

Policy to ensure Financial Security

The Parish Council has a responsibility to ensure financial security to protect both the Parish Council and the Clerk/RFO (Responsible Finance Officer), whoever has that role. In the past this has been achieved by requiring two Parish Councillors to sign cheques. On-line banking does not allow this duplication of signatures, however signatories have access to the on-line accounts and can make random checks at any time.

The Parish Council has three accounts;

Current account – the Clerk can pay money from this account and transfer money to either of the other two accounts using a card reader and various levels of security.

Business Reserve account – the Clerk can transfer money from this account into either of the other two accounts. Money in this account still receives interest but at a lower rate than in the Liquidity Manager account. It holds a contingency fund in case there are any unexpected significant expenses, for example urgent repairs to the cottage. (Invoices currently require payment in 7 – 10 days rather than the traditional 30 days, giving insufficient time to transfer money from the Liquidity Manager account).

Liquidity Manager 35 day notice account – whilst the Clerk can transfer money into this account it requires two signatures to transfer it out into either of the other two accounts. As the name suggests, this requires 35 days' notice and experience has shown that this does not always proceed smoothly.

Specific requirements

- If the Clerk/RFO is a Nat West customer they should ensure that they have a separate customer number for Parish Council access to ensure separation between their personal accounts and the Parish Council accounts.
- The bulk of the money should be retained in the Liquidity Manager account so that it remains under the control of two signatories as before.
- Where payments can be approved at a Parish Council meeting, the meeting minutes should note that the Clerk was authorised by the meeting to make the payments.
- Where expenditure is agreed in principle but the actual cost is not known, the Clerk should get email authorisation from two Parish Councillors for payment rather than have to wait for the next meeting.
- The Clerk may pay small, sundry expenses (such as room hire for meetings) up to the value of £50 which arise between meetings without having to gain approval from Councillors.
- For any larger items of expenditure which occur between meetings the Clerk must obtain email authorisation from two Parish Councillors prior to payment.
- The Clerk must produce a spreadsheet of financial transactions since the last meeting which the signatories should check and approve at each meeting.