RFO / FWG Report to PC Meeting 15 June 2026

Finance Working Group Members: Karen Ripley (Responsible Financial Officer); Cllr Nick Brown (to 19/5/26); Cllr Sean O'Hara; Cllr David Todd; Cllr Gaynor Leeves (from 19/5/26).

The Finance Working Group met several times between March and June 2026 – this report is a summary of the discussions, considerations and conclusions of those meetings.

Documents provided to members:

1) *Accounts Management Reports (computerised accounts programme):*
    i) *Income and Expenditure Report* – detailed report of income and expenditure under each head of budget to 31/3/26, showing actual expenditure against that planned in the budget (Financial Regulations 4.9 refers) and funds unspent at end of year.
    ii) *Budget Detail Report* – detailed report showing 25/26 precept figures against each head of budget, brought-forward amounts from 24/25, all virements made during 25/26, precept figures for 26/27.
    iii) *List of Earmarked Reserves* – showing all movements to and from reserves.
2) *Asset Register as at 31/3/26 including details of items disposed of and purchased.*
3) *Summary of Budget Surplus at 31/3/26 and details of amount to carry forward to 26/27.*
4) *Summary of Reserves and Contingencies at 31/3/26.*
5) *Financial Statements for the year to 31/3/26: Income and Expenditure Account and Balance Sheet, with supporting Cash and Investment Reconciliations.*
6) *Annual Governance & Accountability Return* 25/26 (AGAR): Section 1, Annual Governance Statement; Section 2 Accounting Statements (completed /signed by RFO).
7) *List of Creditors and Accruals at 31/3/26.*
8) *Budget Movements at year-end* – details of proposed movements.

1. BANK RECONCILIATIONS

Monthly bank reconciliations are verified, with sight of the bank statements (and direct access to view the bank account), as part of the monthly payment review by a Member of the FWG (for the previous month). To date, bank reconciliations have been verified for each account up to and including 31/3/26. The current year cannot be entered on to the system until the year-end process is complete, so verification of the reconciliations for April and May will be reviewed as soon as feasible.

2. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROLS (Financial Reg. 2.4)

This must be conducted annually and is one of the 'assertions' made by Members in Section 1 of the Annual Governance and Accountability Return (AGAR). Cllr Todd provided a written report, confirming that this has been carried out, which means that the Council can answer yes to Question 2 in Section 1 of the AGAR. This was reported to Council on 19/5/26, Minute 12f.iii. The next review will be carried out in the first quarter of 2027.

3. FINANCIAL REGULATIONS

The Financial Regulations were reviewed and updated by the FWG, based on the NALC Model Template. These were approved by full Council on 19/5/26, Minute 12f.ii.

4. ASSET REGISTER (Financial Reg. 16.2)

This has been completed on the required basis for parish councils (items listed at cost, with no depreciation; disposed and new items recorded). The figure is not included in, and does not affect, the accounting records (balance sheet), but the total is included in the AGAR Section 2 Accounting Statements, for the Auditor.

5. RISK MANAGEMENT

The Risk Management document has been updated by the Clerk and reviewed by the FWG. It was approved by full Council 19/5/26, Minute 12c. It was noted that individual periodic checks as outlined in the document, are due to be completed. The Clerk will provide check sheets for Lead Members.

6. YEAR END POSITION 25/26

The following items were discussed / explained:

101/4027 **101/4028**	**Public Works Loan Board Capital and Interest**	Repayment of loan for streetlight LED upgrades (£44K over 8 years)
102/1153	**Grants and Donations** **Misc. Income**	The £400 received was a donation from the Family Funfair in August.
201/4030	**Lights** **Power Supply**	Surplus due to big savings from change to LED streetlights.
304	**Cemetery**	Income below budget. Impossible to predict death rates! District and parish cemeteries in the UK generally do not operate at a profit. They typically run at a deficit and rely on council tax precepts or wider local authority budgets to cover costs.
305/4064	**Pavilion / Toilets** **Water**	Actual cost almost double budgeted amount. Prices increased drastically April 2025 (after budget set!). Burst pipe in January. Also, large bill, based on estimated read received in March. Actual reading now submitted.
306/4020	**Pocket Park** **Misc. costs**	Expenditure on new metal sign, paid for from Earmarked Reserve (Woodgate legacy).
307/4022	**Other Amenities** **Emergency Response**	Expenditure of £70 was hall hire for the Flood Information Day held in the Village Hall
308/4042	**Playground Rec.** **Maintenance gen.**	£2,050 expenditure on repairs / upgrades.
401/1153	**Capital Schemes** **Misc. Income**	Donation received to pay for new defib.

<u>Budget Movements at Year-end</u>

The following movements (see table below) were discussed and agreed. Movements to Earmarked Reserves totalling £9,100 were moved prior to completion of the financial statements at 31/3/26. Budget surpluses for Working Contingency (£15,710) and Neighbourhood Plan (£5,000) will be carried forward to the 26/27 budget, plus various other amounts for committed or outstanding works.

