

MELVERLEY PARISH COUNCIL

Accounting Procedures Risk Assessment 2020

1. 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.

From the 21-22 financial year the Parish Clerk quarterly produces details showing all expenditure against the budget to ensure that the Council are 'on-track' with spending.

2. Standing Orders and Financial Regulations

The Standing Orders were reviewed and amended in January 2019 and Financial Regulations were reviewed and amended in March 2019. Next review will be May 2021.

3. Payment of accounts

Accounts are paid in a timely manner and reported to Council meetings. Every account to be paid is itemised on the agenda 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. Most payments are made via BACS (cheque signatories are also bank signatories). Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a 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 Parish 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. 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 initial the cheque stub. 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.

Councillors are responsible for passwords and pin numbers to be kept in a safe secure place.

4. Donations to Groups/Organisations

Requests for donations are considered during the year. The Council set aside a specific amount in the budget under donations. 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.

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5. Recording of Accounts – Parish Clerk’s Procedure

The Parish Clerk maintains a file showing the payments made each calendar month. On the file a copy of the bill is kept, plus any receipt for the payment that is received back along with any quotes. In the same way the Parish Clerk records Receipts received, and these are recorded in the minutes also.

All payments and receipts are entered on to a computerised Payment and Receipts record every month after the meeting.

6. Bank Procedures

Bank statements are received monthly and the Parish Clerk does bank reconciliation every month. From 21-22 financial year, as part of the Council’s internal audit procedures 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.

7. VAT

All VAT paid is entered onto the accounting system. An online VAT Return is completed annually, and all payments made are directly credited to the Council’s Current Account. The accumulative total of VAT should balance with the VAT on the Payments Ledger; this provides a double check that the correct VAT is being claimed.

8. Staff Salary

The Parish Clerk’s salary is set out in the employment contract based on hours of work undertaken together with annual performance and incremental points for attaining the Clerk’s Qualifications; this is likely to CiLCA, or other accepted qualifications.

The necessary PAYE returns for the Council to the Inland Revenue are carried out by the Parish Clerk using HMRC basic software. The Parish Clerk will issue payslips on a monthly basis, calculate the monthly pension contribution, if any, and inform the Council of the monthly payments of Tax and National Insurance required. Pension and HMRC payments will be authorised by the Council at the Council meetings.

9. Travel Expenses

The Parish Clerk may claim mileage for agreed journeys, which is paid in accordance with rates set out by HMRC currently 45p per mile a copy of these rates is kept in the Accounts file for reference. Councillors can claim mileage for travel outside of the Parish at 0.45p per mile (please refer to the Parish Council Expenses Policy)

10. Petty Cash

The Parish Clerk may claim for all postage, telephone calls and admin costs, such as printing etc., Details of these made out on a Miscellaneous claim form each month and taken to the Council meeting along with necessary receipts to be agreed and authorised by the council.

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11. Assets

The Parish Clerk keeps details of all property owned by the Council in an Assets Register. The insurance is increased, when necessary, to reflect changes.

12. Insurance

Insurance is renewed and additional Insurance cover is taken to cover individual projects such as events, as necessary.

13. End of Financial Year Accounts

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

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 Parish Clerk) signs the Balance sheet and the Annual Return, this is duly recorded in the relevant minutes.

14. Audit

When the External Auditors declare the date of the Audit the relevant notice is posted on the Council's notice boards and website. 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 Audit Commission Act 1998 and the Accounts and Audit Regulations 1996 (SI 1996/590).

15. Internal Auditor

The Council appoints an Internal Auditor for each financial year.

16. External Auditor

The Government has appointed PKF Littlejohn LLP to be the external auditor for all smaller local authorities

Approved at the 6th January 2021 Council Meeting

Next Review: March 2022