



CROWTHORNE **PARISH COUNCIL**

Procedure for Performing the Financial Check Adopted by Council - April 2014

1. Purpose:

The purpose of this procedure is to set the minimum requirements necessary to carry out a Financial Check of the council's accounts. The financial check should be completed twice a year by an independent person appointed annually by the Parish Council, in accordance with Financial Regulation 1.4.

The procedure also sets out the documentation that should be prepared by the Finance Officer to report on the Financial Check.

2. Scope:

The scope of the Financial Check is: -

- To verify that the accounts of the council are in balance and that the bank and cash reconciliations have been completed and agree with both the bank statements and cash counted.
- To review up to 2 petty cash transactions including income (if applicable) received into petty cash during the defined period.
- Carry out a check on a minimum of 10% value of both income and +expenditure items for the defined period (excluding precept).
- The Financial Check should be carried out twice per year to cover the following dates - 1 April to 30 September and 1 October to 31 March.

3. Procedure:

The Finance Officer to prepare Appendix A from information obtained from: -

- The System Posting Schedules. (Appendix B)
- The Bank Statements.
- Sage Balance Sheet Statement. (Appendix C)

3.1 Appendix A must be reviewed by the appointed person by completing the following checks: -

- The Bank Statement Balances at the top of the Reconciliation of Transactions & Bank Balances is only changed at the beginning of the Financial Year and must agree with the Annual Audited Accounts.
- The Receipts & Payments have been updated from the System Posting Schedules (Appendix B).

- The Bank Statement Balances at the bottom of the report should be updated to agree with the latest Bank Statements and the agreed unprocessed cheques.
- The balance shown under receipts and payments must agree with the final amount at the bottom of the report and the cash in hand figure on the Balance Sheet Statement (Appendix C).

3.2 From the System Posting Schedules (Appendix B) for the period, select 10% in value of both Income and Expenditure. This should be at least 3 transactions from both income and expenditure.

Check the source documentation for each of the selected items:

Income

- Check value on copy invoice, paying in book or other relevant paperwork.

Expenditure

- Check value of purchase invoice or check relevant paperwork.
- Check authorisation signature for payment.
- Where amounts are particularly high or to an unusual recipient check that Council Approval was minuted.

The above concludes that all items on the System Posting Schedule agree with the Bank Statements and Balance Sheet Statement from Sage.

3.3 The Financial Check document as prepared in line with Appendix A should be signed and dated by the Councils appointed person and presented to the next Council Meeting.

4. Review of Procedure:

The Financial Check Procedure should be reviewed annually with any amendments approved by the Council.

Appendix A Reconciliation of Transactions & Bank Balances

		Balances £							
<u>Bank Statement Balances</u>									
HSBC Current Account	31.03.17	50.00							
HSBC Deposit Account	31.03.17	145,018.65							
Petty Cash	31.03.17	173.86							
			145,242.51						
Less unrepresented Cheques			26,546.81						
Ledger Balances as at: -	31.03.17		118,695.70						
				Net					
Receipts & Payments				Payments / Receipts	Mthly Receipts	Mthly Payments	Accum Receipts	Accum Payments	
Apr		95,399.02		105,311.38	9,912.36	105,311.38	9,912.36		
May		(17,459.95)		6,302.98	23,762.93	111,614.36	33,675.29		
Jun		(18,727.83)		5,980.64	24,708.47	117,595.00	58,383.76		
Jul		(4,201.53)		9,986.17	14,187.70	127,581.17	72,571.46		
Aug		(12,551.98)		2,444.97	14,996.95	130,026.14	87,568.41		
Sep		(12,375.37)		3,472.00	15,847.37	133,498.14	103,415.78		
Oct		0.00		0.00	0.00				
Nov		0.00		0.00	0.00				
Dec		0.00		0.00	0.00				
Jan		0.00		0.00	0.00				
Feb		0.00		0.00	0.00				
Mar		0.00		0.00	0.00				
Receipts less Payments			30,082.36	133,498.14	103,415.78	0.00	0.00		
Balance			148,778.06						
<u>Bank Statement Balances</u>									
HSBC Current Account	28.09.17	50.00							
HSBC Deposit Account	28.09.17	149,029.48							
Petty Cash	28.09.17	195.70							
			149,275.18						
Less unrepresented Cheques			497.12						
			148,778.06						

Appendix C Balance Sheet Statement from Sage

Date: 06/10/2017
Time: 09:13:02

Crowthorne Parish Council Balance Sheet

Page: 1

From: Month 6, September 2017
To: Month 6, September 2017

Chart of Accounts:

	<u>Annual Accounts</u>		
	<u>Period</u>	<u>Year to Date</u>	
Fixed Assets			
		0.00	0.00
Current Assets			
Debtors	1,307.51	3,464.52	
VAT	5.88	4,224.48	
Cash In Hand	(12,536.37)	148,778.06	
		(11,222.98)	156,467.06
Current Liabilities			
Creditors	(6,981.34)	998.30	
Payroll, PAYE etc.	(45.07)	2,461.05	
Accruals	(114.00)	0.00	
		(7,140.41)	3,459.35
Current Assets less Current Liabilities:		(4,082.57)	153,007.71
Total Assets less Current Liabilities:		(4,082.57)	153,007.71
Long Term Liabilities			
Long Term Deposits Hall / Grounds	0.00	2,775.00	
		0.00	2,775.00
Total Assets less Total Liabilities:		(4,082.57)	150,232.71
Capital & Reserves			
General Funds	0.00	22,343.50	
Designated Reserves	0.00	87,373.93	
P & L Account	(4,082.57)	40,515.28	
		(4,082.57)	150,232.71