

Independent examinations of accounts at the Resource Centre

The Resource Centre conducts free independent accounts examinations for community groups.

We can offer this support to volunteer-run groups based in Brighton & Hove which are:

- ♦ Tenants' or Residents' Associations for Brighton & Hove City Council tenants and leaseholders, and/or
- ♦ Groups run by and for people living in an area of social housing, and/or
- ♦ Groups run by and for black and minority ethnic people, and/or
- ♦ Groups run by and for disabled people.

If you think you may be eligible, contact us to find out whether we can help.

What is an examination of accounts?

An independent examination of accounts involves looking at the accounting records of the group and writing an independent report based on them. The role of the examiner is to give what's called "negative assurance". This involves looking at the information the group has provided, and stating whether or not any problems have come to the attention of the examiner (such as lack of accounting records).

For more information about examinations of accounts, and why your group might need one, see our separate information sheet *Examination of Accounts*.

What does an examination of accounts involve?

When we are examining accounts, we will do the following:

- ♦ Establish the opening and closing balances. This involves looking at the bank statements and counting the cash, to check how much money the group had at the beginning and end of the accounting period. We will then check whether the group's accounting records match the actual amount of money they have. If they don't, we'll try to help the group members to work out why, and whether an error has been made in the records.

- ♦ Check paperwork supporting income (e.g. the group's invoices, letters confirming grants, and copies of receipts issued by the treasurer).
- ♦ Check paperwork supporting expenditure (e.g. invoices from firms, till receipts and bus/train tickets).
- ♦ Check that individual items are reasonable (e.g. if the secretary's telephone expenses are supported by their home phone bill, expenses will be only a proportion of the total bill).
- ♦ Be as consistent as possible from one year to the next in the treatment of items of income and expenditure so that it is easier to compare each year's accounts.

How is the Resource Centre qualified to carry out examinations?

An independent examination of accounts for groups with income under £250,000 can be carried out by a competent person who is independent of the group. The Resource Centre is an independent organisation with the financial skills to conduct examinations of accounts.

Resource Centre staff who carry out accounts examinations have a lot of experience supporting groups to keep their accounts, and an in-depth understanding of book-keeping.

The workers who examine accounts for charities also have a specialist knowledge of charity law.

One of our workers is a member of the Association of Charity Independent Examiners (ACIE)¹, and we conduct accounts examinations based on ACIE recommended practice.

My group would like the Resource Centre to examine our accounts for the first time. What should we do?

Contact us to discuss it. We will ask you a few questions about your group, to check you are eligible for a free examination of accounts from us. If we can examine your accounts, we will then arrange a time for you to bring your records in to the Centre.

How far in advance do I need to book an examination in?

Contact us as soon as you have a deadline date, such as an AGM, to book your accounts in for examination.

We can then arrange the best time for you to bring your accounts in. Bear in mind that the more notice we have, the easier it will be for us to meet your deadline.

How long will it take?

On the day you bring the accounts in to the Resource Centre, the front desk worker will check it all in, and give you a receipt. This shouldn't take more than 10 minutes, although sometimes you may need to wait longer if the Centre is really busy.

¹ www.acie.org.uk

The length of time it takes for us to complete an examination depends on how complicated the accounts are, how clearly the records and paperwork have been kept, and how fully the information is given to us.

When we have had an initial look at the account books, we will be able to give you a better idea of how long it will take.

As a rough guide, we advise groups to allow at least 4 weeks between bringing the books in and getting them back.

What do I need to bring?

For us to be able to properly examine your accounts and produce a summary for you, we need to see:

Your written records of income and expenditure

This might be an account book, a folder, loose sheets, or a computer file, but it should contain a list of all monies in and out.

Remember your petty cash book, if you have one, or any notebooks dealing with floats or money held by other people.

Bank or building society records

Your bank statements or building society passbook, plus any cheque books and paying-in books. These must cover the whole period.

We can photocopy the relevant part of these if you need to take them away with you.

If your group has more than one bank account, we'll need to see records for all of them, even if you have not used them during the accounting period.

Cash information

Information about how much cash your group has that is not in the bank. This should include, for example, any petty cash held by the treasurer and any floats or other cash held by other members of the group.

You need to bring this with you to be counted at the Resource Centre, or bring written confirmation from another committee members that they have seen and counted it.

If you would like your accounts to be examined up until a particular date, ensure you count all your cash on that date and ask another committee member to sign to say they have counted it too.

Receipts

Receipts for money you have spent. This can be shop till receipts, invoices, copies of bills. Where the group is paying part of an individual's phone bill we need to see the phone bill, plus a note giving details of what is being paid by the group.

Income details

Paperwork for money received, such as grants, subscriptions, contributions from members, or donations. If you have a grant from the Council, for example, we need to see the letter saying it has been paid into the account and detailing any conditions for use of the grant.

A recent copy of your constitution

We only need this if you are a new group, if we haven't examined your accounts before, or if your constitution has changed a lot recently.

This is so we can see the aims of the group, and check the group's agreements about how money is managed.

Details of Liabilities

If you know that your group owes money, we need to know how much is owed and to whom, as we may need to show this in your accounts.

Are you a charity?

If you are a charity, it is very helpful if you can let us know which funding is restricted (i.e. it has conditions that you have to spend it in a very specific way) and what things it was spent on.

How will I know when my accounts are ready?

We'll contact you to let you know when the examination of accounts is complete, and to discuss any issues and further support that might be useful.

Don't Panic!

We know that things get lost, that people can forget to get receipts, and that books sometimes get into a muddle. We don't expect everything to be perfect, and will do our best to help sort out any problems.

Book-keeping advice sessions

Getting into a muddle? Struggling to keep your books? Need a refresher?

If you have any questions, you can always give us a ring on 01273 606160.

If you feel you need a bit more time to go through problems you're having or want to discuss things that you're not sure about, we can arrange a one-to-one appointment to help you with any questions or uncertainties you might have.

We can also help you set up a book-keeping system if you don't have one, or are not quite satisfied with your current one.