



TODMORDEN TOWN COUNCIL

REPORT TO THE EMERGENCY COMMITTEE

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| REPORT AUTHOR | Colin Hill – Town Clerk and Responsible Financial |
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| Date | 8TH APRIL 2020 |
| SUBJECT | Financial update |

PURPOSE:

1. To present to Members then financial out-turn for 2019/2020
2. To advise Members that subject to final closedown of accounts, General reserves as at year end stand at £86,376 in addition to Earmarked Reserves totalling £83,500
3. To advise Members that in arriving at the General Reserves a figure of £86,376, this is after allowing for carry over of £15,064 as agreed at Full Council on the 25th March 2020
4. To advise Members that the Vat return for the period ending 31st March 2020 has been submitted and that all previous Vat returns have been completed and monies due from HMRC received.
5. To present Members, subject to closedown of accounts, a cash reconciliation, balance sheet and provisional Annual Governance Financial statement as at 31st March 2020.
6. To advise Members that work continues with compiling a more up to date Asset Register.
7. To advise Members that arrangements are in hand to undertake a remote Internal Audit.
8. To advise Members that production of the Annual Governance return has been put on hold pending further advice from PKF LITTLEJOHN , the government Appointed External Accountants who oversee all Parish/Town Council Financial matters.
9. To advise that once closedown has been completed, subject to IT remote access, budgets for 2020/21 can be established in the accounting system, including allowing for carry overs to be added to the budgets as agreed.

10. To ask Members to note that General Reserves have fell apart from allowing for carry overs, to £104,441 from £114,373, reflecting a net overspend in the year of £12,932 to income received.
11. An analysis of budget movement will be provided to Members in due course, but it is likely to be represented by an overspend in staffing budgets regarding interim cover arrangements, IT equipment spend (noting this will reflect in a reduced IT Reserve requirement in due course) and additional grant provision.

BACKGROUND:

12. All financial entries have been entered into the Town Councils Financial system for the year ending 31st March 2020 and all payments made from the bank account where invoices have been received.
13. A cash reconciliation has been undertaken indicating that there are just two unrepresented cheques totalling £65, with enquiries recently made to resolve these
14. Bank balances as at year-end total Current account £49,426, Term Deposit Account £134,498 and vat due £754.
15. Petty cash stands at a total of £262.
16. Earmarked Reserves stand at:-

| Reserves | | |
|------------------------|-----------------|-----------------|
| | 1st April 2020 | 31st March 2020 |
| General | £114,373 | £86,376 |
| | | |
| Earmarked | | |
| Emergency Flood Repair | £20,000 | £20,000 |
| Skate Park | £10,000 | £10,000 |
| Community Development | £15,000 | £15,000 |
| Full Elections | £20,000 | £5,000 |
| Station Access | £25,000 | £25,000 |
| It upgrade | | £8,500 |
| Total Reserves | £204,373 | £169,876 |

| Reconciliation General Reserves to balance sheet | | |
|---|----------|--|
| General Reserves | £101,441 | |
| less carry forward | £15,064 | |
| General Reserve carried forward | £86,377 | |

17. Work continues on compiling an Asset Register but the intention to seek up to date Valuations for our Regalia have been put on hold until Covid 19 restrictions are lifted.

18. Internal Audit is being carried out remotely, with all information having been provided electronically. The Annual Governance return documentation has not yet been provided so the usual return cannot yet be completed for subsequent signature at Full Council
19. Subject to a successful closedown of accounts, the financial element of the annual return is forecast to be as per Appendix 4
20. Appendix 4 also indicates total Fixed Assets of £284,402. This figure will change on revaluation of Regalia and reconciliation of actual assets still held.
21. Establishing next year budgets in the Accounting system, can only be carried out once closedown has been completed and figures rolled over.

FINANCIAL IMPLICATIONS:

22. There are none directly arising from this report other than for Members to note the current General Reserves position is within tolerance to our Reserves and Treasury Management guidelines.

RECOMMENDATION:

23. That Members of the Emergency Committee note the year end position pending the formal Annual Governance return being submitted in due course, once further instructions are received from the External Auditors PKF LITTLEJOHN.
24. That the Emergency Committee Resolve to Accept the Year end Cash Reconciliation as per Appendix 5.

REASON FOR RECOMMENDATION:

25. To ensure Members are aware of the financial outturn for 2020/21
26. To manage the risk of future financial exposure should the TIC place staff on furlough and or cease business.

SUMMARY OF KEY POINTS:

27. Throughout the year Financial updates have indicated that if all budgets were spent there would be an end of year General Reserves balance of circa £82k.
28. After year-end carry forward adjustment the end of year General Reserve figure stands at £86,376, indicating that our forecast process "in year" is robust.

POLICY IMPLICATIONS:

29. Our General Reserves figure is within tolerance

DETAILS OF CONSULTATION:

30. None

SUPPORTING PAPERS:

- Appendix 1 - Financial summary Update
- Appendix 2 - Detailed Year outturn by expenditure code
- Appendix 3 - Balance Sheet
- Appendix 4 - System Generated AGR figures
- Appendix 5 - Cash reconciliation

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill