

Agenda item 5

For approval - Financial update to 31 January 2023

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Summary

This report provides an update on the finances of the Town Council for the period 1 November 2022 to 31 January 2023. It includes the Internal Audit letter, Income and Expenditure and Balance Sheet reports to 31 January 2023, a list of spending on items over £500 (November 2022 to January 2023) and any specific items to bring to Cllrs' attention. We will endeavour to answer any questions at the meeting but if you require any specific information, please let us know beforehand at swilliams@frometowncouncil.gov.uk and hpaniccia@frometowncouncil.gov.uk

Internal Audit letter

The second internal audit of the year has taken place and looked at the period 1 September 2022 to 31 December 2022. Everything is in order. Our insurance policies and payroll were checked as part of this Internal Audit. [You can view the letter from Fair Account our internal auditors on the website here at Appendix 5.1.](#)

Income and expenditure

[A summary of Income and Expenditure to 31 January 2023 can be viewed on the website here at Appendix 5.2.](#)

Income highlights – November 2022 to January 2023

Budget code	Payer	Description	Net Amount
608 – 1088	Somerset County Council	Grant funding for School Streets	£100,000
105	HMRC	VAT Return October – December	£22,380.73
803 – 1013	Mendip Tourism	Mendip Tourism Grant	£8,200
803 – 1028	Mendip District Council	Grant funding for Mothership project 3-month trial	£6,600

Payments over £500

[A full list of payments over £500 for November 2022 to January 2023 can be viewed on the website here at Appendix 5.3.](#)

Expenditure highlights – November 2022 to January 2023

Budget code	Payee	Description	Net Amount
710 – 4053 710 – 4066	Public Works Loan Board	Half yearly Public Works Loan Board repayments for Cheese and Grain building and Garsdale	£54,216.43

500 – 4045	Exclusive Leisure Limited	Mary Baily Tennis Courts civils works and cabling for flood lights (income received from Frome Selwood Tennis Club).	£19,980
700 – 4117	Inspired Metal Ltd	50% (Balance) Planters and seating at Boyle Cross	£14,775

The Balance Sheet

[The Balance Sheet can be viewed on the website here at Appendix 5.4. It is a breakdown of assets and liabilities as at 31 January 2023.](#)

Assets

Our assets are money in our bank accounts, money we have invested, and money owed to us. The first part of the Balance Sheet lists these assets including short term investments of cash on deposit, totalling £1,531,160.

The cash balances at 31 January 2023 are shown on the Balance Sheet:

- £145,876 Barclays Current Account
- £29,872 Barclays Savings Account
- £406,105 CCLA Public Sector Deposit Account
- £213,259 Charity Bank Community Account (Easy access)
- £209,424 Charity Bank Saver Account (90-day access)
- £409,283 Triodos
- £51,878 Unity Trust Bank Savings
- £49,938 Unity Trust Bank Current Account
- £1,056 Mendip Credit Union
- £48 Barclays Frome Welcomes Refugees
- £320 Office petty cash
- £19 Park petty cash

Other assets at 31 January 2023 were as follows:

- £8,284 Trade debtors
- £3,723 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £78 Zettle control (card payment processor)
- £646 Cycle to Work Scheme
- £4 Ticket Control – National Express

Liabilities

Our liabilities are money that we owed at 31 January 2023.

- £15,694 Trade creditors
- £203 Known staff deductions
- £352 Mayor's Charity

Total net assets (assets minus liabilities) at 31 January are £1,514,912. Comprising £773,818 for budgeted expenditure, £180,000 for the prudent General Reserve and £561,094 in Earmarked Reserves (EMRs) for specific, previously planned projects and purposes, The list of current EMRs is the last half of the Balance Sheet.

Actual v Budget overview – period ending 31 January 2023 (83% through year)

There are some over and underspends showing in the ‘% spent’ column of the Income & Expenditure report but overall actual expenditure to year end March 2023 is currently estimated to be on budget.

Card payment processing

Zettle our previous card payment processing facility (mostly used at Discover Frome) was recently taken over by Paypal. Paypal’s Internal Auditors found that Zettle were not allowed to provide accounts to Councils now they are managed by Paypal but we have been unable to obtain an explanation. Consequently, we have not been able to process card payments at the Town Hall or Discover Frome Information Point since 9 January 2023.

We have been looking into alternative options and contacted various other Town Councils to see what systems they use for their card payments. One option was with Barclaycard but this required hard credit checks on individuals which we don’t think is appropriate as this is for work purposes and will stay on the individual’s credit history for some time. We also looked at EPOS, however with the monthly fee of £80 for two card payment terminals this wouldn’t be viable. Wetherby Parish Council use Sum Up, which has no monthly fee. There is one-off payment of £39 per card reader, then 1.69% per transaction.

To enable us to take card payments we are in the process of setting up two Sum Up accounts for Frome Town Council; one under Sarah Williams name for the Town Hall and the other under Rachel Griffin for the Discover Frome Information Point. Sum Up has the same stock and inventory function as Zettle which automatically update stock levels after sales. Having two different accounts means that the stock for the Town Hall and Discover Frome Information Point can be reported on separately, and stock levels will be accurate for the location.

Conclusion

FTC remains financially sound with adequate funds and assets.

Recommendations

Approve the:

1. Internal Auditors report letter September 2022 to December 2022
2. Income and expenditure report to 31 January 2023
3. Payments made over £500 for November 2022 to 31 January 2023
4. Balance sheet report including the breakdown of reserves at 31 January 2023
5. Two Sum Up accounts for Frome Town Council under Sarah Williams and Rachel Griffin’s names for the card payment processing facilities at the Town Hall and Discover Frome Information Point.