

LAPFORD PARISH COUNCIL

FINAL ACCOUNTS 2020/2021

RECEIPTS AND PAYMENTS ACCOUNT

2019/2020			2020/2021
Actual			Outturn
£			£
RECEIPTS			
19,373	Precept		19,713
75,209	Other Receipts		4,973
-	VAT Receipts		-
94,582	TOTAL RECEIPTS		24,686
PAYMENTS			
621	Administration		3,328
5,595	Staffing		-
94	Councillors		-
384	Subscriptions		275
-	Car Park		-
2,245	Orchard Centre		1,425
-	Telephone Kiosk		-
-	Defibrillator		-
-	Community Website		-
1,508	Maintenance - General		486
-	Public Rights of Way		-
-	Emergency Planning		-
1,126	Grants Made		1,459
-	COVID Emergency		2,807
310	Section 137		105
-	Lower Town Place		71,027
1,940	Loan Repayments		4,499
453	VAT Expenditure		6,460
14,277	TOTAL PAYMENTS		91,871
20,138	General Reserve	b/f	25,469
94,582		Receipts	24,686
(14,277)		Payments	(91,871)
(74,974)		Transfers	71,027
25,469		c/f	29,312

LAPFORD PARISH COUNCIL

FINAL ACCOUNTS 2020/2021

RECEIPTS AND PAYMENTS ACCOUNT

2019/2020		2020/2021
Actual		Outturn
£		£
RESERVES		
25,469	General Reserve	29,312
Earmarked Reserves		
200	Car Park Refurbishment	200
200	Church Clock Overhaul	200
1,305	Calor Gas Rural	1,305
1,277	Transparency Code	1,277
150	PROW	150
4,744	PWLB	4,744
74,974	Lower Town Place	3,946
108,319		41,134

		£	£
Bank Balances			
	NatWest	20,137.28	
	NS&I	20,798.89	
	Petty Cash	198.45	
			41,134.62
Uncleared Payments			
			-
TOTAL BALANCES			41,134.62
Balance at 1/4/2019	Current Account	12,348.06	
	NS&I	95,772.64	
	Petty Cash	198.45	
			108,319.15
Plus Receipts		24,686.45	
Less Payments		(91,870.98)	
			(67,184.53)
TOTAL BALANCES			41,134.62
Reconciliation			-

LAPFORD PARISH COUNCIL
Lower Town Place
Capital Expenditure 2020/2021

Contractor	Spend excluding VAT £
Andrew Nethacott	11,300.00
Josh Noon	600.00
Josh Noon	147.00
Josh Noon	412.50
Josh Noon	412.50
Martin Bragg	1,957.00
Martin Bragg	12,643.00
Devon Turf	6,605.40
HOLD	35,000.00
Josh Williams	375.00
Derek Pleace	575.00
Martin Bragg	1,000.00
Total Spend	71,027.40

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

EN Lapford Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.		✓	during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.		✓	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
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 this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each ‘No’ response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

<https://lapfordvillage.co.uk/#Lapford%20Parish%20Council%20News>

Section 2 – Accounting Statements 2020/21 for

EN Lapford Parish Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	28,014	108,319	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	19,373	19,713	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	75,209	4,973	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	5,562	0	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	1,940	4,499	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	6,775	87,372	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	108,319	41,134	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	108,319	41,134	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	32,438	32,438	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	73,750	70,278	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

