

South Willesborough and Newtown Community Council

Finance and General Purposes Committee 25th September 2023

Minutes September 2023

The Chair opened the meeting at 7:01pm

Present Cllr Andy Rogers (AR) Chair FGP Cllr Sue Mullan (SM) Vice Chair FGP Cllr Nirosha Thilagarajan (NT) Cllr Steve Campkin (SC)

Also, in attendance Sarah Evans (SE) Community Council Manager

60/23 Record attendance and list apologies for absence.

None

61/23 Declarations of pecuniary, other significant or voluntary interest.

None

62/23 To agree the Minutes of the meeting of 24th July 2023 and sign (attached).

After considering any comments from Council it was Proposed SM and Seconded NT that the Minutes were a true record of the meeting and the Chair signs them.

63/23 To consider the budget performance to date, bank reconciliation and recommended bank transfers with a half year budget review and agree actions.

Members discussed previously circulated reports of the budget monitor bank reconciliation and the half year budget report.

Resolved:- 1) Proposed SM Seconded AR and agreed unanimously a) to accept the budget monitor and bank reconciliation for September 2023 b) the use of earmarked reserves for the disabled access allotment project for September 2023 c) to transfer £10,000 from the reserve account to the current account to maintain the balance over the next month.

2) Proposed AR and Seconded SM and agreed unanimously 1) To accept the half year budget figures for 2023 2024 and the following figures for salaries and all other payments, however the spreadsheet facility is not adequate to breakdown the full costs of the other payments to every budget header. 2) That the current spreadsheets are unnecessarily complicated and time consuming and in need of streamlining. Risk that inefficiency can lead to delays, errors or non-compliance which is causing a higher workload.

| | <u>Previous Year</u> | <u>This Year</u> |
|---|----------------------|---------------------|
| Balances b/f | 60924 | 73965.00 |
| N precept | 70530 | 36120 |
| Total other receipts | 14289 | 16225 |
| Staff Costs | 30895 | 14306.87 |
| Loan Interest | 0 | 0 |
| All Other Payments | 40883 | 38469.07 |
| Balances c/f | 73965 | 73534.53 |
| Total Value -Cash & Long term investments | 73965 | 73534.53 |

3) Proposed SC and Seconded NT and agreed unanimously to investigate a council purpose built accounting system fit for purpose and resilient in any eventualities to ensure accurate accounting and to release staff time and stress. To ensure that the accounting process is resilient for purpose and for a locum if required. Options to be reviewed Scribe Accounts, Rialtos Business Alpha package and Xero accounts for both Council Finance and Allotment management.

64/23 To agree the payments listing (attached), new beneficiaries, endorse any payments agreed by email and any deposit key refunds required.

Resolved:- Proposed SC and Seconded NT and agreed unanimously to the following payments listing and the additional invoice received from Hopkins for Defibrillator battery and sundries for maintenance of the Albion Pub Defibrillator £280.49 with VAT £336.59. it was noted this would go over the budget allocated for Defibrillators and any further costs would be weighed within the overall budget. It was also agreed to use of the expense account debit card to pay the outstanding payment to Children in Need as this is the only option open. Payment reference 358

Sep-23

| Break Down Of Wages (individual by separate cover) | | | | | |
|---|-----------|--------|-----------|-------------------|----------|
| Staffing Wages | | | | | |
| | | | £2,581.50 | Staff salaries | |
| HMRC | | | £498.81 | | |
| Nest Pension | | | £194.04 | | |
| Clerk Expenses | £18.70 | £0.00 | £18.70 | Postage and Paper | |
| KALC training | £37.00 | £7.40 | £44.40 | Clerk training | |
| Hopkins defib | £6.50 | £1.30 | £7.80 | Defib | |
| Hodges Building. | £3,752.00 | | £3,752.00 | Capital Projects | |
| S Heathfield - tap reimbursement | £6.98 | £1.40 | £8.38 | Allotments | |
| ASL ASG Ltd | £69.47 | £13.89 | £83.36 | Stationary Equip | Printing |
| Waterplus | £47.88 | £0.00 | £47.88 | Allotments | Water |

| | | | | | |
|---------------------------------|-----------|-------|-----------|---------------------|--|
| Source Payments for Information | £0.00 | £0.00 | £0.00 | | |
| Direct Debits for Information | £0.00 | £0.00 | £0.00 | | |
| Nest | see above | £0.00 | £0.00 | | |
| Unity Trust | £6.00 | 0 | 6 | Expense account fee | |
| Agilico | £30.27 | £6.05 | £36.32 | Telecoms Broadband | |
| | | | £7,278.99 | | |

To note

| | | | | |
|--|-----------|---------|-----------|--|
| Hodges - GHF disabled beds quote agreed and £1000 deposit paid | £3,960.00 | £792.00 | £4,752.00 | Earmarked reserve - disabled access allotments |
|--|-----------|---------|-----------|--|

65/23 To consider a report of the Community Council Manager regarding needs for the SWAN Office.

