

REVIEW OF FINANCIAL CONTROLS 2024

Each year we have to make a return to the Charity Commission of our income and expenditure, but the form which the PCC Secretary completes asks whether we have reviewed our financial controls during the reporting year. The Independent Examiner's checklist also requires a confirmation that we have done this recently. This note sets out our procedures and invites the PCC to consider the adequacy of our arrangements.

General principles

- The PCC is ultimately responsible for raising and spending money and the Treasurer implements its decisions.
- The Treasurer works to a job description which was approved by the PCC on 6th September 2016 (copies are available).
- The Treasurer monitors income and expenditure against budget headings agreed by the PCC.
- The Treasurer makes regular reports to the PCC on income and expenditure in the year to date, highlighting any unusual items.

Church collections

- Counting the weekly collection is the responsibility of the two Stewards (Sides-people) who together count the collection, and record the total on a collection sheet. Two people must be present throughout when money is counted. The duties of the Stewards are set out in a document which was prepared by the PCC Secretary on 27th November 2016 (copies are available).
- The Treasurer checks the collection sheet, reconciles it with cash and cheques received from the Stewards, collects any other receipts in the Church safe or passed to him by the Vicar or others handling cash (see below under Minor Activities).
- At the end of each calendar month the Treasurer completes the paying in book and visits the bank. This monthly in-payment has been established since the closure of the local bank branch which now necessitates a visit to the town centre.
- The Treasurer receives records the monies (cheques and cash) each week in the main accounting spread-sheet and also in the Gift-Aid claims spreadsheet.

Monthly collections

- At the end of each calendar month the bank sends a statement of account. This is reviewed and those who make their payments by standing order have their payments records in the Gift-Aid claims spreadsheet. A single total of all those is entered into the main accounting spread-sheet.
- In the middle of each month a report is down-loaded from the web-site of the Parish Giving Scheme (PGS). This scheme is run centrally by the Church-of-England, and collects offertories by direct debit, and then claims from HMRC (His Majesty's Revenue and Customs) gift-aid where the giver has completed a gift-aid declaration. The report shows the givers, the totals of money given, and the Gift-Aid received. This report is used to update the main accounts.
- At the end of each month a report is down-loaded from the organisation that provides credit and debit-card machines for charities. The church has obtained a "CollectIn" device and set up number of "campaigns" of which the two most used are 'Offertory'

and ‘Tea and Coffee.’ This report is worked to give a total for each campaign which is then entered into the main accounts.

Gift-Aid claims

- Some of the monies raised by cash collections at services, by standing orders, and given via credit-card machine can result in a claim for Gift-Aid or the Gift-Aid Small Donations Scheme (GASDS). Twice a year the treasurer compiles a list of donors and the amount they have given, and also a total of monies received under GASDS. This is sent in a report to HMRC who may check the details, and then make a payment to the Parish.

Fund raising events

- At Church fund raising events the Treasurer supplies a float to each stall holder with a cash monitoring sheet which they are required to complete at the end of the event.
- Banking of the proceeds of fund-raising events, which usually contain a large amount (and weight) of small change, is normally undertaken by the Treasurer, or someone delegated by him.

Hire of Church Hall

- The Church Hall Manager is responsible for renting the Hall to “Regular” and “One-off” users at rates determined by the PCC.
- Invoices are issued by the Church Hall Treasurer for Regular Users and by the Church Hall Manager for One-off Users; payments are received by bank transfer, cheque or cash.
- The Church Hall Manager is responsible for collecting cash and cheques paid by the One-off Users, completing the paying in book and passing these to the Church Hall Treasurer for banking.
- The Church Hall Treasurer is responsible for monitoring income and expenditure on the Church Hall account and providing the information to the Church Treasurer, who includes it in their report to the PCC.

Minor activities

- A number of activities raise funds and involve some expenditure. These include the Parish Centre Café, the Fish and Chip Supper and Children’s Church. In each case the general principle, in accordance with good accounting practice, is for the money collected to be passed to the Treasurer for banking, with payments for supplies being separately reimbursed on presentation of receipts.

Restricted and Designated Funds

- Some income is “Restricted” and can only be used for a specific purpose. This includes the proceeds of the Household and Handyman Sale, the Summer Garden Party (if agreed by the PCC), the Christmas Fair and the Christmas period collections which have to be directed to the charities agreed by the PCC. Statutory Funeral and Wedding fees, which have to be remitted to the Diocese, and collections made for specific charities, are also Restricted. The Treasurer is responsible for ensuring these payments are made and notified to the PCC through the regular reports on income and expenditure.

- A legacy received in 2020 has been placed, with the agreement of the PCC, into a “Designated Fund” (known as the Buildings Improvement Fund) which is under the control of the Wardens and Treasurer.

Authorisation of expenditure

- As regards expenditure on Hall and Buildings, payment criteria established some years ago were that, up to £100, action is taken by the person nominated to deal with the issue; between £100 and £250 expenditure has to be authorised by the H&B Chairman; between £250 and £500 expenditure has to be authorised by the H&B Committee; over £500 a referral has to be made to the Standing Committee for decision or submission to the PCC. These amounts will be reviewed in a PCC meeting this year (i.e., in 2024) and the limits increased to cope with inflation.
- Since the Hall and Buildings committee has not been convened recently, decisions on expenditure between £100 and £250 are effectively taken by the Wardens, while expenditure over that limit is referred to the Standing Committee.
- Whenever a payment is made from the Church Account or the Church Hall Account, the Treasurer has to be satisfied that it has been properly authorised. In all cases two approval from ‘signatories’ are required. The Treasurer has arranged with the bank that two signatories are required to authorise any payment made using the bank’s on-line service. Where a cheque is issued two signatures are needed on the cheque,
- Reimbursement of expenses is dependent on the presentation of receipts. Receipts given on paper are kept in a lever arch file, but receipts and invoices that arrive as e-mails are kept electronically in the Treasurer’s file system. A weekly backup of that file system is made by the treasurer.

Independent scrutiny and the End of Year process

- Throughout the financial year the Treasurer maintains a computer record of individual items of income and expenditure against budget heads agreed by the PCC. This is supported by computer or paper files to provide an audit trail. They detail sources of income and, in the case of payments, documentation showing where appropriate our order or authorisation, the supplier’s invoice and where needed a remittance advice.
- At the end of the year the Treasurer prepares a financial summary in the form required by the Charity Commission, agrees this with the PCC and submits it together with all supporting documentation to the Independent Examiner.
- When the Independent Examiner is satisfied, the Report and Financial Statements are presented for approval at the APCM before forwarding by the PCC Secretary to the Diocese and the Charity Commission.
- The Treasurer also makes an entry on the Parish Returns website of the receipts and payments for the year which is consistent with the documents sent to the Charity Commission.

Richard Cunningham
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16th February 2024