Kingston Parish Council

Financial Schedule

Foreword

1. In accordance with Section 6 of the Local Audit and Accountability Act 2014, Kingston Parish Council is a 'smaller authority', meaning that its gross income and expenditure does not exceed £6.5 million. It is also referred to as a Category 2 authority (Accounts and Audit Regulations 2015).
2. In common with all authorities, Kingston Parish Council has an appointed Responsible Finance Officer (RFO) who is responsible for:-
   - determining on behalf of the Council, the form of its accounting records and supporting records, and its financial control system
   - ensuring that financial control systems are observed and that accounting records of the Council are kept up to date.
3. Kingston Parish Council is a small, rural parish with a population of 472. Its main source of income is the annual precept and occasional grants from Kent County Council, Canterbury City Council and other bodies; it has no capacity to raise additional income. Financially it operates with one current account (no savings accounts) and no petty cash on a receipts and payments basis. The Clerk / RFO works part-time for 16 hours per calendar month.

Annual Governance Statement Assertions	Key Functions supporting statements	Relevant practice	Links to Section 2	Timing* See footnote
1. We approved the accounting statements **prepared in accordance with the requirements of the Accounts and Audit Regulations 2015 and proper practices.**	a) Budgeting	Annual budgeting one of key statutory tasks; purposes - i. Leads to setting precept ii. Gives RFO overall authority to make spending commitments iii. Basis for monitoring progress during the year Budget-setting process:- Decide detail, review current year, determine costs of plans, assess levels of income, match spending and income, contingencies →approval	✓ line 2 ✓ line 1 ✓ line 7	October prior to next financial year. Precept deadline Nov/Dec.
	b) Accounting records and supporting documents	<u>Records</u>: primary records in cash book on receipts and payment basis; also record of assets and liabilities (+grants). Regularly verified against bank statements →total payments <u>Controls:</u> accurate and prompt recording of transactions, measures for management of risk	✓ line 3 ✓ line 6	Asap April
	c) Bank reconciliation	Up to date cash book essential. End of year reconciliation particularly important	✓ line 8	31 March

	d) Investments	N/A	NIL line 10	
2. We maintained an adequate system of **internal control**, including measures designed to prevent and detect fraud and corruption and reviewed it's effectiveness.	a) Standing Orders and Financial Regulations	General rules applicable at meetings and for Council business. Includes provision for securing competition and tenders (3 estimates), official orders, receipt of invoices, handling VAT		Review when needed.
	b) Safe / efficient arrangements safeguarding public money	Accounts for payments by cheque (2 signatories) Receipts (cheques) →cash book, banked promptly. No petty cash No Debts Bank mandates for cheques. RFO training as appropriate		Monthly Asap Monthly
	c) Employment	P/t Clerk /RFO – 16 hrs per calendar month, published monthly	✓ line 4	Monthly
	d) Fixed assets and equipment	Asset register reduces risk of financial loss, facilitates physical control, supports existence and valuation and costs for insurance Key information:- acquisition, cost, life estimate, location, responsibility. (See separate document)	✓ Total value – line 9	Review annually
	e) Loans and long-term liabilities	N/A	NIL line 5	
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential **non-compliance with laws, regulations, and codes of practice** that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	a) Acting within its powers	Operating within legal framework providing necessary statutory powers and authority.		Council briefing as appropriate
	b) Regulations and proper practices	Subject to range of regulations which change more frequently than primary legislation Accounts and Audit Regulation 2015. Also Transparency Code for smaller authorities December 2014		
	c) Actions during the year	Scrutiny of actions taken during the year		
4. We provided proper opportunity during the year for the exercise of **electors' rights** in accordance with the requirements of the Accounts and Audit Regulations.	a) Exercise of public rights	Electors rights to inspect accounts within 30 working days RFO responsible for fixing commencement date, must include first 10 working days in July. Must publish Sections 1 and 2 of Annual Return + statement of electors' rights. (Noticeboard / website)		Specified 30 working days June/July
	b) Limited assurance review by external auditor	Must publish no later than 30 September Sections 1, 2, 3, of Annual Return + statement (Noticeboard / website)		Deadline 30 September

5. We carried out an a**ssessment of the risks** facing the council and **took appropriate steps to manage those risks**, including the introduction of internal controls and /or **external insurance cover** where required	a) Identifying risk	Eg. financial (loss), security (fraud, theft), damage to property, legal (law-breaking or being sued), failure /misuse of IT systems, actions which could harm council's reputation		October (with budget)
	b) Assessing risk	Potential consequences (impact), how likely (likelihood)		
	c) Addressing risk	Via internal control, - tolerate, treat, transfer, terminate		
	d) Reviewing and reporting	Record in Asset and Risk Register (See separate document)		Annual Jan/Feb
6. We maintained throughout the year an adequate and effective system of **internal audit** of the council accounting and audit systems	a) Key systems and processes for internal audit	Possible key systems and processes for internal audit :- Book-keeping (cash book), Standing Orders and Financial Regulations, payment controls, income controls, budgetary controls, , payroll controls, asset control, bank reconciliations, year-end procedures, risk management arrangements.		Review annually
7. We took appropriate action on all matters raised in **reports from internal and external auditors.**	a) Reports from auditors	Internal and external		September if required
8. We considered whether any litigation, liabilities or commitments, events or transactions, **occurring either during or after the year-end**, have a financial impact on the council and, where appropriate have included them in the accounting statements.	a) Significant events	For receipts and payment basis, make sure events have been included in the accounting statement where appropriate.		April / May

Notes re timing:-

Asap - RFO enters item in cash-book as soon as possible
Monthly – full Council scrutinises receipts, payments, and bank balance
April eg – item on Council agenda that month
Annually – once a year