Members discussed a previously circulated report.

Resolved:- 1) Proposed AR and Seconded SM and agreed unanimously to the opening of a stationary and office supplies account with Kent Office Supplies. That orders for paper, labels and office sundries would be placed with this Company.

2) Proposed SC and Seconded NT and Agreed unanimously that the council debit card be used for the purchase of 200 second class stamps.

3) Proposed AR and Seconded SM and Agreed unanimously to the purchase of a shredder Rexel momentum X308 from Curry's with the purchase being made by the Council debit card.

66/23 To agree a timeline for the review of key policies over 2023 2024.

Resolved :- Agreed unanimously to accept the review of key policies with the amendment date Training Learning and Development being 2023.

67/23 To agree the date of the next meeting as 18th October 2023 and items to be included on the agenda.

The date of the next meeting was agreed as Tuesday 24th October 2023

There being no further business to discuss the Chair closed the meeting at 7:44pm

Signed Chair _____ Date _____

Half Year Budget Report

If an AGAR was carried out at the half way point it would be as follows

A review of the finances and their application, plus a review of the controls.

Review of Finances

| | <u>Previous Year</u> | <u>This Year</u> |
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Total payments year to date are £52776 for AGAR purposes which correlates correctly to the Bank reconciliation.

Year Progress:-

Income

Council set the Budget for 2023 with a Precept demand of 70530. At 6 months this is £36120 received.

It then set the income expectations for the Financial Year 2023 2024, which, are now compared against income received at the month of September 2023 as a Half Way review of Income against expectations.

| Income Streams | Targets/ Expectations | Half Yearly Income To Date | Details |
|------------------------------|-----------------------|----------------------------|---|
| Precept | 70530 | 36120 | |
| Other Income Breakdown below | £11000 | £16225 | Exceeded. |
| VAT | 3200 | 6452.68 | £4,742.66 22/23 return £1710.02 23/24 return Received |
| Rents | 2000 | £324.43 | 1 st April – 18 th Sept 2023. Spring Invoicing and maintaining waiting list. Annual invoicing is completed and will be sent out by the end of September 2023. |

| | | | |
|--------------|------|---------|--|
| Interest | 300 | 416.45 | 1 st April -18 th Sept 2023 |
| Other Income | 5500 | 9031.91 | Grants, Sponsorship, Revenue from Railway Festival. |

Expenditure

Expenditure Salaries £14,607

All other payments £38,469.07

Break down of All Other Payments.

The excel spreadsheet does work effectively to log a cashbook and bank reconciliation. It then gives the above breakdown clearly.

However, it is not resilient for detailing the expenditure there is no fail safe if a payment is incorrectly entered or duplicated.

Expenditure £14607 Salaries.

All other payments 38469.07

| | |
|-------|----------|
| 4284 | Salary |
| 46 | Cllr |
| 155 | Legal |
| 9344 | Running |
| 623 | Comms |
| 257 | Allots |
| 18180 | Projects |
| 3752 | Capital |
| 36641 | |

There is still an outstanding amount to be allocated of £1628, despite printing off the entire cashbook and comparing each payment against the expenditure spreadsheet and ensuring they are logged. This has been reviewed 3 times and each time it has not been possible to correct the spreadsheet.

It is becoming extremely stressful and it is not a good use of staff time. It also highlights an issue with the controls in place.

Controls and Solutions

I think it is vital to have ubiquitous and resilient system in place to ensure correct accounting for the Council

It has become very convoluted and it is hard to tie all the expenditure summary into a detailed format, and relies on the information in one's head as much as the bank statements and invoices. There is also no failsafe if a formula is accidentally nudged or if a pane is accidentally frozen as in June 2023.

The VAT is hand entered onto 2 spreadsheets before it can be submitted as a VAT 126 which has taken a lot of time to ensure no errors.

The Railway Project costings were complex due to the number of invoices and lining this up against different budgets as well as producing the final report for Council.

The end of financial year report was very time consuming and only successful because I knew intuitively how the Council had worked and what the payments meant.

