

# Policy & Resources Financial Budget Comparison

Comparison between 01/04/13 and 24/03/14 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/13

	2013/2014	Rev 2013/2014	Actual Net	Balance	
<b>Policy &amp; Resources</b>					
<b>Income</b>					
10	Other	£465.00	£465.00	£1,507.83	£1,042.83
11	Grants	£0.00	£0.00	£0.00	£0.00
13	Village Day	£3,000.00	£3,920.00	£3,920.00	£0.00
14	Sale of Parish Map	£50.00	£50.00	£51.00	£1.00
15	Insurance Contribution	£2,400.00	£2,471.25	£2,471.25	£0.00
16	Quiz Night	£0.00	£0.00	£11,547.00	£11,547.00
17	Caddy Sacks	£100.00	£100.00	£115.00	£15.00
18	Contribution from WMH for Computer	£1,265.00	£1,265.00	£1,265.00	£0.00
19	Bank Interest	£0.00	£0.00	£0.00	£0.00
<b>Total Income</b>		<b>£7,280.00</b>	<b>£8,271.25</b>	<b>£20,877.08</b>	<b>£12,605.83</b>
<b>Expenditure</b>					
100	Salaries	£68,930.00	£77,930.00	£75,090.41	£2,839.59
101	Inc Tax & NI	£28,280.00	£25,280.00	£22,762.95	£2,517.05
102	Superannuation	£25,300.00	£23,300.00	£18,214.99	£5,085.01
103	Travelling Expenses	£2,080.00	£2,080.00	£2,060.82	£19.18
104	Rates	£3,885.00	£4,250.00	£3,825.40	£424.60
105	Services	£3,890.00	£3,890.00	£1,601.57	£2,288.43
106	Telephone	£1,500.00	£1,500.00	£1,347.51	£152.49
107	Audit	£3,000.00	£3,000.00	£2,110.00	£890.00
108	Chairman's Allowance	£425.00	£425.00	£239.05	£185.95
109	Chorleywood Matters	£3,760.00	£3,760.00	£2,647.50	£1,112.50
110	Computer	£3,790.00	£3,970.00	£4,013.00	-£43.00
111	Contribution to Funds	£0.00	£0.00	£0.00	£0.00
112	Grants	£500.00	£500.00	£115.00	£385.00
115	Insurance	£9,636.00	£9,636.00	£9,394.28	£241.72
116	Legal Expenses	£1,250.00	£1,250.00	£5,245.00	-£3,995.00
118	Miscellaneous	£1,000.00	£1,000.00	£943.87	£56.13
119	Office Cleaning	£500.00	£500.00	£204.00	£296.00
120	Office Maintenance	£1,650.00	£1,650.00	£1,636.50	£13.50
121	PCSOs	£28,500.00	£28,500.00	£28,500.00	£0.00
122	Photocopying	£2,300.00	£2,300.00	£2,099.37	£200.63
123	Postage	£1,200.00	£1,200.00	£1,180.52	£19.48
124	Refuse Collection	£0.00	£0.00	£0.00	£0.00
125	Stationery & Off equip	£1,500.00	£1,500.00	£1,125.90	£374.10
126	Subscriptions & Donations	£2,500.00	£2,500.00	£2,130.41	£369.59
127	Training & Conferences	£1,350.00	£1,350.00	£1,311.35	£38.65
128	Village Day	£1,600.00	£2,035.59	£2,035.59	£0.00
129	Website	£1,100.00	£1,100.00	£587.90	£512.10
130	War Memorial Hall Grant	£19,800.00	£19,800.00	£19,800.00	£0.00
131	HR Service Contract	£2,415.00	£3,415.00	£2,711.00	£704.00
132	Christmas Lights	£4,000.00	£3,000.00	£3,736.04	-£736.04
133	Health And Safety	£1,000.00	£1,000.00	£421.73	£578.27
134	Quiz Night	£0.00	£0.00	£11,295.85	-£11,295.85
135	Purchase of Caddy Sacks	£0.00	£100.00	£128.00	-£28.00
136	Hanging Baskets	£0.00	£0.00	£0.00	£0.00
<b>Total Expenditure</b>		<b>£226,641.00</b>	<b>£231,721.59</b>	<b>£228,515.51</b>	<b>£3,206.08</b>

# Parish Council Account

## Quarterly Financial Summary - Cashbook

Summary between 01/10/13 and 31/12/13 inclusive.

