

RFO / FWG Report to PC Meeting 23 June 2025

Finance Working Group Members: Karen Ripley (Responsible Financial Officer); Cllr Nick Brown; Cllr Sean O'Hara; Cllr David Todd

The Finance Working Group met several times between March and June 2025 – 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 31/3/25, showing actual expenditure against that planned in the budget (Financial Regulations 4.8 refers) and funds unspent at end of year.
 - ii) *Budget Detail Report* – detailed report showing 24/25 precept figures against each head of budget, brought-forward amounts from 23/24, all virements made during 24/25, precept figures for 25/26.
 - iii) *List of Earmarked Reserves* – showing all movements to and from reserves.
- 2) *Asset Register as at 31/3/25 plus background details for street lighting, grit bins, dog bins, defibrillators, play equipment and seats and benches.*
- 3) *Summary of Budget Surplus at 31/3/25 and details of amount to carry forward to 25/26.*
- 4) *Summary of Reserves and Contingencies at 31/3/25.*
- 5) *Financial Statements for the year to 31/3/25: Income and Expenditure Account and Balance Sheet, with supporting Cash and Investment Reconciliations.*
- 6) *Annual Governance & Accountability Return 24/25 (AGAR):* Section 1, Annual Governance Statement; Section 2 Accounting Statements (completed /signed by RFO).
- 7) *List of Creditors and Accruals at 31/3/25.*
- 8) *Budget Movements at year-end* – spreadsheet showing 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 31/3/25. 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. 1.5)

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. The next review will be carried out in January/February 2026.

Cllr Todd also reported that the Financial Regulations need to be reviewed, to reflect the new public procurement thresholds that took effect in 2024. NALC has also issued new model Financial Regs. Cllr Todd is considering the changes necessary, with a view to taking revised Financial Regulations to Council for consideration/approval in September 2025.

3. ASSET REGISTER (Financial Reg. 12.6)

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.

Whilst the current Asset Register is sufficient for audit requirements and detailed information of the assets summarised on the register are held in further documentation, for practical working and transparency reasons the Council has approved purchase of Asset Inventory Management Software, to hold all information in one place. The Clerk has started the process of collating all information, and the Council has approved additional admin help to get the software ready. This will be completed (including training for the Clerk and Asst. Clerk), as and when time allows over the next few months.

4. RISK MANAGEMENT

The Risk Management document has been updated by the Clerk and reviewed by the FWG. It will be on the agenda for 23/6/25 for approval. It was noted that individual periodic checks as outlined in the document, need to be completed. The Clerk will provide check sheets for Lead Members.

5. YEAR END POSITION 24/25

Budget Movements at Year-end

The following movements were discussed and agreed. Movements to Earmarked Reserves totalling £7,900 will be moved prior to completion of the financial statements at 31/3/25.

101/4020	Misc. costs	750.00	EMR349	New Website / .Gov dor	New website / domain
401/4132	Capital-Streetlights	1,000.00	EMR334	Lighting Upgrades	Towards new columns / lamps
401/4131	Capital-Playgrounds	1,000.00	EMR335	Playground Fund	Build fund
314/4046	Village Steward Contra	4,800.00	EMR337	Amenities New/Repair	Various projects (fencing / bench / storage container)
		7,900.00			
Specifice purpose codes to carry forward to 25/26					
307/4070	Working Contingency	1,483.00	307/4070	Working Contingency	Increase funds
315/4072	Summer Event	161.00	307/4072	Summer Event	Balance c/f
		1,644.00			
Committed / Approved funds to carry forward					
102/4090	Donations Local Organisations	150.00	102/4090	Donations Local Organisations	Committed - towards defib
		400.00	401/4145		Langham Rd RA
310/4077	Grit Bin refills	2,500.00	310/4077	Grit bin refills	Reserve funds
314/4020	Village Steward Misc	600.00	314/4020	Village Steward Misc.	Nil precept 25/26
		3,650.00			

Financial Statements 23/24 – the statutory Income & Expenditure Account and Balance Sheet have been compiled from the accounting records. Operating income is higher than last year, due to receipt of a legacy of £2,500 and £7,800 of sponsorship for the Robertsbridge 800 event, to take place 21/6/25 (in the next financial year). Completion of the street light, playground and VAS projects in the previous year means expenditure for 24/25 is lower.

We submitted a VAT claim of £9,741 up to 31/3/25 (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 £3,256 shown on the Balance Sheet is interest due, but not yet paid at year-end (received April 25) on the Cambridge & Counties bank account.