FROM			TO		
BUDGET CODE	DESCRIPTION	AMOUNT	BUDGET CODE	DESCRIPTION	REASON
Movements to Earmarked Reserves (EMR)					
315/4072	Summer Event	1,000.00	EMR 337	£1,000 Amenities	25/26 allocation for Summer Event - not rqd
314/4046	Village Steward Contract	6,000.00	EMR 337	£2,000 Amenities	New bins / dog bins rqd
			EMR 343	£1,000 War Memorial	Brickwork / pointing works
			EMR 321	£3.000 Contingency (Reserves)	Increase Reserves
401/4131	Playgrounds	1,000.00	EMR 335	Playground Fund	Future replacements
401/4132	Streetlights	1,100.00	EMR 334	New streetlights	Future replacements
		9,100.00			
Specific purpose Codes to Carry-forward to 26/27 budget					
307/4070	Working Contingency	15,710.00			Specific purpose
307/4074	Neighbourhood Plan	5,000.00			Specific purpose (NP refresh)
		20,710.00			
Committed / Approved works to Carry-forward to 26/27 budget					
102/4090	Grants Local Organisations	365.00			Increase allocation 26/27
102/4091	Grants Other organisation	350.00			Increase allocation 26/27
307/4047	The Clappers - Land at	1,100.00			New fencing outstanding
305/4042	Pavilion / Toilets Maintenance	400.00			Heating repairs outstanding
310/4077	Grit Bins	3,500.00			Low precept 26/27 - increase allocation
314/4020	Village Steward Misc. Costs	300.00			Nil precept 26/27
		6,015.00			

Financial Statements 25/26 – the statutory Income & Expenditure Account and Balance Sheet have been compiled from the accounting records.

We submitted a VAT claim of £7,812 up to 31/3/26 (which was received in June). This is reflected in the accounts, on the balance sheet under Current Assets, as it was owed to us at year-end.

The Debtors figure of £2,773 shown on the Balance Sheet is interest due, but not yet paid at year-end (received April 26) on the Cambridge & Counties bank account.

The final budget position for 25/26 (Income & Expenditure Account) showed an unspent total of £33,444. This includes £20,710 of specific purpose funds: Working Contingency £15,710 and Neighbourhood Plan £5,000. £6,015 represents committed, approved, or anticipated expenditure, with a remaining general surplus balance of £6,719 to remain in the General Fund. (Financial Reg. 4.4). Details can be seen in the supplementary document: *Summary of Budget Surplus*.

<u>Reserves and Contingencies</u> - when the Working Contingency surplus (£15,710) has been carried forward, and added to the £5,000 included in the precept for 26/27, the total Working Contingency total for 26/27 will be £20,710.
Details of reserves can be seen in the supplementary document: *Summary of reserves and contingencies* at 31/3/26 which details funds held in Earmarked Reserves for specific purposes, contingency reserves and Working Contingency.

7. INTERNAL AUDIT 25/26

This took place on 3/6/26 after completion of all the above documentation and the Annual Governance and Accountability Return (AGAR) had been completed and signed by the Clerk/RFO. The completed and signed page 3 of the AGAR has been received but the written report is still to come in. Both will be submitted to the External Auditor with the AGAR, once the PC has considered and signed it off (PCM 15/6/26). All Internal Control Objectives, as listed on Page 3 (Internal Auditor's Report) of the AGAR, had been satisfactorily met, and the Accounting Statements agreed. The Internal Auditor completed and signed the form accordingly. No issues were found that required attention or noting on the AGAR. The full report and any recommendations will be considered by the FWG prior to the full Council meeting on 20 July 2026.

8. ANNUAL GOVERNANCE AND ACCOUNTABILITY REPORT (AGAR)

- **AGAR Section 1, Governance Statements** – ten questions which must be considered and answered by all Members at the PCM on 15/6/26, in respect of the year to 31/3/26. The RFO / FWG consider that all can be answered positively.
- **AGAR Section 2, Annual Accounting Statements** – The RFO / FWG is satisfied that the figures have been correctly prepared from the financial statements at 6 above, and present fairly the financial position of the Council at 31/3/26.

9. APPOINTMENT OF INTERNAL AUDITOR 25/26 (Financial Reg. 3.5)

Keith Robertson has advised that he is retiring and will no longer be conducting internal audits. This means that a new Internal Auditor will need to be appointed. The RFO will investigate alternative options and the FWG will look at them, with a view to bringing to full council for approval later in the year.

10. EXTERNAL AUDITOR 26/27

This is the last year of the current (five-year) contract for P K Littlejohn. The Smaller Authorities Audit Appointments (SAAA) is responsible for appointing External Auditors and we will be notified in due course who it will be. The fixed price scale will also be reviewed.

11. BANK SIGNATORIES

Following the resignation of Nick Brown from the Council, it will be necessary to appoint another signatory to the bank accounts. This will be on the agenda for the full Council meeting on 20 July.

12. Recommendations by the FWG for Parish Council Meeting 15/6/26:

- To receive and note this RFO / FWG Report (Agenda item 20).
- To approve the Asset Register as presented (Agenda item 21).
- To approve the year-end budget movements, surplus and carry forwards (as detailed in the separate summary of surpluses 25/26) for Working Contingency, Neighbourhood Plan and various other budget heads to cover outstanding, approved or scheduled items or works (Agenda item 22a).
- To approve the Income & Expenditure Account, Balance Sheet and Bank Reconciliation as presented (Agenda item 22b).
- To receive the Internal Auditor’s Report 25/26 (page 3 of AGAR) (Agenda item 23a).
- To answer positively the assertions in the Annual Governance Statements at Section 1 of the AGAR 25/26 (Agenda item 23b).
- To sign off the Accounting Statements at Section 2 of the AGAR (Agenda item 23c).

Date of next FWG meeting: TBA