OFFTON AND WILLISHAM PARISH COUNCIL

**PROTOCOL - FINANCIAL RISK LIMITATION**

# 1. Bank Accounts

* 1. Bank accounts shall not be set-up or closed without the authority of the Council and recorded in the minutes.
  2. Every account shall be identified with the Council’s name as part of its title.
  3. All income is to be banked.
  4. In addition to a current account, a high interest account will be maintained for funds not immediately required. The Responsible Finance Officer (RFO) is responsible for effecting transfers as required to maintain the current account in credit.
  5. Transfers between accounts will follow a two step authorised online banking procedure.
  6. Cheques are to have a minimum of two authorised signatures as will online banking.
  7. Cheques to be used in sequential order, an online unique reference number is noted by the clerk.
  8. The RFO will be responsible for collecting all moneys due to the Council and for banking such on a regular basis.

**2. Income**

* 1. Bank paying slips will show the origin of payments received.
  2. The RFO will report to the Council all bad debts in excess of three months.

**3. Annual budgets**

3.1 Estimates of anticipated income and expenditure will be prepared by the RFO to put forward to full council.

* 1. Council will discuss and approve the estimates as the basis for setting the annual precept and for the regular monitoring of the Council’s finances.
  2. The RFO along with the Chair and Councillors will form a 3-5yr budget to encompass refurbishment and maintenance to Parish Property and to aid in the upkeep of Parish Infrastructure. Appropropriate Earmarked & Ringfenced reserves will be set to encompass this.

# 4. Controlling expenditure and reporting to Council

* 1. Potential expenditure over budget will require approval of the Council, which will assess where savings could possibly be made. After agreement, the revised estimates become the new operational budget.
  2. Itemised expenditure in accordance with the estimates will be authorised by resolution at Council meetings.
  3. The RFO will report the most up-to-date bank balances at each Council meeting.

# 5. Payment of accounts - Expenditure approval

* 1. The RFO will, before presenting accounts for payment, satisfy themself that the account is correct. If uncertain the account will be referred to the Council.
  2. Cheques or online banking payments to cover agreed invoices will be raised by the RFO and presented for signature or online authorisation to those with mandated authority to sign.
  3. The relevant invoice will accompany all cheques for signature or refer to an online payment reference. Other payments, such as donations, will be specifically approved at full council. At least one of the authorised signatories will initial the invoice at a full council meeting.
  4. The RFO and the cheque signatories will initial the cheque stubs to indicate agreement with the cheque details.
  5. The cheque number will be added to the invoice for audit trail purposes.
  6. By resolution, from time to time the Chair and RFO in agreement may authorise expenditure to a maximum of £250 provided that in their view the interests of the Council require such authority. Such expenditure to be advised at the next meeting.
  7. Direct Debit Mandates and Standing Orders must be advised to the Parish Council and new Mandates must be approved by formal resolution at a Parish Council meeting.

# Salaries and other staff payments

* 1. The Council will annually review salaries and other payments.
  2. All salary levels and adjustments to be prior approved and minuted.
  3. The RFO will ensure that any Tax and NI liabilities are met.
  4. Staff wages will be paid monthly, and can be made by monthly standing order.

# Expenses – Staff and Councillors

# Staff will be able to claim authorised travel and out of pocket expenses.

* 1. Councillors will be able to claim travel and out of pocket expenses for travel outside of

the Parish, for the purpose of attending training or other authorised Council work.

* 1. Rates of expenses will be in line with HMRC guidance and to be agreed by the Council from time to time and minuted.
  2. All claims to be made in writing and signed, and records kept to satisfy Inland Revenue inquiries.

# Petty Cash

Is no longer held and has been phased out in 2019.

1. **Orders**
   1. All orders for goods and services shall be confirmed in writing on Council headed paper.
   2. For orders over £750, three quotes will be obtained for councillors to review and approve by resolution in a Parish Council Meeting.
   3. Copies of all orders to be retained for audit purposes.

**10. Insurance**

* 1. The RFO will be responsible for ensuring the Council has adequate insurance to cover for property, third party liability, fidelity guarantee, employers liability and other areas as directed by the Council.
  2. The RFO will notify the Council of new risks arising and process all claims.

**11. Asset Register**

11.1 The RFO will maintain a Register of Council Assets.

11.2 No property shall be sold or otherwise disposed of without the consent of the Council.

**12. Internal Audit**

12.1 The Council will nominate an outside authorised person/company who will periodically examine the accounting records and review compliance with this protocol.

**13. Revision of Protocol**

13.1 No amendment to this Protocol can be made without reference to the Council.

13.2 The review & approval of this document will be annually.

Readopted on Annual Meeting in May 2023

Date of next approval & review - May 2024