The final budget position for 24/25 (Income & Expenditure Account) showed an unspent total of £17,701. This includes £1,644 of specific purpose funds: Working Contingency £1,483, Summer Event £161. £3,650 represents committed, approved, or anticipated expenditure, with a remaining general surplus balance of £12,407 to carry forward to Working Contingency for 25/26. (Financial Reg. 4.3). Details can be seen in the supplementary document: *Summary of Budget Surplus*.

Reserves and Contingencies - when the Working Contingency surplus (£1,483) has been carried forward, and the balance of general surpluses at year-end added (12,407), the resulting Working Contingency balance will be £11,508 for 25/26. This is lower than for 24/25. Reserves have been reduced through the year due to allocation for some specific projects, including resurfacing the Recreation Ground car park. £5,000 was included in the precept for 24/25 for Working Contingency, giving a total for 25/26 of £18,890.

Details of reserves can be seen in the supplementary document: *Summary of reserves and contingencies* at 31/3/25 which details funds held in Earmarked Reserves for specific purposes, contingency reserves and Working Contingency.

Internal Audit – this took place on 11/6/25 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 Auditor's Report has been received; it consists of the completed and signed page 3 of the AGAR plus a written report, and both will be submitted to the External Auditor with the AGAR, once the PC has considered and signed it off (PCM 23/6/25). No issues were found that required attention or noting on the AGAR. 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.

Annual Governance and Accountability Report (AGAR)

- AGAR Section 1, Governance Statements – nine questions which must be considered and answered by all Members at the PCM on 23/6/25, in respect of the year to 31/3/25. 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 4 above, and present fairly the financial position of the Council at 31/3/25.

6. APPOINTMENT OF INTERNAL AUDITOR 25/26 (Financial Reg. 2.5)

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.

7. Changes for the 25/26 AGAR

The Smaller Authorities Proper Practices Panel (SAPPP) has advised that the 25/26 AGAR will include a new question in Section 1 Annual Governance Statements, requiring Members to confirm compliance with UK GDPR, the Data Protection Act, and other digital governance obligations. We have always been subject to these, but it has not been specifically mentioned in the AGAR. Whilst we are compliant in some areas, others need work. One requirement for example, is the provision of council email accounts and the prevention of the use of personal email for council business. We already do this of course, but it will be strengthened by the change to a .gov domain, which is in progress. The new website, already in progress, will also help with GDPR compliance, as well as the Web Content Accessibility Guidelines (WCAG) which parish council websites must comply with.

The RFO reported on an online service called the Data Protection Compliance Kit, which is normally £695 for a year, but currently on offer (until 30/6/25) for £495. This is a supportive framework to help ensure councils are compliant, updating on any changes to rules, legislation and laws. It provides online training modules (staff and Members), templates and resources and a range of interactive online sessions with GDPR and information compliance experts. The RFO felt it would be extremely helpful and Members of the FWG agreed.

8. Neighbourhood Plans – withdrawal of Support / Funding

The RFO advised that MHCLG has withdrawn NP support and funding. It is not yet known whether the Government will change the status of NP's, but the loss of support and grant funding will certainly make their production and refresh much harder. The consequences for our own NP refresh will be discussed at the July PCM.

9. Devolvement of Assets from Rother District Council (RDC)

As part of the Reorganisation of Local Government, RDC is looking at devolving some assets to parish councils. The only relevant asset in the parish that is not already subject to a lease, is a small area of grass land at Heathfield Gardens. It was agreed that submitting an 'expression of interest' form to RDC was a good idea. This will be reported on at the July PCM.

Recommendations by the FWG for Parish Council Meeting 23/6/25:

- To receive this RFO / FWG Report (Agenda item 20).
- To approve the Risk Management Document as presented (Agenda item 21).
- To approve the Asset Register as presented. (Agenda item 22).

- To approve the year-end budget movements, surplus and carry forwards (as detailed in the separate summary of surpluses 24/25) for Working Contingency, Summer Event and various other budget heads to cover outstanding, approved or scheduled items or works, and the remaining general budget surplus to Working Contingency (Financial Regulation 3.5 refers). (Agenda item 23a).
- To approve the Income & Expenditure Account, Balance Sheet and Bank Reconciliation as presented. (Agenda item 23b).
- To receive the Internal Auditor's Report 24/25 (including page 3 of AGAR). (Agenda item 24a).
- To answer positively the assertions in the Annual Governance Statements at Section 1 of the AGAR 24/25. (Agenda item 24b)
- To sign off the Accounting Statements at Section 2 of the AGAR. (Agenda item 24c)
- To consider signing up for the Data Protection Compliance Kit at £495 (Agenda item 26b).

Date of next FWG meeting: TBA