Balances at the start of the year

### Ordinary Accounts

Current Account - Parish	£86,862.68
Instant Access - Parish	£280,317.32
Petty Cash Account	£200.00

### Short Term Investment Accounts

Halifax Investment Bond	£0.00
Natwest fixed rate	£70,000.00
Scottish Widows 60 Day Inv Acc	£81,076.97
Total	£518,456.97

Balances at start of period

### Ordinary Accounts

Current Account - Parish	£88,645.29
Instant Access - Parish	£298,274.42
Petty Cash Account	£200.00

### Short Term Investment Accounts

Halifax Investment Bond	£0.00
Natwest fixed rate	£70,000.00
Scottish Widows 60 Day Inv Acc	£81,167.32
Total	£538,287.03

RECEIPTS	Net	Vat	Gross
Council	£6,242.33	£0.00	£6,242.33
Policy & Resources	£13,740.26	£240.02	£13,980.28
Open Spaces	£15,778.35	£1,485.60	£17,263.95
Total Receipts	£35,760.94	£1,725.62	£37,486.56

PAYMENTS	Net	Vat	Gross
Council	£474.77	£0.00	£474.77
Policy & Resources	£55,421.48	£1,594.83	£57,016.31
Open Spaces	£38,395.58	£1,581.33	£39,976.91
Total Payments	£94,291.83	£3,176.16	£97,467.99

Closing

### Ordinary Accounts

Current Account - Parish	£21,894.94
Instant Access - Parish	£303,507.86
Petty Cash Account	£200.00

### Short Term Investment Accounts

Halifax Investment Bond	£0.00
Natwest fixed rate	£71,453.70
Scottish Widows 60 Day Inv Acc	£81,249.10
Total	£478,305.60

**Date: TUESDAY 1<sup>st</sup> APRIL 2014**

**Subject: EFFECTIVENESS OF INTERNAL AUDIT**

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**Committee Member:**

**Officer Contributors:** Clerk

**Status (public or exempt):** Public

**Wards affected:** All

**Enclosures:** None

**Contact for further information:** Clerk

**1. RECOMMENDATIONS**

1.1 Members are asked to review the effectiveness of the internal audit, and if appropriate instruct the Clerk to write to the auditors accordingly.

**2. RELEVANT PREVIOUS DECISIONS**

2.1 None Specific

**3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 None Specific

**4. RISK MANAGEMENT ISSUES**

4.1 This is a legal requirement from the External Auditors and is considered Best Practice.

**5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

5.1 Contained within the report

**6. LEGAL ISSUES**

6.1 The Decision of the Council forms part of the CiPFA Audit Regulations and is a legal requirement.

**7. BACKGROUND INFORMATION**

**7.1 EFFECTIVENESS OF INTERNAL AUDIT**

The Account and Audit Regulations (SI 2006 no. 564) requires that all local councils review the effectiveness of the internal audit on an annual basis.

To ensure that the Parish Council can discharge this responsibility this committee needs to review

1. The Scope of the internal audit
2. Independence

General/Reports/P&R Reports/2013-14/P&R financial risk assessment 1.4.14

3. Competence
4. Relationships
5. Audit planning and reporting.

Members should be aware of the reports that are received from the internal auditors. However the internal auditors should have clear guidelines as to who to contact should they discover incidents of fraud. Depending on the type of fraud discovered it is suggested that the auditors should write, on a confidential basis, to both the Chairman of the Council and the Clerk who is the Responsible Financial Officer, unless there are good reasons that either should be excluded from such communications.

**Date: TUESDAY 1<sup>st</sup> APRIL 2014**

**Subject: FINANCIAL RISK ASSESSMENT**

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**Committee Member:**

**Officer Contributors:** Clerk

**Status (public or exempt):** Public

**Wards affected:** All

**Enclosures:** Appendix 1 Risk Management Spread Sheet

**Contact for further information:** Clerk

**1. RECOMMENDATIONS**

1.1 Members are asked to review the Financial Risk Assessment and make any recommendations

**2. RELEVANT PREVIOUS DECISIONS**

2.1 None Specific

**3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 None Specific

**4. RISK MANAGEMENT ISSUES**

4.1 This is a legal requirement from the External Auditors and is considered Best Practice.

**5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

5.1 Contained within the report

**6. LEGAL ISSUES**

6.1 The Decision of the Council forms part of the CiPFA Audit Regulations and is a legal requirement.

**7. BACKGROUND INFORMATION**

**7.1 FINANCIAL RISK ASSESSMENT**

Members will be aware that a financial risk assessment is required annually to ensure that the correct procedures are in place to cover every aspect of the business, its finances and continuation of service. Attached in appendix 1 of this report is the Financial Risk Assessment. This is not exhaustive and Members are asked to consider if there should be any additions.

