

# KETTERING TOWN COUNCIL

## REPORT FOR DECISION

Item No:- FC22/06

Committee:-	Finance and Governance Committee
Date:-	26 <sup>th</sup> May 2022
Author:-	Martin Hammond, Clerk
Report Title:-	Financial Management System
Wards Affected:-	All

### 1. Purpose of Report

To seek approval for the acquisition of a financial accounting system.

### 2. Recommendations

The committee is recommended to approve the acquisition of the Scribe accounting package for the Council.

### 3. Information

3.1. At its meeting in March 2022, this committee agreed that the clerk would explore the costs of a financial management system for the town council.

3.2. During its first year, the Council's finances were managed through excel spreadsheets and by keeping copies of invoices, expenses, purchase orders on its ordinary email and office system.

3.3. In 2021/22, the Council made over 115 financial transactions, claimed 40 amounts of VAT back from HMRC, issued 9 invoices for payment and spent over £140,000. In the coming year, the financial management requirements will be greatly increased because

- The budget is more than twice as much
- There will be a significant number of payments and receipts associated with the markets
- We will be VAT registered and have to collect VAT as well as reclaim it.

- New streams of activity – grants and ward initiatives fund, contractual costs associated with infrastructure and asset management plans, an increase range of events - will all increase the complexity and frequency of payments

3.4. In the first 7 weeks of this financial year, there have been 20 purchase orders issued, 40 financial transactions completed and 15 VAT payments made, and once the market begins to generate income, then the level of financial transactions can be expected to quadruple compared to 21/22. Approximately 20% of the clerk’s time is currently spent on financial management.

3.5. In her interim internal audit report, the Council’s internal auditor recommended investing in an accounting package to reduce workload and increase the quality of information that the clerk and members could access.

3.6. Three accounting packages have been demonstrated to the clerk, and the following costs quoted

<b>Product name</b>	<b>Set up or purchase costs</b>	<b>Annual fees</b>	<b>Training costs/user</b>	<b>Projected total cost over three years</b>
Scribe	£197	£288	£250	£1311
Edge	£134	£596	£228	£2150
Omega	£1830	£931	£399	£5022

3.7. All three products were suitable, with the third package being a little over-engineered for our purposes, so for the purposes of scoring the merits of the product range, there was little to choose between them, except on cost grounds.

#### **4. Consultation and Engagement**

Not applicable

#### **5. Finance, Legal and Resource Implications**

5.1. Whilst there is no specific provision in the budget for this software, the lowest quote can be accommodated within the budget heading for office expenses (£800) and staff training.

#### **6. Policy Implications**

The Corporate Plan says:-

*The Council will function as efficiently and effectively as it can, as a steward of the public money with which it is entrusted.*

#### Background Papers

Interim internal audit report March 2022

Quotations from suppliers

Minutes and reports March F&G Cttee – item FC21/087

16/05/22