**Church Aston Parish Council**

**Audit of Annual Accounts 2013/14**

**Supporting Notes:**

**Designations & Authorisations**

* The Clerk to Church Aston PC is also designated the ‘Responsible Financial Officer’;
* The Clerk is responsible for day-today financial matters including placing orders / contracts, receiving invoices, ensuring payments are made, and recording all transactions;
* The Clerk to CAPC is not an authorised signatory – all cheques and on-line transactions require two authorised Councillor signatures / electronic consents. Every effort is made to rotate the choice of signatories.

**Meetings & Public Accountability**

* Finance / Accounts are standing agenda items for all CAPC meetings;
* At each regular meeting the Clerk provides a statement of account and a list of payments made since the last meeting plus details of any payments to be authorised at the meeting. All transactions are formally recorded;
* The Clerk prepares for Councillor authorisation a quarterly bank reconciliation document – this ensures all income and expenditure transactions are appropriately recorded and the accounts are reconciled;
* Finance / Accounts are a standing agenda item for the Annual Meeting of CAPC.

**Overpayments / Underpayments**

* Two overpayments / underpayments were identified during the course of 2013/14:-
* Cheque number 300071 (02-09-13) payable to V&W Electrics was over-paid by £100.00 due to a calculation error when adding together two invoice payments (invoice nos. VWE0012 & 05/06/2013/CAPC). The error was identified promptly and a corresponding sum recovered by reducing the amount paid against the next invoices (VWE0020 & VWE0040) at cheque number 300097 (07-10-13). (**Please note:** corresponding VAT amounts reflect invoiced payments not cheque values).
* Cheque number 300120 (03-03-14) payable to West Mercia Energy was under-paid by 32p due to a transcribing error. The error was identified promptly and a corresponding sum added to the sum due against the next WME invoice at cheque number 300123 (06-04-14).

These over/under payments do not affect the bank reconciliation however they do show as variances between invoices received and payments (cheques) made.

**Procurement & Contracts**

* CAPC has designated a minimum threshold of £300 above which formal contract procedures are to be followed in line with standing orders / financial regulations;
* Wherever practical the Clerk or individual Councillors acting on behalf of CAPC seek three quotations prior to awarding any work or purchasing services regardless of the lower threshold limit;
* Upon receipt of budget quotations the Clerk or lead Councillor for a particular project provides a written or verbal report to CAPC members who decide as a council whether it is appropriate to proceed. All related considerations and decisions are recorded;
* Where the value of works or services is likely to exceed the lower threshold and for whatever reason it is not possible to obtain three like-for-like quotations the Clerk provides all relevant information to Councillors at their regular meetings who in turn assess the situation and collectively agree a way forward. Decisions and the basis upon which decisions are derived are formally recorded in the meeting minutes;
* During 2013/14 CAPC agreed to amend its procedures for authorising works / services by replacing letters of authorisation with a ‘purchase order’ and where appropriate a ‘specification’ for the works / services required. This new approach is currently being implemented.

**Documents**

* The Clerk to CAPC records all transactions in an ‘income & expenditure’ excel spreadsheet including recorded sums, funding source or payee, VAT where applicable, and relevant sub-heading to which any income / expenditure is allocated;
* This spreadsheet along with information about balances brought forward from the previous year provide a basis for monthly / quarterly and year-end bank reconciliation;
* The spreadsheet provides source information for an annual balance sheet, and also for reclaiming from HMRC any VAT payments incurred during the course of a financial year;
* Electronic data stored on a CAPC owned lap-top computer is backed-up to a USB drive at least monthly when bank reconciliation is completed.

**Public Accountability & Value for Money**

* CAPC is committed to the highest standards of governance, complies with all statutory requirements, and seeks to be as open and transparent as is possible in discharging its powers & duties;
* CAPC resolved to hold its precept for 2014/15 at 2013/14 levels.

**END**

Signed: ........................................................... Date: ....................................

Michael Atherton

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