

## **Review of the Parish Council's Finances**

1. I conducted a review of the finances of both the Parish Council and the Village Hall on Friday, 15 April 2016 as part of the preparations for the audit. My review does not replace either the internal or external audit, which will be reported separately in due course.
2. I found no issues which gave me cause for immediate concern.

### Alto Card

3. The Alto card continues to work well, although it is currently blocked while a fraudulent payment is resolved. However it effectively means that we have to maintain records in as much detail as if we were running an additional bank account or a petty cash account. We also need to make sure that we identify payments into the card account so that we avoid double-counting expenditure.

### Accounting Software

4. We use a purpose written Excel spreadsheet for maintaining the accounting records. For a number of reasons the Council's finances have become more complex. For example:
- The need to maintain separate records for the Alto card
  - Transferring funds to and from the Playing Fields Trust as a result of the common booking system for the Village Hall complex.
  - The need to meet the future requirement to maintain a record of exactly when suppliers are paid, so that we can demonstrate that we comply with regulations on prompt payment.
  - The need to identify transfers between bank accounts, to avoid double-counting income and expenditure when the audit summary is produced.
  - A future potential need to account for CIL payments.

For this year's audit this required a number of manual adjustments, which are time-consuming and complicate the process of reconciling the accounts. It is recommended the Clerk should explore the possibility of upgrading the software to provide for additional budget coding, and to allow more detailed record-keeping.

### Village Hall Refurbishment

5. We currently maintain two separate reserves for the Village Hall, a Village Hall Improvement Fund, and a Village Hall Depreciation Reserve. The first of these is intended to provide for improvements to the Village Hall on an opportunity basis as funds allow, and the second is intended to build up a reserve to provide for the eventual replacement of the Hall. The recent Village Hall condition survey has provided data which should enable us to foresee

and plan for items of upkeep expenditure. At the same time it is debatable whether there is any foreseeable need to provide for the replacement of the Hall in its entirety. It would therefore seem sensible to re-name the Depreciation Reserve as a Maintenance Fund, and at the same time develop a schedule for future outlay on those items of maintenance which the condition survey has identified.

6. There are no other issues to report.

T J Russell

18 April 2016