

# Withybrook Parish Council

## Financial Operating Statement – 2020/21

### Organisation and Operation

The Parish Council comprises five Councillors, a Clerk and an Internal Auditor. The Councillors are structured as follows:

- A Chairman
- A Vice-Chairman
- Three Councillors

The Clerk and the Internal Auditor are appointed by the Councillors.

All of the Councillors are elected by public election every four years. Upon election they vote for and appoint from their numbers a Chairman and Vice-Chairman.

Parish Council meetings are held approximately monthly. A Council meeting requires a minimum of three Councillors to be present for it to be quorate. All Council decisions require a majority vote of at least three. The Clerk has no voting rights.

All payments are made by cheque. Only the Councillors are authorised to sign the cheques and three councillors must sign each cheque. The Clerk has no financial authority. The Clerk is responsible for maintaining the accounts and for this reason is nominated to be the Responsible Financial Officer.

### Bookkeeping

- The Parish Council maintains a receipts and payments book. There are typically around 40 receipt and payment entries per year.
- The receipts/payments book arithmetic is correct.
- All receipts and payments are made by cheque or standing order via the Council's one bank account, with the exception of income from the allotment that the Council manages for Rugby Borough Council which is paid in cash and banked. The bank statements are checked regularly to ensure compliance of the entries.

### Standing Orders, Financial Regulations, Payment Controls

- The Council has consistently complied with the financial regulations in force at the time, as demonstrated by previous audits of its accounts. The Council formally adopted the relevant standing orders and financial regulations at its annual general meeting on 9<sup>th</sup> May 2006. The Standing orders state that the Council comprises five councillors and that three are required for a meeting to be quorate. All financial decisions are authorised by a majority vote, which must be a minimum of three. All payments are made by cheque and three councillors sign all cheques. The cheque mandate authority with the Council's bank reflects the requirement for 3 signatories to all cheques.
- The Clerk to the Parish Council is the Responsible Financial Officer
- All items above a de minimis amount have been competitively tendered where there is the opportunity to do so. Electricity supplies and maintenance for street lighting are purchased consistently from E.On (previously known as Powergen and ABB) and the price has risen minimally over time both in present day and absolute terms.

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Following an increase in supplies price by E.On in 2015 the contract was competitively tendered and the decision was made to remain with E.On.

- All payments in the payments/receipts book are supported by invoices, authorised and minuted.
- VAT on payments is identified recorded and reclaimed.
- S137 expenditure is recorded separately and is within statutory limits

## **Risk Management Arrangements**

- The risk assessment is carried out as part of the Council's annual review of its insurance cover.
- The insurance cover is appropriate and adequate
- The internal financial controls are documented and reviewed regularly.

## **Budgetary Controls**

- An annual budget is prepared in support of the precept.
- Annual expenditure against budget is reported regularly to the Council.
- There were a number of variances from budget:
  - Electricity charges had increased further. Upon investigation they were broadly in line with competitive domestic charges
  - A donation of £100.00 was made to Withybrook Village Hall towards the cost of a set of Christmas tree illuminations for the centre of the village.
  - A previous cheque for £100.00 as a donation to All Saints Church Withybrook donation in January 2019 had remained un-presented, was no longer valid and was entered into the accounts as a receipt.

## **Income Controls**

- All income is properly recorded and banked
- The precept recorded in the receipts/payment book agrees with the Borough Council's notification.
- Security controls over cash are adequate and effective.

## **Petty Cash Procedures**

- All payments are made by cheque.

## **Payroll Controls**

- The costs paid to the Clerk for his services agree with those approved by the Council
- There have been no other payments to the Clerk for his services
- The Council has no employees. The Clerk is retained by the Council on a contract and is paid a fixed sum per year plus expenses.

## **Asset Controls**

- The Council keeps an asset register, which was reviewed in December 2016.
- The Council does not have any investments.

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## Bank Reconciliation

- The Council has only one bank account
- Bank reconciliation is carried out on receipt of statements.

## Year-end Procedures

- Year end accounts are prepared on a receipts and payments basis
- The accounts agree with the receipts/payments
- All financial records are can be tracked to the accounts.
- Where appropriate, debtors and creditors are properly recorded.

Statement prepared by Clerk and

Responsible Financial officer:.....

Date:.....

Accepted by Chairman:.....

Date:.....