

## **Review of the Financial System used by Freeland Parish Council**

This review was carried out by Roger Faulkner and Peter Foster, in consultation with the Clerk, Fay Friend, on 23 January 2023. Various aspects of the financial systems used by the Parish Council were examined with particular reference to the following:

***(1) Sources of funding and how they are received and banked***

Nearly all income is paid into the bank via internet banking using BACS. Income is principally in the form of the precept (paid in two instalments) but also includes VAT re-imburements, s106 payments and occasional donations. The receipt of funds by the bank is checked by the Clerk in the following bank statement when received. The Parish Council has only one bank account with Unity Bank.

***(2) Payment of invoices***

Payment of invoices is done by BACS, and are authorised online by two of the four Councillors registered with Unity Bank.- Roger Faulkner, Mary-Ann Canning, Peter Foster and Bill Phillips.

***(3) Cash handling***

Donations may occasionally be received in the form of cash and paid direct into the bank and there is no petty cash box. For large donations, where possible all cash received is counted in the presence of the donor to avoid mistakes.

As the bank makes a charge for dealing with any cash transactions, donors will be encouraged to use online banking to transfer any money to the Parish Council wherever possible.

***(4) Payment to employees***

There is only one employee – the Clerk - whose monthly payment is approved at Council meetings, authorized online (along with other approved payments) by two members of the Council and paid online. The pension is with NEST.

***(5) Production of invoices***

The Parish Council only rarely needs to produce and send out any invoices. However, a template for invoices on Scribe can be used when appropriate.

***(6) Internal audit systems***

The Clerk produces regular reports to the Parish Council of all income and expenditure under detailed specific headings and these are reviewed by members of the Council. Additionally, at each Council meeting, a Councillor checks that the funds reported by the Clerk as held in the bank account are in accord with the funds shown in the monthly bank statements.



The Internal Auditor (Mr Brian Wildblood) carries out an internal audit approximately every three months.

**(7) *Backup computer systems***

The Clerk's computer uses an automatic external "Cloud" based system for backing up documents (Microsoft OneDrive) to reduce the risks of data loss.

**(8) *Scribe finance software system***

Since 2014, the Clerk has used "Scribe" software (designed specifically for Parish Councils) to handle the finance. The password for the system are known by 2 councillors (Roger Faulkner and Peter Foster) in case the Clerk for any reason becomes incapacitated.

The council is currently exploring alternative ways of presenting the monthly financial statements.

**(9) *Overall Comments***

From our review, subject to the previous paragraph, we find that the system of control of the Parish Council finances is appropriate, highly satisfactory and efficient, and are being carried out in a proper, transparent and rigorous manner.

Roger Faulkner  
Peter Foster

23 January 2023