



Newtown Parish Council Clerks' Key Financial Duties & Procedures
Formally adopted on 7 July 2016
Updated 25 March 2024

1. Receipts

Most receipts are paid to the Parish Council's bank account directly, for example the precept (two instalments April and September) and grants. Details of such receipts should be entered on the receipts and payments spreadsheet when notification is received from the paying body. Any other receipts, cheques and cash should be banked as soon as possible and the details entered on the spreadsheet.

2. Payments

a) Payment of invoices

Check invoice is arithmetically correct and is in accordance with any goods received or quotations obtained. The invoice should be stored in the file with other unpaid invoices until the next parish council meeting then proceed as follows:-

Prepare cheque for meeting or add payment to BACS payment schedule



Get payment approved at meeting (or via email if required prior to next meeting).



2 signatories to sign cheque, and
initial invoice and cheque stub or sign BACS payment schedule
Record payment approval and details
including cheque number / BACS reference in minutes.



File signed and dated invoice with other
invoices for current financial year.



Post cheque to supplier or make BACS payment online

If a payment is routine but urgent then proceed as above but without approval. The payment should be ratified at the next meeting and the details recorded in the minutes.

b) Payment of Councillors/Clerks expenses

Expenses should be listed on expenses claim form with receipts attached. Check receipts are listed correctly and identify any VAT element. Check list is arithmetically correct. Prepare cheque / BACS payment and proceed as in 2a above. Claim form should be filed with invoices for the current year.

c) Payment of Clerk's salary

- i) Calculate the monthly salary based on the clerk's contract and any subsequent salary reviews. Multiply this figure by three as the clerk's salary is paid quarterly at the end of March, June, September and December.
- ii) Using the Inland Revenue program "basic PAYE Tools" enter quarterly pay details, note that for national insurance purposes you should use the monthly pay figure. The program will calculate deductions. You need to make a report of "no payment" for the eight months of the year where no payment is made.
- iii) Print details of Employee payment sheet, this shows clerk's net pay and the amount of tax deducted to go to HMRC.
(At present the clerk's remuneration is nowhere near the level where national insurance payments are due. Should this change in the future it will be necessary to click on "calculate amount due to HMRC" and then print off this sheet. This shows the amount of tax and employees and employers NIC due)
- v) Prepare cheques / BACS payment for the clerk and proceed as in 2a above. The "Employee payment" sheet should be initialled by the cheque signatories and filed with invoices for the current year.

3. Bank Reconciliations

On receipt of each bank statement a comparison should be made with the receipts and payments spreadsheet and any differences reconciled.

4. Prepare current financial statement for each meeting.

This should include bank reconciliations and should be approved and minuted. The chairman or other councillor should compare the bank balance on the to the actual bank statement and initial both.

5. Prepare budget for the following year.

This is to be considered at the November and/or January meeting. Based on this, the Parish Council will decide the precept for the coming financial year.

6. Annual Financial Statement

Final accounts should be prepared as soon as possible following the end of the financial year.

7. VAT

VAT126 should be completed following the end of the financial year. This can be done online.

8. Audit

- i) Complete the accounts, supporting statements and Annual Return. These must be approved by the council.
- ii) Send Annual Return and all requested documentation to internal auditors.
- iii) Advertise appointment dates for the exercise of electors' rights to inspect the accounts and records.
- iv) Send Annual Return to external auditors.
- v) Display the Annual Return on the notice board.
- vi) The Accounts, supporting papers and Annual Return should be published on the council's website
- vii) Address any issues arising from the internal and external audits.

Note: There are strict time limits for much of this.