R J M J K SIGNATURE REQUIRED

Date

01/05/21

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

LAPFORD PARISH COUNCIL

Financial Procedure Review

Report by the Locum Clerk

1. The 2020/2021 Final Accounts and supporting documentation are currently with Mel Bickell, the Internal Auditor. Without pre-empting what she will say about the way that payments are made and accounted for by the Parish Council, it is evident to me that things need to change.
2. The current situation is that, having effectively been without a Clerk for the best part of two years, pragmatism has taken over from correctness in the way that payments have been made. The introduction of online banking for the parish council has enabled the financial side of the business to function, but at the cost of a complete lack of internal control procedures.
3. My aim is to introduce a watertight system for payments that will enable the parish council to operate in a modern way, whilst still offering the assurance of financial probity necessary for public money.
4. Faced with the same matter in my role as Clerk to Clyst Honiton Parish Council, I introduced a procedure for making online payments that achieves all of the required controls whilst maintaining the traditional role of councillors in the control mechanism. The old rules requiring two signatures on a cheque, now not necessary as the laws have been repealed, are no longer appropriate as cheques are fast becoming a thing of the past.
5. In short, the Chairman for the purposes of this activity is just another councillor and has no special place in the making of payments. All payments should be enacted by the Responsible Financial Officer/Clerk takes full responsibility for ensuring that appropriate payments are made with the councillors' role being that of asking questions and managing the RFO/Clerk's activities.
6. I have copied below an extract of the new Financial Regulations on this matter adopted by CHPC, which outlines clearly how the making of payments should operate in an online situation. This is as follows:

BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- a) *The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated. They shall be regularly reviewed by Council for safety and efficiency, in line with the Business Risk Assessment Policy.*
- b) *Methods of Payment from the Council's bank account include:*
 - a) *Cheques*
 - b) *On-line batch payments*
 - c) *Debit Card*
 - d) *Direct Debits*
 - e) *Standing Orders*

- c) Payment by **cheque** requires two signatories for each cheque, as laid down in the bank mandate.
- d) **On-line batch** payments are enacted by the RFO using the Lloyds Bank system. Verification should be made for each payment by two designated signatories, who might be those
- e) authorised on the bank mandate, but could be other councillors agreed by Council. This verification could either be on-line or a paper system.
- f) **Debit-card** payments are specifically for matters that can only be ordered on-line or purchased as an emergency. The Clerk/RFO is the holder of the card and has responsibility for following the financial regulations for purchases of this nature.
- g) **Direct Debits** are set up for ongoing expenditure that are set once a contract is entered into, such as the mobile phone contract. These will be reported to Council at least once a year, in order to verify their continuation.
- h) **Standing Orders** are set up where there are occasional payments to be made which should not be forgotten. These will be reported to Council at least once a year, in order to verify their continuation.

AUTHORISATION OF PAYMENTS

- i) The RFO shall prepare a schedule of payments requiring verification, forming part of the Agenda for each Council Meeting together with the relevant invoices. Council shall verify payment by a formal Resolution. The schedule, by the nature of such things, will include payments already made and those still to be made.
- j) All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services has been supplied in line with the order.
- k) The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, in accordance with the terms and conditions of the contract. The RFO shall arrange for verification of the payments at the next available council meeting.
- l) The Clerk and RFO shall have delegated authority to authorise the payment of items in the following circumstances:
 - a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council;
 - b) An expenditure item authorised under 9.5 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council or finance committee; or
 - c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council or finance committee.

- m) For each council year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council, may authorise payment for the year provided that the requirements of regulation 5.3 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.
- n) Any Revenue or Capital Grant shall, before payment, be subject to ratification by resolution of the council.
- o) Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- p) The council will make safe and efficient arrangements for the making of its payments.
- q) All payments shall be by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.
- r) To indicate agreement of the details shown on a cheque with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- s) Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be securely retained.
- t) No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council.
- u) The council, and any members using computers for the council's business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- v) Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The payment authorisation requirements approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. This process will state clearly the values of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- w) Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by two of the Clerk/RFO and a councillor.
- x) Except for the duration of events such as the village fete, the council will not maintain any form of cash float. All cash received must be banked intact.
- y) Where cash is drawn as a float for an event, the expenditure incurred will be fully accounted for by documentation and the net balance, including cash income, will be banked intact.

7. All types of payments have a batch document prepared, and these are compared by councillors with the attached originating documents/invoices and verified at parish council meetings, with some payments still to be made and others already paid and verified in retrospect.
8. All are contained within the schedules of payments published as part of the minutes each time. This means that there is more focus on the payments than there is with cheque-signing, rather than less.
9. I have used this methodology for online payments for many years now and it has been used as an example by auditors for other councils. It works very well.
10. There is an alternative arrangement offered by a limited number of banks, Lloyds included whereby payment can only be made by two councillors verifying them online, which also works, but is not offered by NatWest, Lapford PC's bank.
11. Councillors are requested to consider the introduction of this methodology, forthwith.

Rob Martin

18 May 2021