**CHORLEYWOOD PARISH COUNCIL  
Risk Assessment**

Activity: Business & Financial Assessment			Assessment Date: 24/03/14	Review Date: 24/03/15	
Hazard	Risk arising from hazard	Who is at risk	Existing Controls	Further action required to reduce risk to an acceptable level	Target date & by whom
Loss of physical assets owned by Parish Council.	Business continuity	Staff, customers and residents.	Asset registers, serial and identification number tracking of key assets. Insurance cover in place.	Full photographic asset register compiled.	31.12.14 Councillors and Staff
Damage to third party property, injury to individuals from council provided amenities or services.	Damage, loss, injury to staff or public.	Staff, customers and residents.	Risk assessment of service delivery and amenities. Regular inspection and maintenance of physical assets and amenities. Timely remedial action taken when problems discovered, or asset is taken out of use until actions can be taken. Insurance cover in place.	Ongoing Risk Assessment update and review. All Risk rolling programme to review and update during 2014/15.	31.12.2014– Staff
Inadequate insurance cover.	Unrecoverable losses.	Parish Council	Insurance cover reviewed by P&R committee, on advice from officers. Update of insurance cover done annually	Review of cover to take place Summer 2014 Renewal on 1 <sup>st</sup> August 2014	30/06/2014 - Staff

**CHORLEYWOOD PARISH COUNCIL  
Risk Assessment**

Hazard	Risk arising from hazard	Who is at risk	Existing Controls	Further action required to reduce risk to an acceptable level	Target date & by whom
Loss through theft or dishonesty.	Financial	Parish Council	Fidelity insurance in place. Regular reconciliations of cash and bank a/cs. Independent internal auditor, with access to all staff, systems and members.	Annual update of fidelity insurance to take into account increase in precept.	Internal Auditor to Discuss a Fraud and Corruption Policy Report to summer meeting
Robustness of audit processes	Financial	Parish Council	Independent qualified auditors appointed, with experience of LG sector.	Review "Effectiveness of Internal Audit" in line with the Accounts & Audit Regulations 2006.	March 2014 Annually Staff and P&R Committee
Professional services	Poorly informed decision making if incorrect or misleading advice is received.	Parish Council	Long term relationship with solicitors. Other professional services covered by Peninsula for HR and H&S services engaged. Following advice from LG contacts, such as TRDC.	Currently reviewing service contract.	April 2014 Full Council Decision
Procurement	Excess or inappropriate expenditure, waste council resources.	Parish Council	Standing orders and financial regulations deal with the award of contracts for services and the purchase of equipment.	New Council to re-assess standing orders to take into account new model from NALC	Autumn 2014
Financial record keeping.	Poorly informed decision making if incorrect, out of date or misleading financial information is used. Exposure to penalties from statutory bodies like HMR&C.	Parish Council	RFO with considerable commercial and business experience. Purchasing and payment procedures adhered to. Policy and Resources Committee providing oversight. Internal auditors		

**CHORLEYWOOD PARISH COUNCIL  
Risk Assessment**

<b>Hazard</b>	<b>Risk arising from hazard</b>	<b>Who is at risk</b>	<b>Existing Controls</b>	<b>Further action required to reduce risk to an acceptable level</b>	<b>Target date &amp; by whom</b>
Ensuring all requirements are met under HMR&C notices and regulations.	Penalties from HMR&C	Parish Council	Timely submission of all returns. Appropriate training for Finance Officer.	Update training as required.	
Ensuring all activities are within legal powers for the council.	Qualified audit return. Standards Board review.	Parish Council	Good knowledge of regulations and powers. Defined process for grant funds application, delegated to P&R committee, within budget but with additional funds from Full Council upon approval	Clerk/RFO attends SLCC & HAPTC training to ensure currency on legislative changes. Other external training as appropriate.	
Ensuring that all requirements are met under employment law and regulations.	Claims from staff, industrial tribunal action.	Parish Council and Staff	All staff issued with up to date contracts of employment, Updated Staff Handbook issued October 2010.	Council has engaged a HR consultancy company to work with Clerk to update all contracts of employment and HR policies and procedures.	Currently assessing HR Provision Full Council April 2014



**CHORLEYWOOD PARISH COUNCIL  
Risk Assessment**

Hazard	Risk arising from hazard	Who is at risk	Existing Controls	Further action required to reduce risk to an acceptable level	Target date & by whom
Communications	Business continuity	Parish Council staff, customers and residents.	BT Telephone system Answer machine. PAYG handsets provided to grounds staff when lone working.	Telephone system over 10 years old. Two land lines are connected to the office	Decision to be taken by new council – moving of the Council chamber to the War Memorial Hall. New system to be investigated Autumn 2014
Pandemic	Business Continuity	Parish Council staff, customers and residents.	If operations were affected by a pandemic officers would have to decide priorities on a day to day basis, based on resources available.  Liaison would take place with District and County services to ensure optimum use of available resources.  Good advice and guidance available from organisations such as LGE already available.  LGE: Swine Flu – HR implications document contains key HR advice, guidance & FAQs.		

