

WHITTINGTON PARISH COUNCIL

ACCOUNTING PROCEDURES RISK ASSESSMENT 2020-21

BUDGET

In December of each year Members are asked to consider the following Financial Year's budget, projects, schemes, running costs etc.

In January of each year Members agree the budget for the Council and this is duly minuted. A copy of the agreed budget is distributed to all Members; a copy is kept in the Minute File and taken to all Council meetings. Expenditure is agreed in accordance with the budget remit and is duly recorded and minuted. The Clerk quarterly produces details showing all expenditure against the budget to ensure that the Council are 'on-track' with spending.

ANNUAL PRECEPT

The annual precept is decided at the budget meeting and requisition of the amount is made to Shropshire Council. This is paid, in April, via BACS, into the Parish Council's Current Account.

STANDING ORDERS

The Standing Orders and Financial Regulations are reviewed annually.

PAYMENT OF ACCOUNTS

Accounts are paid once a month, at Council meetings. Every account to be paid is itemised on the agenda against the Cheque No, with a brief description of the payment and amount to be paid. Members are aware, from the meeting papers, what payments there are to authorise and the agenda goes onto two public notice boards and the council website so that the electorate are clearly aware of council expenditure. Cheques or orders for payment shall not normally be presented for signature other than at a council meeting. Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting (as per the Financial Regulations).

At the meeting the Clerk takes the account file so that Members can see every invoice received. Included with the invoice will be the quote for the works if necessary. The Clerk prepares all the cheques for signature at the meeting these are then signed by two of the Council Members, **NEVER THE CLERK**. The amounts on the cheques are checked against the amount shown on the meeting paper and invoice. Councillors, if in agreement, will then sign the cheque and sign the invoice. All payments made are included in the minutes for the relevant month and approved by the Council in the usual 'confirmation of minutes' procedure; payments will include a minute number if appropriate.

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Where it is not possible to obtain signatures on a cheque to make a payment, adhering to Financial Regulations (item 6.9), payment can be made by the Clerk via NatWest Online Banking. This should be logged as a BACS payment for approval on the schedule of payments presented on the agenda. If a payment is made outside of a meeting (adhering to items 4 and 5.5 of Financial Regulations- authority to spend), this should be done in liaison with the Chair and Financial Regulations should be followed and payment reported at the next available meeting.

DONATIONS TO GROUPS/ORGANISATIONS

Requests for donations are considered in January each year and organisations are invited to apply between 1st November and 31st December each year. The Council set aside a specific amount in the budget under donations (s.137). The Council has a **Grant Awarding Policy** in place and operates a set procedure for awarding donations, giving priority to requests from groups/organisations within the Parish.

In special circumstances the Council will consider the merits of granting a donation to a **local** group/organisation who request an award before the January meeting.

RECORDING OF ACCOUNTS – CLERK’S PROCEDURE

For every payment made the Clerk has a file showing the payments made each calendar month. In the file a copy of the bill is kept, plus any receipt for the payment that is received back along with any quotes. Invoices are kept in cheque number order. In the same way the Clerk records Receipts received and these are recorded in the minutes also. Whittington Parish Council pay the bank for the return of all presented cheques and these are pinned on the relevant sheets thereby giving extra reassurance to the Council. All payments and receipts are entered on to a computerised Payment and Receipts record (Excel spreadsheet) every month after the meeting.

BANK PROCEDURES

Bank statements for all accounts are received monthly and the Clerk does bank reconciliation every month. The bank statement reconciliations are taken to each Parish Council meeting together with the bank statements so that the Chairman can check that the amounts stated on the reconciliation match those on the statements, these are signed and dated each month. As part of the Council’s internal controls, a nominated councillor carries out a full reconciliation each quarter and reports their findings to the next council meeting. Receipts are paid into the bank as quickly as possible to maximise the Interest payable.

VAT

All VAT paid is entered onto the accounting system (Excel spreadsheet) every month and shows the meeting date, brief details of the payment, VAT paid (to be reclaimed) and the suppliers registration number. The accumulative total of VAT should balance with the VAT on the Payments Ledger, this

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provides a double check that the correct VAT is being claimed. At the end of the financial year a copy of the details of VAT claimed will be sent with the VAT 126 form, which is completed online. This is done as soon as possible after the year end to maximise 'cash-flow' for the council. Payments (VAT Refunds) are made directly into the Parish Council's current account.

WHITTINGTON RELIEF IN NEED CHARITY

The Parish Council appoints two representatives to serve on this Charity. This representative, together with the other appointees, distributes available funding to worthy causes within the Parish. This council has **no other** involvement with this charity other than the appointment of two Parish Council representatives.

