

Averham, Kelham and Staythorpe
Parish Council

Financial Control Procedures

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Section 1.0 Introduction

With the New Audit systems being implemented, the Parish Council have revised their current operational policies and procedures to take account of current legislation. It should be noted that the Averham, Kelham and Staythorpe Parish Council's financial year runs from 1st April to 31st March.

Section 2.0 Parish Council Minutes.

It is required that to establish a clearly defined audit trail it is recommended that the Parish Council minutes should be continuously and consecutively numbered and not restarted from the number one at each meeting. The following procedures must be strictly adhered to irrespective of the sums involved.

Section 3.0 Purchase of Goods and Services

Any Councillor seeking to commit the Council to any expenditure must first seek and obtain approval from the full Council meeting.

The approval authorising the expenditure must be clearly minuted including details of the nature of the expenditure, the reason for the expenditure, the supplies of the goods/services, the date of the expenditure and the amount involved including any delivery charges, handling costs and V.A.T.

The Clerk may order and pay for stationery items such as paper, ink, envelopes as required up to a maximum value of £100 over any one year. Additional expenses to be put before the council for approval before they are incurred.

Where goods and/or services have been previously approved by the Parish Council and the invoice is in line with the amount agreed, the Clerk shall pay the invoice in a timely manner and ensure this is documented on the agenda for the next Parish Council Meeting.

Should an emergency arise between Council meetings, then the Councillor seeking authorisation for expenditure should inform the Parish Clerk and subsequently seek approval from the Finance Committee. A minimum of two members of the Finance Committee are required to approve any emergency expenditure. Approval of any such expenditure is to be given in writing either by letter or email and forwarded to the Parish Clerk to keep on file for record purposes.

Any emergency expenditure approved or otherwise, should be added to the agenda for the next Parish Council meeting as a matter of record.

Any expenditure approved under the emergency procedure should not exceed £100.

Following authorisation being granted the Councillor concerned should obtain a written quotation, on the supplier's stationary, or an equivalent electronic version, which gives all the required information.

In the event that a written quotation cannot be obtained the Councillor involved should carefully record details of the verbal quote supplied.

In both circumstances the supplier must be informed that all subsequent paperwork is sent directly to the Parish Clerk NOT TO THE COUNCILLOR and that payment will only be made to the named business on the invoice heading.

Once quotation details are received these must be immediately forwarded to the Parish Clerk for recording in the appropriate log. (Details of the Payments Log are noted later within these procedures)

Upon receipt of an invoice the Parish Clerk should enter the invoice details in the Payments Log, checking that these details are the same as those in the quotation.

Following entry in the Payments Log, the Parish Clerk should pass the invoice to the appropriate Councillor who should confirm that the goods/services have been received, and that the invoice details are correct by signing and dating the invoice. The invoice should then be returned to the Parish Clerk.

Upon the receipt of the returned invoice the Parish Clerk should prepare the appropriate cheque payment or BACS transfer.

The invoice being paid must be attached to the cheque to make the cheque signatories clearly aware of why the cheque is being raised.

*All cheques irrespective of value **must** be signed by two Members of the Finance Committee.*

Once the cheque has been duly authorised and signed it should be returned, together with the accompanying invoice to the Parish Clerk to enable payment to be made.

In the case of BACS payments the above process should be followed except in the case of emergency expenditure where written authorisation, either letter or email, from two members of the Finance Committee is required.

The cheque or BACS payment details should be entered in the Payments Log.

Details of the content of the Payments Log are shown on the draft contained in Appendix 1 - Schedule A.

All purchase invoices should be filed in date order with any written or electronic quotations attached.

Under no circumstances can cheque or BACS payment signatories be the Councillor who requested authorisation for the purchase. This includes the members of the Finance Committee.

The appropriate information, including the Minute Number, should be entered in the Parish Payments Log by the Parish Clerk.

Section 4.0 Cash/Cheque Receipts.

Although cash receipts are unusual for the Parish Council, basic procedures must be followed.

When a Councillor is given cash or a cheque, the Councillor must, where ever possible, obtain a remittance advice supporting the receipt.

If a remittance advice cannot be obtained the Councillor must make a written note of the receipt. This note must detail:-

- name of donor
- date of receipt
- reason for receipt
- any other relevant information.

As soon as is possible the Councillor must transfer the monies received to the Parish Clerk.

When passing the monies to the Parish Clerk, the Councillor must obtain a receipt from the Clerk. This receipt should contain the following information:-

- Date
- Amount
- Donor
- Name of Councillor
- Signature of Parish Clerk

The Parish Clerk should bank all monies received as soon as possible and enter the appropriate details in the Budget Control Log. (Appendix 1 - Schedule C)

5.0 Monthly Bank Reconciliation.

The Parish Clerk should undertake a reconciliation of the Parish Payments Log, Budget Control Form and the Bank Statements.

This reconciliation should be completed on the appropriate form, ref. Appendix 1 - Schedule B

Any discrepancies must be reconciled monthly.

