

Staveley & Copgrove Parish Council

Report to: Finance Sub Committee
Report ID: FSC2
Date: 26th June 2019
Subject: Financial Information Presentation
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1. Introduction

- 1.1. This report proposes changes to the format of the financial information presented by the Clerk to the:
 - 1.1.1. Council at its meetings,
 - 1.1.2. Format of income and expenditure recording,
 - 1.1.3. Preparation of year end accounts for internal audit and annual return.

2. Current Situation

- 2.1. The PC receives a verbal update on invoices and credits since the last meeting at its meetings. There is no written record of the update or recorded approval.
- 2.2. An income list and an expenditure list is maintained per financial year, recording each transaction against a range of categories. These lists are stored in the PC's shared file store and are available to all Members to read and write to. The lists are also displayed on the PC website via live links.
- 2.3. The income and expenditure lists are not linked to give a current balance at any time and transactions are not reconciled to bank statements until the year end. There is no comparison to the budget to highlight any potential under or over spend. There is no link between payments made and invoices received.
- 2.4. The year end comprises a bank reconciliation, preparation of account information for the internal audit and preparation of financial totals for the Annual Return document. This process currently takes the Clerk

several hours.

- 2.5. All financial documents, including invoices, are now stored in digital format in the Council's shared file store.

3. Proposal Concept

- 3.1. Financial data should only be recorded once in a single place. Only a budget list and a transactions list would be required for each financial year.
- 3.2. All presentations of financial information should use direct links to the above lists and not be replicated.
- 3.3. All aggregations of data should be made according to grouping specified in the above lists.

4. Financial Statement Proposal

- 4.1. The verbal update at meetings is replaced by a printed financial statement which can be viewed by Members and the public, as per Financial Regulation 5.2. The statement would comprise:
 - 4.1.1. A current reconciliation of the income and expenditure to date with the bank account as per Financial Regulation 2.2.
 - 4.1.2. A schedule of payments made since the last meeting of the Full Council. This would be a filtered view of the transactions list.
 - 4.1.3. A schedule of payments due before the next Full Council meeting. This would be used for online payment authorisation. This would be manually created from the previous year payment schedule and any known new items.
 - 4.1.4. A schedule of receipts since the last meeting of the Full Council. This would be a filtered view of the transactions list.
 - 4.1.5. A schedule of receipts expected before the next Full Council meeting. This would be manually created from the previous year receipts schedule.

4.1.6. A budget statement showing the year to date value against each budget category with total over/under spend/receipt. This would be an aggregation of the transactions list against a view of the budget list.

4.2. The financial statement would be signed by the meeting Chair.

5. Income & Expenditure Recording Proposal

5.1. The existing separate income, expenditure and budget documents are replaced by a single document of linked sheets, comprising:

5.1.1. A categorised transactions list, corresponding with budget categories, of both income and expenditure,

5.1.2. A categorised budget list, showing the current and next year,

5.1.3. The bank reconciliation, using manual entry figures from the bank statement and aggregations from the transactions,

5.1.4. The VAT reclaim, a view of the transactions filtered by those subject to VAT,

5.1.5. The summary, showing income and expenditure aggregations against the current budget and the aggregated boxes for the Annual Return completion.

5.1.6. Other views of the transactions could be created as required, such as a Payee summary or payment method summary.

5.2. All transactions would be given a unique identifier. All invoices would have the identifier at the start of their document title. This will enable easy reconciliation, particularly for the internal auditor.

6. Year End Accounts Proposal

6.1. The preparation of year end accounts would be much simpler and quicker as all the required values would be derived from the transactions, which are ongoing throughout the year.

7. Recommendations

- 7.1. Members are asked to approve the proposals for the changes to financial information presentation.