**Date: TUESDAY 1<sup>st</sup> APRIL 2014**

**Subject: REPEAL OF s.150(5) OF THE LGA 1972 – IMPLEMENTATION (ENGLAND)**

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## *Financial Briefing*

F04E-14  
12 March, 2014

### **Repeal of s.150 (5) of the Local Government Act 1972 - Implementation (England)**

#### **Introduction**

Please note that the LRO has today been formally made by the Minister and will therefore come into force tomorrow.

#### **Implementation**

Councils are reminded that:

1. Appendix 11 of *Governance and Accountability for Local Councils in - A Practitioners' Guide (England)* is now published on NALC's website (see [http://www.nalc.gov.uk/Latest\\_News/Governance\\_and\\_Accountability\\_2010.aspx](http://www.nalc.gov.uk/Latest_News/Governance_and_Accountability_2010.aspx)). This sets out proper practice guidance on making payments.
2. Every council that wishes to take advantage of it must formally put in place effective systems and arrangements compliant with the proper practices before it seeks to abandon the two signature rule. This effectively means adopting new Financial Regulations, and internal procedures compliant with the guidance.
3. Attention is drawn, particularly, to Paragraph 1 of the Overview in Appendix 11, to the effect that *"it is a general principal that more than one person should be involved in any payment, whether that is before, at or after the point at which payment is (actually) made"*.
4. The guidance states, particularly, that the two signature rule must not be abandoned until a council has put in place safe and efficient arrangements in accordance with the guidance. It is essential that councils *"maintain robust controls on payments as an integrated part of their overall financial control system"*. For larger councils this is likely to be relatively straightforward. For smaller councils this may be more difficult. It may well be that an essential element of the control systems in place is the retention of the two signature rule. The important difference is that this will be as a result of a council's own control decisions (e.g. its financial regulations and procedures in relation to the revision of its bank mandates) rather than because, under s.150(5) of the Local Government Act, 1972 it was a statutory requirement.
5. On behalf of NALC, I have drafted new model Financial Regulations which, together with the council's Standing Orders, contain the procedures appropriate to comply with the requirements of Appendix 11. Model Financial Regulations to which councils wanting to refer when amending their own financial regulations to enable them legally to make electronic payments (should they wish to), can be downloaded at [http://www.nalc.gov.uk/Members\\_Site/Legal/Council\\_business\\_law\\_and\\_procedure.aspx](http://www.nalc.gov.uk/Members_Site/Legal/Council_business_law_and_procedure.aspx) (in the Members' Area of the NALC web-site).

**This briefing was issued by Derek Kemp, NALC's Audit and Accounts Advisor**

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National Association of Local Councils


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**Date: TUESDAY 1<sup>st</sup> APRIL 2014**

**Subject: REPEAL OF s.150(5) OF THE LGA 1972 – IMPLEMENTAION (ENGLAND)**

3/13/2014

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## Latest News

### At Last! Section 150(5) (Cheque signing) Repealed

Published 12th March 2014

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect today. See our News Item of 26th February for full details and how to proceed.

The repeals made by the order will remove a significant barrier to parish and community councils adopting modern methods of payment. In announcing the change, Local Government Minister, Brandon Lewis, said "I would like to emphasise the importance the Government attaches to sound systems of internal control in parish councils. One of the aims of this reform is to strengthen the framework of controls. I greatly appreciate the work that NALC, working with the Society of Local Council Clerks and the Audit Commission, has put into developing the new guidance on payments recently added to the Practitioners' Guide.


"Compliance with this guidance will be key to the successful adoption of modern payments methods. It is important that all parish councils, even those retaining the two signature rule, review their payments processes in the light of this guidance, and identify and implement any improvements needed. This review should extend to their systems for financial control and risk management as a whole, so that all aspects of the systems for generating, authorising, making and reviewing payments work together to provide robust control. This will give assurance that the councils are complying with their duty under the Accounts and Audit (England) Regulations 2011 to maintain a sound system of internal control including measures to enable the prevention and detection of fraud and error.

"Experience has established that the two signature rule on its own is not sufficient to protect parish council funds. Nevertheless the new guidance includes the important principle that more than one person should be involved in any payment, whether that is before, at or after the point at which payment is made. This will continue to be a vital component of a sound system of financial controls.

"The new freedom given by the order will bring savings to the councils and those who have financial dealings with them; and, with the help of the new guidance, I am confident the councils will also maintain or improve the security of their financial procedures."

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