

## YE Financial Report – Update.

Last month you were presented with a YE Financial Report. Since then, it has come to light that there were some anomalies:

### **Reserves.**

The following was presented:

| Code                     | Earmarked Reserves                                 | 22/23 Year Start  | Income / Transfers In | Expend / Transfers Out | YTD 22/23         | Notes                                                                                                                            |
|--------------------------|----------------------------------------------------|-------------------|-----------------------|------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|
| R1                       | Neighbourhood Plan (reserve for future reviews)    | £3,064.53         | £0.00                 | £0.00                  | £3,064.53         |                                                                                                                                  |
| R2                       | Puddletown Community Play Park Project (PCPPP)     | £18,718.90        | £0.00                 | £0.00                  | £18,718.90        |                                                                                                                                  |
| R3                       | Orchard Meadow Reserve                             | £1,959.07         | £5,000.00             | £0.00                  | £6,959.07         |                                                                                                                                  |
| R4                       | Butt Close Recreation Area                         | £4,937.50         | £5,000.00             | £0.00                  | £9,937.50         |                                                                                                                                  |
| R5                       | Community Café Reserves                            | £1,022.51         | £0.00                 | £100.00                | £922.51           | £100 Jubilee celebrations in Puddletown 14/06/2022                                                                               |
| R6                       | Emergency Response Fund                            | £500.00           | £0.00                 | £0.00                  | £500.00           |                                                                                                                                  |
| R8                       | MUGA                                               | £5,500.00         | £0.00                 | £0.00                  | £5,500.00         |                                                                                                                                  |
| R9                       | Pavilion                                           | £5,500.00         | £0.00                 | £0.00                  | £5,500.00         |                                                                                                                                  |
| R10                      | Other Assets (replacements/major repair)           | £1,738.11         | £0.00                 | £0.00                  | £1,738.11         |                                                                                                                                  |
| R11                      | Reserve held for Puddletown Library (unpaid grant) | £570.00           | £0.00                 | £0.00                  | £570.00           | 11/04/2023 £570 Added back no record. 12/07/2022 £570 taken from reserves and paid to library as they have set up a bank account |
| R12                      | CIL                                                | £893.68           | £20,744.43            | £0.00                  | £21,638.11        | £20,744.43 Transferred in October 2023                                                                                           |
| R13                      | General Contingency                                | £0.00             | £25,000.00            | £0.00                  | £25,000.00        |                                                                                                                                  |
| R14                      | Tree Management Plan                               | £0.00             | £25,000.00            | £0.00                  | £25,000.00        |                                                                                                                                  |
| Earmarked Reserve Totals |                                                    | <b>£44,404.30</b> | <b>£80,744.43</b>     | <b>£100.00</b>         | <b>125,048.73</b> |                                                                                                                                  |

**Bank Total**  
**General Funds**

**£132,157.08**  
**£7,108.35**

### **Amendments:**

1. R11 was paid on the 12<sup>th</sup> July 2022 and therefore the reserve can be closed.
2. Reserve R15 will need to be added as a new “Earmarked Reserve” titled “PR Projects (Non-CIL)” this was previously an amount put to one side separate from reserves with a total of £4,205.82 in the fund. Therefore, reducing the General Contingency reserve by this amount leaving £20,794.18 in General Contingency.
3. In July ‘22 a payment was authorised to the Puddletown Community Cafe for £100.00, however on the Payment schedule it was listed as a receipt rather than payment. Possibly due to this error the payment was never made, and the payment has been showing on the bank reconciliation as an unrepresented cheque thereafter. This payment either needs to be made or “written off” and back into the general accounts.

4. In Aug, Sept and Oct 2021 there was an over payment of £64.20 to HMRC in relation to the PAYE owned. Since October 2021 until March 2023 there have been various over and under payments resulting in a final over payment to HMRC of £81.19. HMRC have advised we should reduce our payments to them to the value of £81.19 over the next coming months.
5. In November 2022 a budget was presented to Council including details of the proposed Precept for 2023/24 with a proposed increase of 7% (£51,645.43), 9% (£52,610.74) & 11% (£53,576.06). It was resolved in November and December to postpone the decision on the final Precept level until January 2023. In January 2023 Council resolved to set a Precept of £51,421.82, however no new budget supporting this Precept level has been submitted for approval. The Internal Auditor has requested a new budget be set and presented to council for noting within a monthly meeting. This document will be prepared in the coming month and presented to council.

**Recommendation:** Discuss and agree away forward, either by making a £100 payment to the Puddletown Community Café, or by writing the amount back into the general bank funds.

### **Investment and Banking**

1. The Redwood Account (95-day savings account) authorised to open by Council in April 23 is in the process of being opened. The application form has been filled in and filed with Redwood Bank and a decision should be known shortly.  
All Councillors were invited to be added to the account as signatories. Cllr Ridout, Cllr Sheppard, Cllr Walton all volunteered and therefore Cllr Ridout, Cllr Sheppard, Cllr Walton and the Clerk are all on the application as users. The Clerk will be administration only, with Cllr Ridout, Cllr Sheppard & Cllr Walton as full signatories.  
It was agreed in April to transfer R1, R2, R3, R4, R8, R9, R12 & R14 totalling £96,318.11 into Redwood once the account was open. However, the Tree Management plan will shortly be underway as all Dorset Council responses have now been received and we have the green light to proceed.

**Recommendation:** To leave R14 (£25,000) in the Unity Account meaning an opening balance for Redwood of £71,318.11

2. During the Internal Audit the Clerk was reminded that the Financial Services Compensation Scheme (FSCS) only covers £85,000 within 1 bank. With the above bank transfer amendments Redwood will be holding £71,318.11, however each time the Precept payment is received from Dorset Council and until the expenditure has been covered the amount within Unity across both accounts stands at approx. £100,000. Meaning if the bank were to collapse PAPC stand to lose £15,000. It is therefore suggested the Clerk investigate opening another account with another bank transferring the Unity savings account amount (£28,730) with the Tree Management reserve (£25,000) amount leaving approx. £48,000 in Unity.

**Recommendation:** Clerk to investigate opening another bank account with another bank and report back to Council for approval.

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Date 2<sup>nd</sup> May 2023