

Heywood Parish Council

Financial Regulations – amendment approved 11 June 2018, minute # 26.9.

Amendment: insert the following paragraphs after “Internal Systems and Controls” of Financial Regulations approved 14 May 18:

Banking arrangements and authorisation of payments

1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
 - i. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council;
 - ii. An expenditure item authorised under continuing contracts and obligations, provided that a list of such payments shall be submitted to the next appropriate

meeting of council; or

- iii. Fund transfers within the council's banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
6. For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) salaries, PAYE and NI, pension contributions and regular maintenance contracts and the like, for which the council may authorise payment for the year - provided that the requirements of Budgetary Controls are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.
 7. A record of regular payments made under para 6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
 8. In respect of grants the council shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall, before payment, be subject to ratification by resolution of the council.
 9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
 10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
 11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

Instructions for the making of payments

1. The council will make safe and efficient arrangements for the making of its payments.
2. Following authorisation under Banking Arrangements and Authorisation of Payments, regulation 2 above, the council, or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.

3. All payments shall be effected by cheque, BACS, internet payment or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.
4. Orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council, and countersigned by the Clerk/RFO, in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil or payment order.
6. Orders for payment shall not normally be presented for signature other than at a council (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.
7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.
8. If thought appropriate by the council, payment for certain items may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members, are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods, provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.

11. 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(s) and password(s) 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. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
12. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council.
13. 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.
14. The council, and any members 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.
15. Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
17. Changes to account details for suppliers which are used for internet banking, may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk/RFO and a member. A programme of regular checks of standing data with suppliers will be followed.
18. The Clerk/RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a

claim for reimbursement.

19. The RFO shall maintain a petty cash float of £20 on an imprest basis for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
20. Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
21. Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council.