STAFF SALARIES AND PENSION

The Clerk's Salary is based on hours of work undertaken, together with annual performance and incremental points for attaining the Clerk's Qualifications. The Salary is calculated according to the National Joint Council rates.

The details of the agreed Salary are recorded in the appropriate minutes accordingly; a copy is also kept separately in the Financial file. The responsibility for completing the necessary PAYE returns for the Council to the Inland Revenue lies with the Clerk. The Clerk generates payslips on a monthly basis, calculates the monthly pension contribution and informs the council of the monthly payments of Tax, National Insurance and pension contribution required. Pension and HMRC payments will be authorised by the council at the monthly meeting. Pension payments are made by Direct Debit.

A declaration of compliance has been sent to the Pensions Regulator to ensure all duties have been met in respect of the provision of a pension to staff.

TRAVEL EXPENSES

The Clerk completes a mileage sheet every month detailing journeys made on behalf of the Council. Mileage is paid in accordance with rates set out by HMRC currently 45p per mile a copy of these rates are kept in the Accounts file for reference. The mileage sheet is included with the Clerk's expenses and presented for payment with the Clerk's Salary at each monthly meeting. Councillors can claim mileage for travel outside of the Parish at 0.45p per mile.

PETTY CASH

The Clerk claims for all postage, telephone calls and admin costs, such as printing each month. Details of these are made on an expenses claim form each month and taken to the Monthly meeting, along with necessary receipts, to be agreed and authorised by the council. The Clerk never holds any cash belonging to the Council at their place of work (home).

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ASSETS

The Clerk keeps details of all property owned by the Council in an Asset's Register. The insurance is increased, when necessary, to reflect changes. The Assets value is different to the insurance value as some of the assets, such as streetlights and bus shelters would not reach the insurance value if sold. This is reflected in the Asset Register.

INSURANCE

Insurance is renewed in May and is applicable from 1st June – 31st May. This covers Public Liability, Employers Liability, Money, Personal Accident, Fidelity Guarantee, Officials Indemnity and Libel and Slander, in addition to insurance for property damage. The Council reviews the insurance on an annual basis to ensure sufficient cover. It is the view of the council that a long-term (3 year) insurance agreement provides best value for money.

END OF FINANCIAL YEAR ACCOUNTS

As soon as the Bank statements are received, up to and including 31 March transactions, the Clerk finalises the end of year Financial Accounts. A Detailed Financial report is placed before Members for their approval and a copy of the Annual Return, which is sent to the external auditors, is also given to each Council Member. The figures in the Annual Return are based on the Receipts and Payments Method.

The completed accounts are presented, at the earliest opportunity after 31st March, for approval by the Council. Both the Chairman of the Council and the Responsible Financial Officer (the Clerk) signs the Balance sheet and the Annual Return, this is duly recorded in the relevant minutes. The completed (not audited) accounts are taken to the Annual Parish Meeting for public viewing.

AUDIT

The accounting records for the financial year to which the audit relates must be made available for inspection by any person interested during a period of 30 working days set by the parish council and including the first 10 working days of July. The RFO must, on behalf of the parish council, publish on the parish council noticeboards and website:

- The Accounting Statements (Section 2 of the AGAR) accompanied by:
 - A declaration, signed by the RFO to the effect that the status of the Accounting Statements are unaudited and that the Accounting Statements as published may be subject to change
 - The Annual Governance Statement (Section 1 of the AGAR)
- A statement that sets out:
 - The period for the exercise of public rights
 - Details of the manner in which notice should be given of an intention to inspect the accounting records and other documents
 - The name and address of the local auditor

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- The provision contained in section 26 and 27 of the Act, as they have effect in relation to the authority in question. When the External Auditors declare the date of the Audit the relevant notice is posted on the Council's notice boards and website.

Equally, on conclusion of the audit of the accounts, a Notice of Conclusion of Audit and Right to Inspect the Annual Return notice is placed on the Notice Boards and website in accordance with The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 (SI 234) .

INTERNAL AUDITOR

In October 2002 the Council appointed an Internal Auditor and he continues to do the Internal Audit for the Parish Council: -

Mr Bernard Townson,
Kelvindale, Chapel Lane
Knockin Heath, SY10 8E

Mr Townson is not related in any way to any Council Member or the Clerk. An annual review of the effectiveness of the internal audit is carried out.

EXTERNAL AUDITOR

PKF Littlejohn LLP are appointed by Smaller Authorities' Audit Appointments Ltd (SAAA) as the external auditor for smaller authorities for financial years up to and including the year ended 31 March 2022.

PKF Littlejohn LLP

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