Unallocated Cash balance

Following the completion of the monthly bank reconciliation, a copy of the reconciliation must be made available to all the Councillors at the next Council Meeting

Additional to the bank reconciliation the Parish Clerk should detail the free cash available.

This figure is calculated by deducting from the cash book balance any known future payments and adding any known future receipts.

This figure is important as it keeps the Council informed of monies available for future projects.

Section 6.0 Budgeting Procedures.

As required to meet the deadlines set by Government - local, county and national - the Finance Committee must meet to prepare, for approval by the full Council, a budget for the following fiscal year.

When preparing the budget for the forthcoming year the Finance Committee must take account of the current and previous year's figures, anticipated rates of inflation and any known item of "one-off" expenditure in addition to the usual items.

Once the budget has been prepared it should be presented to the full Council for review, amendment and final approval. Appendix 1 - Schedule D (Annual Budget Log) should be used as the Annual Budget format.

Any requests for funding/grants to the Parish Council shall follow the procedure set out in the agreed Grants Policy documentation.

Section 7.0 Appendix 1

Schedule A Payments Log

Year:

2017/18

PAYMENTS

				1			
Date	Min NO.	ITEM (or Name)	Cheque Number	Running Expenses			To
				Room Hire	Staff	Office Expenses	
01-Apr	11.54	Glass House Printers PC Booklet	562				
18-Apr	11.05	NESDC Dog Bins	563				
18-Sep	11.06	J. Burbidge Office Accomodation	564			140.00	
18-Sep	11.07	S. Emeny P.A. Cable	565				
16-May	11.12	Southwell Computers Home Office	566			100.83	
16-May	11.13	Southwell Computers Bullguard Security	567			41.66	
13-Jun	11.17	J. Burbidge Allow/Exp	568		200.00	26.00	
13-Jun	11.18	Zurich Municipal Insurance	569				
13-Jun	11.19	Friends of Averham School summer fair donation	570				
18-Jul	11.24	Internal Audit Payment	571				
18-Jul	11.28/29	NALC training/resources	572				
18-Jul	11.31	SADS UK defib cabinet	573				
18-Jul	11.32	Physio Control UK defib	574				
12-Sep	11.40	N. Walker Clerk's allowance	575		250.00	37.39	
12-Sep	11.41	RHTC hall hire	576	48.00			
24-Oct	17-009	NALC training	578				
24-Oct	17-009	H. Snell Remb. Day wreath	579				
24-Oct	17-009	S. Emeny P.A. Cable	580				
20-Dec	17-022	CPRE membership	581				
20-Dec	17-022	N. Walker Clerk's allowance	582		250.00		
26-Jan	FIN18-012	NALC Subs	583				
20-Feb		N. Walker Clerk's allowance	584		250.00		
		Page Total *		48.00	950.00	345.88	0

Remember to fill in the stubs of your cheque book: refer to them when completing this page. Enter payments made in column 9 should tally with cheque book stubs and with the debit entries on the bank statement.

*** All Column totals are automatically carried forward.**

Schedule B Bank Reconciliation

Averham Kelham and Staythorpe Parish Council

Estimated Finance Report as of 10 April 2018

Beginning Balance				6394.26
Uncleared Cheques				
	574	Defib	780.00	
Adjusted Bank Balance				not known
Balance in Cash Book				5614.26
Future Commitments				
NSDC Dog bins			115.44	
Invoice from the Plough			20.00	
			<u>135.44</u>	
Free Cash				5478.82
Ringfenced for defibrillator			180.51	
Reserves			3000.00	
			<u>3180.51</u>	
Total Free Cash				<u>2298.31</u>

Schedule C Receipts Log

Schedule D – Annual Budget Form

Averham, Kelham and Staythorpe Parish Council

		2017/18	Budget	2018/19	
		3,121.00	Receipts	3,270.00	
		564.99	Precept	-	
		-	Grant	-	
		238.73	Interest	159.50	
		-	VAT refund	-	
			Project Fund		
		<hr/>		<hr/>	
		3,924.72	Total	3,429.50	
			Payments		
		202.40	Insurance	202.40	
		950.00	Clerk salary	1,158.84	
		345.88	Office expenses	360.00	
		102.00	Meeting room expenses	96.00	
		107.08	NALC subscription	107.00	
		30.00	CPRE subscription	30.00	
		60.00	Internal audit	60.00	
Projects		-	Village Functions	170.00	
		<hr/>			
P C Booklet	<u>139.00</u>	139.00	Projects	170.00	
Village Improvements		1,111.42	Village Improvements	315.26	Village Improvements
Dog Bin Contract	110.45	143.50	Donations	260.00	Dog Bin Contract 115.26
PA Cable	4.99	197.00	Training	300.00	repairs to PC Assets <u>200.00</u>
Defib	650.00	159.50	VAT	200.00	<u>315.26</u>
Defib cabinet	335.00	-	Election Expenses	-	
Dog Fouling signs	-				
		<hr/>		<hr/>	
PA Cables	<u>10.98</u>	3,547.78		3,429.50	
	<u>1,111.42</u>				
		<hr/>		<hr/>	
		376.94	Surplus	-	