

Manley Parish Council

Financial Processes

Governance

At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices. (Financial Regulations 1.5)

The following practices will therefore be reviewed at least once a year at a PC meeting:

Banking (Financial Regulations 6)

- The Council will not accept cash payments or make payments in cash
- Any payments which have to be made in cash by the Clerk (for example for postage or minor stationery items) or any member of the Council shall be refunded on a regular basis, at least quarterly.
- The bank account mandate requires two signatories for cheque payments and double authorisation for internet banking
- Three Councillors are authorised signatories (cheque signature and internet banking approval)
- On signing a cheque, the signatories also initial the cheque stub
- On approving an internet banking payment, the second approver informs the Clerk by email that the approval has been completed
- The Clerk has view only access of the bank account on-line
- Amendments to, or setting up of Standing Orders and Direct Debits are approved in writing or on-line in accordance with the bank mandate
- No debit or credit cards will be linked to the bank account

Internet Security (Financial Regulations 6)

- Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable.
- Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- The Clerk and any Councillors using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

Annual Budget (Financial Regulations 3)

- The annual budget process is:
 - November – first draft
 - January – second review and approval in principle and approval of precept
 - March – final approval of the budget
- A three year budget forecast will be presented and discussed at the November meeting
- Expenditure is recorded and presented to the PC at every meeting
- Budget tracking is carried out at each PC meeting as a standing agenda item
- Reconciliation of expenditure against invoices is double checked by a fourth Councillor (not an authorised signatory) on a quarterly basis (Financial Regulations 2.2)

Payments (Financial Regulations 6)

- Payment approvals in accordance with the budget are presented at each PC meeting
- Payments made in between PC meetings are informed to the PC at the next PC meeting
- Any non-budget items must be approved at a PC meeting
- Any variances from the annual budgeted expenditure (ie more than £100) must be noted and approved at a PC meeting

Contracts and Tenders (Financial Regulations 11)

- For expenditure above £3,000, the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply);
- Where the value is below £3,000 and above £100 the Clerk shall strive to obtain 3 estimates;
- The PC shall not be obliged to accept the lowest of any tender, quote or estimate.
- Potential new vendors shall be vetted by conducting relevant searches to check their credentials and suitability to engage in the work proposed. Results will be kept for 2 years after the work is completed, unless there are complications in which case they are kept indefinitely with the incumbent Parish Clerk.