

Elsenham Parish Council

Finance Committee Meeting held on 27 June 2023
at 11.45am in The Memorial Hall

Present:

Mr. B Burlton (Chair BB), Mrs. F Lambert (FL), Dr. G Mott (GM),
and Mrs. L Johnson (Parish Clerk LJ).

Members of the public:

None.

Minutes

- 1. Apologies for absence.** Mr. B Ogilvie (BO).
- 2. Declarations of Interest.** BB declared that if the Co-op bank is discussed during the meeting, he had been Chair for the Co-op Bank Parent co-operative in 2004 – 2009. BB no longer has any association with the bank.
- 3. Signing of the minutes.**
The minutes of the meeting held on 16 June 2023 were agreed as a true record and signed by the Chair.
- 4. Budgets for 2023/2024.**
BB had spent a lot of time analysing various financial reports published by the Council, including the accounts for 2022-23, and the budgets for 2023. With the information BB had made 2 spreadsheets, which shows the position clearly. At the end of the financial year 2022/2023, EPC had a total bank balance of £138,915.47, confirmed by the Internal Audit, made up of £96,175.68 in earmarked reserves, and £42,739.79 of unallocated funds.
The current budgets for this financial year 2023/2024 have an expected income of £94,650, with expenses, including main reserve of £25,000, totalling £145,570. If all budgets were spent during the year this would result in a deficit of £50,920. Some budgets have accrued large increases since last year. This deficit amount (£50,920) is larger than the carried forward balance of £42,739.

BB said it was important for all Councillors to know the position EPC is in financially and, ideally, for them to limit spending as much as possible. So that, at the end of the year there is still some general reserve remaining. Using EMR could help, but only if it is for the same category. Budget 4065

LJ produced documents showing that since the end of the financial year, she had carried out two virements, as instructed in the minutes of the finance meeting held on 13 December 2022, showing that £8,000 was transferred from EMR to unallocated funds. Therefore, increasing the unallocated funds and reducing the EMR.

LJ said that the way she had been taught on her finance course and the way the Finance Committee had worked out the precept for the last twelve years was, any income left from the previous year was not treated as general reserves but was

allocated to cover the budgets. EPC had agreed that a £25,000 reserve, which was always budgeted for, would be substantial for EPC's needs.

BB said if EPC carried on like this, they would wipe out all their general reserve.

BB agreed to attend an EALC finance and precept course.

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BB agreed to write a report on EPC's financial situation to be circulated to all councillors before Monday's Parish Council meeting.

5. To consider the Audit Reports 2022/2023.

Three items were raised by the Internal Auditor.

- The Council should address the matter of the office allowance paid to the Clerk and the HMRC implications.

LJ allowance for working from home had been increased to £60 per month as from 1 April 2023. This may go over the Government's tax-free threshold; LJ to research this. LJ said she was satisfied with the amount provided.

- It should be noted that the asset value listed in the Asset Register should be the same as that recorded on the AGAR. The Asset Register is being updated but the final version was not available at the audit and so it was not possible to tell whether the figures agree.

The Asset Register needs completing. All EPC's assets have been cataloged, but the original cost of items needs to be added. This is difficult when many items were purchased many years ago. This is still ongoing.

- The bank balances and reconciliations are not circulated or noted at each meeting. Comparisons are circulated but not minuted.

LJ said she would make sure this was done in the future.

6. To review progress in moving some funds to a bank account paying better rates of interest.

Interest rates had been increased from 2.3% to 2.62%. Lloyds Bank have increased their interest to 3.3%.

There is a proposal on the agenda for 3 July's Full Council meeting that EPC transfer £85,000 into a Unity Trust Bank Instant Access Savings Account.

7. AOB

To insure the chapel as a stand-alone building will be in the region of £3,000 per year. The alternative is to use the chapel to store items and maybe hold meetings in. This may satisfy the requirement from the insurance company that the chapel is being checked on a regular basis.

The meeting finished at 1.25pm.