&E) as the basis for accounting; I&E is also recommended for smaller Councils. The decision was therefore made by the Clerk and the Council Finance lead, and endorsed by the Finance Advisory Group, that at the end of the 2019-20 financial year we would convert our accounts to I&E. This transition will give greater visibility on future financial commitments and prepare us for the point in 2020-21 when we may exceed the turnover threshold, due to the anticipated receipt of almost £100,000 of CIL income in 2020-21 relating to the Lucks Lane development.

Due to the change from Receipts & Payments to Income & Expenditure, the Figures for 2018/19 are now different on Edge 'Statement of Accounts' report to correspond with the transition to I&E – therefore the AGAR Accounting statement to year ended 31Mar2020 will be different than the last year's AGAR figures for 2018/19 as the VAT treatment must be different this year from 2018-19.

A local authority specialist at Edge IT will write a report for us setting out for the record why 2018/19 figures are now different from what was submitted to the auditors and approved for 2018/19. Our Clerk will then present this report to the Internal and External Auditors to inform their oversight of our financial governance.

The Clerk has undertaken a considerable amount of additional work to achieve this essential transition involving re-setting the reporting format and the creation of useful new reports. This contribution to the smooth running of Buckden Council is acknowledged, as is the expert advice and support of a number of staff within EDGE IT.

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3. Roundabout printing costs

On 16th May 2020 the Chairman received an email from Fiona Shirley, Commercial Manager, The Roundabout. She advised that the Roundabout team had begun planning for the future, explaining that they are hoping, now that there has been some easing of restrictions and a timetable being established by the government, that they can begin delivering a paper copy to all households in Buckden, Stirtloe and Diddington by the beginning of September.

Mrs Shirley shared the team's concerns that many of the businesses that advertise in The Roundabout, most of which are very small businesses, will have been badly affected by the Covid-19 lockdown regulations. It is therefore expected that it may take some months before our local economy is back to normal. This will, of course, impact on advertisers' ability/willingness to pay for advertising in The Roundabout and their team anticipates that Roundabout income will take quite a hit.

In order to enable the Roundabout team to continue to their planning they sought Council support, including financial support, in re-establishing a print edition for September or when feasible, specifically asking that the Parish Council re-affirm that any financial losses incurred by The Roundabout will be covered. The Roundabout team assured the Chairman that they would try, as always, to ensure that the Roundabout income does exceed expenditure and will monitor the situation closely.

To expedite the planning the Chairman consulted the Vice Chairman and the Finance lead to discuss this request. The group agreed the paper version is key for the village. The Chairman advised Mrs Shirley that in principle the Parish Council would be prepared to underwrite any losses incurred from September to December 2020, subject to approval of this at the June Council meeting.

The average monthly printing cost of The Roundabout is £650. The maximum financial risk is therefore £2,600.

The matter will be discussed with the Roundabout team in December 2020, by which time information on Christmas Edition advertising (usually the highest month) will be available.

Proposal: That the Council will underwrite any losses incurred on The Roundabout from September to December 2020 and that a review of the actual costs of this agreement will be brought to Council in January 2021.

4. Replacement light unit on Perry Road

After consultation with Chairmen of the General Purposes and Finance groups, Balfour Beatty have been given the go-ahead to replace the light unit on Perry Road, which they had identified was faulty.

As the question of the cost of lighting replacements has previously been discussed by the Council we are reporting here that the appropriate LED unit costs £491.48 per unit (ex VAT) to supply and fit.

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5. Parish Council Insurance

During the Covid-19 pandemic our insurance policy was due for renewal. It has been confirmed by the Clerk that we have cover for business equipment used when working at home as well as the office within BVHT.

Our new policy is for the period 01 June 20 to 31 May 2021.

6. District Council Support towards excess costs incurred in managing Covid-19 response

HDC wrote to all Local Councils on 13th May advising that if we had:

“run up extra costs as a result of delivering services which either we or the government have asked to put in place, we [HDC] can make provision for a loan for the remainder of this financial year for those who may have cash flow problems. The loan would be accessible to any parish who can demonstrate extraordinary costs (rather than loss of income, as the government is very clear that that is an issue to be managed locally), and who meet the following criteria:

- You would have insufficient reserves (assuming a minimum level relative to 3 months spend) to cover the costs, and;*
- You have no other sources of income e.g. business rate relief on buildings that you own, commercial income or grants to support that extraordinary spend.”*

It was identified that Buckden Parish Council does not qualify for such loans, as we have delivered the additional services through the good offices of volunteers e.g. medicines delivery. In addition, we do not meet the two other criteria, as we have sufficient reserves.

No action was therefore taken.