

Briefing Note

Financial Report Year End 2019-20

17 April 2020

1.0 Cash and Bank Reconciliation

The year-end bank reconciliation is complete and shows the year beginning with £58,501.55 in cash and ending with £60,476.89.

2.0 Reserves

Reserves in April 2019 were £58,501.55 and finished the year at £60,476.89. The 2018-19 financial report gave £58,025.43 as the final figure for reserves and this left £476.12 as 'cash'. However, the external auditor prefers all cash in reserves at the end of the year.

Payments from reserved funds during the fiscal year amounted £2,603.78, which is quite different to last year's payments of £18,007.88. This difference is because in 2018-19 major maintenance works were completed on various assets, such as the play equipment, the shed and the cemetery.

This year the £2,603.78 was spent on: Neighbourhood Plan referendum banners (£90.45), cleaning the car park and renewing the hedge of the cemetery (£385.00), village signs for Luxulyan and Bodwen (£970.41), and the final payments for the Neighbourhood Plan from a Groundworks grant (£1,157.92).

3.0 Budget Comparison

Total payments for 2019-20 are £27,746.45 (without VAT). Subtracting the payments from reserves, total payments from the 2019-20 budget amount to £25,142.67.

To replace reserves £6,100 was precepted. Adding the planned reserves of £6,100 to the other budgeted payments of £25,142.67 results in a figure of £31,242.67. Subtracting this figure from the budget of £31,566, leaves the parish council £323.33 under budget.

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. The external auditor is *PKF Littlejohn*.

Revised audit dates because of Covid-19

Local councils usually must publish their unaudited Annual Return (or Annual Governance and Accountability Return – AGAR) along with the Notice of Period for the Exercise of Public Rights before July. This year, in accordance with *The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020* local councils are allowed two more months, until 1st September 2020, to publish the information.

Once the external audit is complete, the auditor's comments are also published on the website. Again, this year two more months are allowed, so the auditor's report must be published before 1st December 2020.

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.

A handwritten signature in blue ink, appearing to read 'Christine Wilson', is positioned above the printed name.

Christine Wilson

Proper Officer and Responsible Financial Officer

Luxulyan Parish Council

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