

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 Thursday, 5 November 2015. 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.

Utility Bills

3. We have now settled into a routine of paying for gas and electricity for the Village Hall using a variable direct debit quarterly. We now therefore avoid the situation where the utility companies accumulate payments in advance of use. However the downside to this arrangement is that we are less able to predict our expenditure in advance, and the utility bills will reflect seasonal variations in consumption. To help monitor this it would be helpful if the Clerk were able to keep track of the meter readings so that she can spot if the utility companies are basing bill on an estimate which does not reflect actual use. This can be done by making it a routine to note the meter readings when completing the monthly Health and Safety inspections. While the readings themselves are not a Health and Safety item, the record of the inspections should be held by the Clerk as a matter of routine, since she has responsibility for fulfilling the safety policy of the Council, and this will make the meter readings easily available.

Village Hall Business Plan

4. The current business plan for the Village Hall is published on the Council's website, and covers the period 2015 to 2020. It would be good practice to keep the plan live and publish an annual update to review how the assumptions are being fulfilled, as a basis for future planning.

Grant Payments

5. An article in the Local Councils Review during the past year has highlighted the responsibilities of public bodies in being able to show that grant money is properly accounted for. Where a grant of more than £2000 is made using Section 137 of the Local Government Act 1972 (LGA 72) then the Council is required to demand that the recipient provides, as a condition of the grant, an account of how the grant has been used. Although the Council has much more freedom to make grants so long as it remains eligible to exercise the General Power of Competence, nevertheless the principle remains a sound one. "Money received by way of a grant is not to be treated as free money. The agreement between the grantor and grantee should be in writing. It should be assumed that a grantor will normally only pay unsecured money to the grantee on the basis that the grantee will fulfil certain terms and conditions" (LCR Autumn 2014, page 31).

6. Although the Council requires grant applicants to complete an application form, it does not currently set out any Grant Awarding Policy. The use of an agreed policy is widespread among other parish councils. It is for consideration that a formal published policy would help

applicants understand what they might expect and what is expected of them in return, and would add useful clarity to the process.

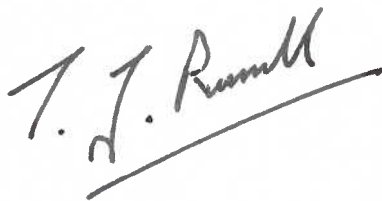
Alto Card

7. During the last year we have introduced a pre-paid credit card for the Clerk's use so that she is no longer obliged to incur expenditure on her personal account. Initial indications are that this new arrangement is working well. The card account is effectively a petty cash account, so we should consider monitoring expenditure and reconciling the card account monthly in the same way that we make a monthly reconciliation of the bank accounts. It is for consideration that we should make a card available for Village Hall expenditure, to avoid having to pass money through personal accounts.

Bank Payments

8. We are making increasing use of the facility to make direct bank payments rather than using cheques, and we can expect this trend to continue. However we need to remember that any bank payment outside the Clerk's delegated powers needs to be authorised by a resolution of the Council. Where cheque payments are made the cheques are not signed until after the resolution has been passed approving payment, and they are signed at the same meeting. Direct bank payments are authorised electronically, and this can be done at any time as soon as the payments are set up for authorisation. We should therefore put in place a system whereby the final authorisation is not given until after the meeting at which the payment is approved. Alternatively, we need a system where the authorisation is made with a date for payment after the meeting, with a mechanism to withdraw the authorisation before the payment date if the payment is not approved.

9. There are no other issues to report.

A handwritten signature in black ink, reading "T. J. Russell", is written over a horizontal line.

T J Russell

20 November 2015