###### LYCHETT MATRAVERS PARISH COUNCIL

COMMENTARY ON AUDIT STATEMENT 2017-18

#### Section 2 contains the following figures: -

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Box |  | **2016/17** | **2017/18** | **17/18 Diff** | **Comment** |
| 1. | B/F | 100,523 | 41,590 |  |  |
| 2. | + Annual precept | 55,581 | 59,295 | 3,714 | Comment 1  |
| 3. | + Total other receipts | 14,926 | 26,911 | 11,985 | Comment 2  |
| 4. | - Staff costs | 16,363 | 19,368 | 3005 | Comment 3 |
| 5. | - Loan interest | Nil | Nil | N/A |  |
| 6. | - Total other costs | 113,077 | 62,496 | -50,581 | Comment 4 |
| 7. | Balance Carried forward | 41,590 | 45,932 | 4,342 | Comment 5 |
| 8. | Total cash & short term investments | 38,409 | 42,783 | 4,374 | Comment 6 |
| 9. | Total fixed assets | 508,695 | 527838 | 19,143 | Comment 7 |
| 10. | Total borrowings | NIL | NIL |  |  |

Amounts referred to below are approximate.

**Comment 1**

Increase in precept firstly to offset the further £932 reduction in Council Tax Support Grant; plus minor adjustments to accommodate increase in regular maintenance costs and to accommodate devolution of work as a result of restructuring of County and District authorities into a Unitary authority. To confirm - Box 2 for both years includes only the Precept.

**Comment 2**

The difference is made up of a net £13,800 year on year increase in Community Infrastructure Levy from the District Council offset by the £932 reduction in Council Tax Support Grant in 2017/18 mentioned in comment 1 above, and a reduction in income from burials.

**Comment 3**

In August of 2016 the Council resolved that the Parish Clerk should join the Local Government Pension Scheme operated by Dorset County Council, contributions for only 8 months of 2016/17 c/w 12 months for 2017/18 as well as an increase in employer contributions to the scheme for the whole of 2017/18 amounted to an increase of £2154. PAYE / ENI payments in 2017/18 were £830 more than 2016/17.

**Comment 4**

There were the following exceptional expenditures in 2016/17:

1. Refurbishment of Village Hall = £24700
2. Installation of high level swing gate security barriers at the Recreation Ground = £5100
3. Replacement of the Huck “swinger” play equipment at Recreation Ground = £3033
4. Addition to the Council’s long term investment with Prudential = £43500

These amount to a total of £76,333. When stripped out of the 2016/17 total of £113,077 for comparison purposes this leaves £36,744

There were the following exceptional payments in 2017/18:

1. Addition to the Council’s long term investment with Prudential = £13800
2. Rocket Park Play Area new fence and gates = £4006
3. Rocket Park play area fence enhancement = £1325
4. Tree & hedge removal at Library Walk = £1600
5. Purchase of new printer / scanner / copier £211

These amount to a total of £20,942. When stripped out of the total for 2017/18 for comparison purposes this leaves £41,554

36,744 – 41,554 = a £4,810 increase in underlying expenditure in 2017/18 compared with 2016/17.

In 2017/18 there were increases in regular costs totalling £4720 compared to 2016/17 – made up as follows:

* £500 more awarded in grants to local organisations in 2017/18 than in 2016/17.
* £600 more expenditure due to publication of two more editions of the Lytchett Link newsletter.
* £400 increase in expenditure on the Council’s website.
* £1000 increase in expenditure on premises hire.
* £1347 increase in expenditure on maintenance of the Foxhills Open Space.
* £400 increase in expenditure on training for officers and members.
* £472 increase in expenditure on maintenance of other open spaces.

**Comment 5**

Influenced by the entries for each year in boxes 1, 2, 3 and 6. I have separately commented on boxes 3 and 6 under comments 1-3 above; i.e. (1+2+3) – (4+5+6).

**Comment 6**

The overall increase in cash holdings of £4374 is affected by the receipts of Community Infrastructure Levy as mentioned in comment 2 above, which has not yet been spent on suitable projects.

**Comment 7**

As advised by Emma Prince of BDO Stoy Hayward (previous external auditors) in 2015, the Council has included the cash value here of its long term investment with Prudential, as referred to in comments 4 and 6 above. Thus £13800 of the increase is due to the top-up of that investment. In addition the fixed assets have increased by the following expenditures:

1. Rocket Park Play Area new fence and gates = £4006 (as detailed in comment 4 above)

2. Rocket Park play area fence enhancement = £1325 (as detailed in comment 4 above)

3. New printer / scanner / copier = £211, replacing old (scrapped) printer = -£200; therefore a net increase of £11.

4. Purchase of telephone kiosk form BT for £1

Totalling £19,143.

**Difference between box 7 and box 8**

Bank Balances, Box 8 figure 42783

Debtors (VAT) 4166

Current year accrual -1017

Box 7 figure 45,932

**Current level of cover for fidelity guarantee**

With effect from 1st June 2011 the council has had Fidelity Guarantee cover up to £250,000.

Tim Watton, Parish Clerk 28th June 2018