

Financial Procedures

Introduction

These guidelines cover four main areas:

- Maintenance of records and VAT
- Reporting
- Oversight, Control and Audit
- Timeline

Maintenance of Records and VAT

The accounting year for the Council runs from 1 April to 31 March.

It is the responsibility of the Responsible Financial Officer (RFO) to maintain timely and accurate records of all income, expenditure and assets of the Parish Council, and to ensure that these records are supported by the appropriate documentation.

This includes maintenance of income and expenditure records, bank account information, and the preparation of regular financial reports. Regular routine payments are made by standing order and/or direct debit. This includes payroll, utilities, IT services, banking charges and other regular expenditure. All non-standard expenditure will be evidenced by invoices and be approved by/reported to the Parish Council. These should be noted, by the Clerk to the Council, in the minutes of the appropriate meeting.

Wherever possible, payment should be made by bank transfer; the RFO is responsible for all bank transfers. The Clerk, RFO and Chair also hold debit cards. All invoices supporting payment by debit card should be forwarded to the RFO at the earliest opportunity. No provision is made for cheque payments and cash payments are not to be made under any circumstance.

Chearsley Parish Council is able to reclaim VAT on all non-business activities. In order to be able to do so, all invoices should state the recipient of the goods/services as Chearsley Parish Council.

Reporting

A financial report should be available for each Parish Council Meeting. (As such, it will then appear in the published minutes of the meeting). This gives information on income, expenditure and available cash, together with any other items which need to be brought to the attention of the Council.

Quarterly, where a detailed budget exists, a more detailed analysis of expenditure is to be

presented, (again, to be included with the minutes of the meeting), mapping progress against the agreed budget, with comment on any significant variances, and also, where appropriate, the likely out-turn for the year.

Whenever possible, the Responsible Financial Officer will be available at the Parish Council Meetings to present his report and deal with any questions arising.

Oversight Control and Audit

The accounting records are available for inspection at reasonable notice. While the RFO has full rights to the bank account, a further councillor has 'read only' rights to independently oversee all bank transactions as necessary. The Chair of the Parish Council separately has a copy of all access codes relating to bank accounts.

At the end of the year, the accounting records are subjected to internal and external audits as part of the Annual Governance and Accountability Return (AGAR). The audit process is designed to ensure that:

- Proper accounting records have been maintained throughout the year;
- Accounting entries are supported by third party documentation;
- Appropriate reports have been submitted to the Council;
- All necessary controls, (e.g. bank account reconciliations,) were in place during the period of review;
- The summarised Income and Expenditure Accounts are true and fair.

This process provides the necessary assurance that the Council is meeting its duty of appropriately managing public funds and reporting to the public.

Parishioners may, at any time, request to inspect the Council's accounts. All requests should be made to the RFO. A notice of public rights is made for the period of the external audit.

Timeline

Monthly, (or as often as the council meets) – Financial Report

Quarterly, (i.e. July, October, January, April) – detailed analysis of progress against budget

December – agreement of initial draft budget, leading to the precept request in January.

March – Final review against budget, finalising budget for following year.

April – Internal Audit of accounting records; submission of VAT Return

April – agreement of accounts and submission of AGAR for external audit.

May onwards – external audit, usually complete by 31 July.