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| Community Accountancy  Would Like To Say this about.....  Getting Ready For Your Audit-  Dear Colleagues,  It will be soon be that time of the year that we all have to report to our funders; Corporate and Statutory about what we have done with the money (grants/donations) we received from them last year. Fundraising is not particularly as fun especially when you have to fill in a lot of application forms not knowing which funders will respond positively or not. This is one of the reasons why we should be covering fund-raising as part of our training this year.  Well, before you get carried away with fund-raising and the lot, part of our responsibilities is to help you make sure you are up to speed with your accounting records from which proper audited/independently examined accounts could be produced to keep your funders and link officers sweet!  In light of the above, we are writing to let you know why you should keep adequate records and what you need to do to save some audit fees and minimise delays when you send your accounts to the auditor/independent examiner.  Whilst we appreciate some organisations are so small that they cannot afford to employ a full-time or even part-time bookkeeper/finance officer, it is highly imperative that adequate bookkeeping records should be maintained to:   * Comply with the Charities law Act (2006, 2011) * Comply with the Companies Act (2006) where the organisation is an incorporated body. * To protect the management committee members/directors against fraud/negligence * For effective internal control and decision making * Keep the funders happy by way of feedback * Create a robust internal control system   There is nothing more demoralising and discouraging to the funders than when an organisation cannot adequately report to the funders about how the money is granted in the previous year has been appropriated | If the charity is small, there is no need to keep complicated books. For many charities, an analysed cash book will be quite adequate as the main accounting records. This is a simple day by day record of receipts and payments analysed under various headings. For example, rents and rates, salaries, tax/ national insurance contribution stationery, postage, and photocopying etc.  During audit, it is important for the auditor or the independent examiner to be able to match the value on the invoices with the value actually paid according to the bank statements and/or indeed evidence on the cheque stubs.  In light of the above, a straight forward filing system can support the entries made in the book. Depending on the number of transactions, a lever arch file for payments with invoices be filed in cheque order number will be sufficient. A folder for holding invoices awaiting payments would deal with creditors. To avoid unnecessary bank overdraft charges, organisations should make sure there are enough funds in their current accounts before writing out cheques. To help reduce bank charges, one cheque can be issued to the same creditors to cover more than one. Invoice numbers can be written at the back of the cheque.  In summary and at the very least, every charity should have the following:   * Cash book for the current accounts if you have more than one bank account. * File for paid invoices, keeping them in date order of payment, marking on them date paid, cheque number and by whom approved/ * Folder paid invoices * File for income related correspondence relating to the grants and donations for regular funders. * Petty cash book. This should be separate from the cash book. * File or envelopes for petty cash vouchers.   For more information and assistance , contact:  Ade/Sandra  Local Accountancy Project  Sojourner Truth Centre  Peckham  London SE15 6JL  <Tel:0207> 708 5999  E-mails: [lapaccounts@btconnect.com](mailto:lapaccounts@btconnect.com)  Website:www.localaccountancyproject.org.uk  **CHARITY REGISTERED NUMBER 1114755**  **COMPANY REGISTERED NYMBER 4018585** |