This year the Council has spent more in 6 months than any of its previous years. Even with both our heads the half year budget detailed expenditure was very difficult to produce and it still is not entirely clear.

I am concerned that the process is not resilient should a LoCom be required to fill the post for any unforeseeable reason.

I am concerned that there is too much room for error by doing everything manually and this could cause missed VAT reclaim or incorrect budgeting forecast.

Taking on extra responsibility it is not always easy to see whether it is an ability issue or a tools issue. Hiring Emilia has been immensely helpful, however even as an experienced assistant it was very stressful and time consuming. With her experience Emilia highlighted it is not an ability issue rather a tools issue

Allotments

There is the same issue with the allotments spreadsheet in that it needs to be more resilient and be able to produce reports of rents received deposits held and plots and tenancies agreed and invoices. At the moment each tenancy is hand typed and then printed and each invoice is hand typed and then printed this is then input onto spreadsheets for rent and for tenancy and a further spreadsheet is required for the deposits.. A hand created distribution list for emailing tenants is relied on and then a letter is sent to tenants without email and it is very time consuming to communicate. In addition, a spreadsheet is used for all inspections and then the correspondence letters are written separately and then photos are stored separately with the letters for the inspections. It is very difficult to keep up with and the extensive other work for this job

It is not a very resilient process and again if a Locom came in it would be difficult to pick up as the work is in an intuitive format rather than a regularised programme.

Report regarding the efficacy of the budget monitor Emilia Kozlowski

During my time at SWAN council, I was introduced to the budget monitor spreadsheet, the tool used to manage the cashbook and reconcile the bank accounts. It keeps all the relevant financial information in one spreadsheet and allows for all the purchases to be managed.

It is though, in my opinion, a very esoteric form of data entry, and one that does not include enough failsafes to prevent human error. It places a requirement on the inputter to manage a number of cells on a number of sheets at the same time (intuiting which ones are necessary), inputting net and gross figures across these cells, and immediately knowing whether or not something is wrong without an outside influence.

My first introduction to the budget monitor involved trying to reconcile the cashbook with the bank transactions following the Vintage Railway Festival. Between two people, and after a good handful of hours, we eventually managed to find the duplicate transactions and correct the faulty formulae. It was a great brain teaser, but not a hugely efficient use of time!

The same issue arose with the preparation of the half-year budget. I would estimate that forty hours of time has been spent between us trying to find and fix various discrepancies.

There are a number of accountancy software packages on the market that will save time and reduce (if not eliminate) these errors.

Xero

I have personal experience with Xero as a piece of software. It will track and manage invoices and bills, pair with your bank accounts for easy reconciliation, manage budgets, produce VAT returns, and create any number of reports at the click of a button.

A standard subscription, which is the level suitable for small businesses, costs £30 per month.

As it is used by accountants and bookkeepers, there is the suggestion that it could be overpowered for the purposes needed by SWAN. It also might not have the capability to be easily compliant with AGAR and other regulations.

Scribe

This piece of software has been designed specifically to help manage councils. I have no first-hand knowledge of it but it seems to have the same functionality that would be needed from Xero, without the extraneous accounting items.

Both pieces of software are available to demo, and it is my recommendation that the council does so. The time save will be notable, as will the reduction in personal stress.

Emilia Kozlowski
Assistant to Community Council Manager

(P.S. Sarah isn't bad at maths, its just that the budget monitor is a nightmare! The pair of us have been banging our heads against it for weeks!)

- 1. Therefore it is the recommendation of this report that the Council investigate a reliant purpose built system to manage the accounting to ensure it is fit for purpose and resilient in case of any eventualities and to release staff time and stress.**

Options to investigate

1)

SLCC Society of Local Clerks recommends Scribe Accounts.

This will manage both the cashbook and the bank reconciliation

The expenditure and the detailed cost codes

the vat return

the end of year reports

the monthly bank reconciliation reports

budget summaries

the internal auditor can be given access

RFO reports

Invoices

CLLrs can have cloud access to read and review.

There is an adjoining allotments package to deal with invoices and tenancies and plot allocation, rents and reconciliations.

The cost for the first year is £1139 plus VAT this is then £660 plus vat for each subsequent year. There is full support for the transition process and this is estimated to be 6 hours however 90 days support is included to ensure a smooth and complete process with full training and live webinars to guide through the process.

- 2) This could then be compared with the systems used by Ashford Parish Clerks and the best solution for this Council obtained.

Sarah Evans

Community Council Manager

Emilia Kozlowski

Assistant to Community Council Manager