

## Looe Town Council

### Finance Committee Report

2022 / 2023

The appointment of Fiona Wilkes-Jones as RFO (Responsible Financial Officer) a couple of years ago has meant that the Council has made a great difference in our ability to effectively manage and monitor the Council's finances. We continue to focus on our financial strategy to meet our financial and policy objectives and ensure that its accounts and administrative procedures comply with the requirements of Accounts and Audit and other relevant Regulations. We have again received a clean audit report and we have significantly improved our oversight of Council spending.

On a monthly basis the Finance Committee considers and where appropriate authorises outstanding invoices, recent Bank Reconciliations and upcoming contracts. The Committee also approves requests for financial assistance.

The committee has introduced or updated a number of policies and procedures including the standing orders, Terms of Reference of the Finance Committee and outstanding priorities, Financial Regulations and Investment Strategy

The purpose of the Finance Committee is to support the Council's strategic direction and stewardship of the Council finances, investments and sustainability. In particular, the Committee provides the Council with assurance concerning all aspects of financial and operational performance relating to the provision of Council services. The Finance Committee supports the Council in the delivery of projects and investments and provides advice and recommendations where necessary.

The Finance Committee is responsible for ensuring that the Council meets all its financial related regulatory, compliance and other related responsibilities and to monitor the keeping of accounting records and systems of internal controls.

The Committee deals with the management and control of budgets for central services, administration, the Council's civic and Mayoral services, corporate management, external and internal audit. The Committee recommends to Council the annual budget, variations and supplementary estimates relating to budgets of the standing Committees, and any plans, strategies and policies. The Committee receives Auditors' reports and makes recommendations regarding any matters arising from such reports.

The Committee reviews the management accounts generally monthly but on a minimum of a quarterly basis prior to submitting a summary to the full Council. The Committee also reviews the published financial information and AGAR, (Annual Governance & Accountability Return) which includes the findings of the Internal Auditor, together with Governance Statements and Financial Statements. The AGAR is then submitted to the independent external auditor appointed by the Audit Commission for examination. The committee also appoints the independent internal auditor.

One of the most important functions of the Committee is the preparation of the budget and precept for the next period. The RFO, CSD and Committee put in considerable work to understand current and historic issues and to ensure the Council is properly prepared for its future responsibilities.

Finance Summary The year end accounts indicate a positive close to the year, income being above budget due to increased Grant and other miscellaneous income whilst expenditure was markedly below, resulting in an overall increase of reserves.

Income and expenditure	2021-22 Actual	2022-23 Budget	2022-23 Actual	VAR to PY	Var to Budget
Precept Income	£429,397	£441,390	£441,390	£11,993	£0
Grant Income	£44,207	£5,524	£48,291	£4,084	£42,767
Other Income	£25,192	£30,350	£61,848	£36,656	£31,498
<b>Total Income</b>	<b>£498,796</b>	<b>£477,264</b>	<b>£551,529</b>	<b>£52,733</b>	<b>£74,265</b>
General Overhead	£12,960	£22,351	£23,097	£10,137	£746
Office Expenses	£139,853	£175,206	£143,039	£3,186	£-32,167
Community Hub	£95,644	£120,287	£102,357	£6,713	£-17,930
Toilets	£107,280	£122,425	£126,540	£19,260	£4,115
Services	£4,794	£6,800	£2,898	£-1,896	£-3,902
Civic Expenses	£1,731	£10,830	£2,512	£781	£-8,318
Asset Costs	£5,470	£8,650	£3,265	£-2,205	£-5,385
Committee Costs	£1,708	£10,000	£1,987	£279	£-8,013
Financial Requests	£11,956	£15,700	£11,519	£-437	£-4,181
Projects & Cap Ex	£250		£1,650	£1,400	£1,650
Contingency	£17,458	£20,000		£-17,458	£-20,000
Adjustments to reserves	£70,657		£45,762	£-24,895	£45,762
<b>Total Income</b>	<b>£498,796</b>	<b>£477,264</b>	<b>£551,529</b>	<b>£52,733</b>	<b>£74,265</b>
<b>Total Expenses</b>	<b>£469,761</b>	<b>£512,249</b>	<b>£464,626</b>	<b>£-5,135</b>	<b>£-47,623</b>
<b>Income over Expenditure</b>	<b>£29,035</b>	<b>£-34,985</b>	<b>£86,903</b>	<b>£57,868</b>	
			provisional figures		

Notably, the Library Hub income and expenditure in particular continued to be affected due to Covid and the expenditure ended the year considerably below budget. The Council's finances at year end may be considered sound, allowing for outstanding capital expenditure and decisions that the Council may make regarding devolution in the year ahead. In general, the Council's financial position continues to indicate improved budgetary control.

During the year, income was £74k up on budget due mainly to a Vitality fund payment (£42k) and two CIL payments. No Vitality fund payments are expected in subsequent years.

Expenditure overall is well below budget due largely to several vacant staff positions. In addition the team did not outsource a number of asset repairs creating a number of savings. A number of asset repairs still remain.

Previous contingency expenses were generally related to Covid.

I would particularly like to express my thanks to Fiona Wilkes-Jones (The RFO) and Council staff for their support and help. Thanks to all on the Finance Committee for their support during the year and their efforts in progressing the many changes that have been implemented.