**RFO Update, 1st March 2021**

**Forecasting spend for financial year**

Following Cllr Knights’ suggestion at the last Council meeting, I have revised how the forecast spend is calculated and reported to the Council. You can find this in the financial spreadsheet under ‘Project Spend vs Budget’. I plan to adopt this method going forward. The change is as follows:

Previously, the forecast spend for the rest of the financial year was calculated by taking the budgeted amount for each item and subtracting the actual spend to date. This would give a figure that showed how much of the budget for that item still remained.

Ie. Forecast spend for each budget item = Budget for item – Actual spend to date on item

Now, instead, I will estimate how much the Council is likely to spend in the rest of the financial year under each budget item.

Ie. Forecast spend for each budget item = Actual spend to date on item + Estimated spend on item for rest of financial year

This will give the Council my estimate of likely underspend or overspend on each budget item:

Forecast over/underspend = Budget for item – Forecast spend for item

Where the forecast differs from the budget, I will provide an explanation at each meeting.

**Broadband costs**

The broadband costs for the village hall have increased from £34.20 to £52.20. I am investigating the reason for the increase. The Council may then wish to review the provision of broadband to the village hall (eg. change supplier). In the interim I have assumed the change is permanent and used the increased figure to calculate the costs for the year. This may also impact the Council forecast for next financial year, 2021/22.

**Zoom Pro costs**

I will propose to the Council that it upgrade from the free version of Zoom to Zoom Pro, at a cost of £11.99 per month, but for a period of one month only, in order to host the May meetings.

**Previous years VAT reclaim and VAT training**

I have removed the expected income from previous years’ VAT reclaim from the forecast (total £231.28, for the years 2018, 2019, and 2020), as I believe it is unlikely I will have completed those tasks this financial year. I will carry the forecast over into next financial year (this was included in the Council’s budget for FY 2021/22). I anticipate booking some training on VAT reclaiming in the coming weeks.

**Internal Accounts Audit and Control Review**

This draft document needs to be reviewed and approved every year. Once approved, it needs to be signed by myself and the Chair.

**Risk Assessment FY 2021/22**

This draft document should be reviewed and approved prior to the start of the next financial year.

**Internal Audit**

Mrs. Rosie Bassett has kindly agreed to be Council’s Internal Auditor this year. But the Council should note that she has told me that it is unlikely she will do it next year. So the Council will need to find a new Internal Auditor then, at a rough estimated cost of £100. This was not included in the budget for next year, but this may not have an impact; the expenditure may not be incurred until FY 2022/23, and so it should be taken into account in that year’s budget.

The Council should agree to submit a Certificate of Exemption this year (as it has in previous years), in order to not have to undergo an External Audit.

**Fidelity Guarantee Insurance**

Fidelity Guarantee Insurance is the insurance cover for fraud or poor practice in terms of managing the Council’s finances. The Council should review this annually to check the level of insurance is adequate. The insurers have informed me the level of Fidelity Guarantee Insurance is £25,000.

**Financial spreadsheet explained**

Just as a reminder, the spreadsheet I supply each meeting to councillors includes the following worksheets:

* Cashbook: a record of actual income and expenditure.
* Summary: a summary of income, expenditure and reserves. This is the Statement of Account the Council is asked to approve and that the Chair signs off at each meeting.
* 2020 Forecast: the forecast final income and expenditure for the end of the current financial year (2020/21). The forecast will now be based on method I described earlier in this report.
* Projected Spend Vs. Budget: the forecast final expenditure vs. the budget. This can highlight estimated areas of under or overspend.
* 2020 Final Budget: a recap of the final 2020/21 budget.