PENSHURST PARISH COUNCIL Financial Regulations – February 2024

| **Description** | **Controls and Working Practices Employed** | **Frequency** | **Responsibility** |
| --- | --- | --- | --- |
| Petty Cash | There is no cash used | None | None |
| Cheques | No pre-signed cheques are ever held. Three authorised signatories required to sign each cheque. All councillors can be authorised signatories.  Stubs are also initialled by signatories. All issued cheques are checked against invoices,  All payments are reported at Full Council meetings  and listed in the Minutes.  Invoices that require settlement between Full Council meetings are submitted for checking and authorisation to two Councillors (signatories). These payments are listed at the next Full Council meeting and in the Minutes. | All payments are checked on a monthly basis prior to authorisation of payment by the signatories.  Invoices required for payment between Full Council meetings are dealt with when required. | The Clerk ensures that all invoices are prepared for payment and the authorising Councillors are provided with the invoices in order to make checks, and initial prior to authorisation.  Spot checks are carried out by the Council’s Internal Auditor. |
| Expenses | Clerk is permitted travel expenses/mileage allowance/office expenses. | Claims are made on the occasion of attendance at meetings ie PC/site/contractors etc. | It is the Clerk’s responsibility to submit claims. |
| Pre-authorised Expenditure | In the event of emergency authorisation required from PC members for expenditure, minimum of three councillors required to authorise, this is then advised to Full Council at the next meeting. | Frequency is as required. | The Clerk, Chair, Vice-Chair or Clerk are responsible. For Chair’s expenses, this is usually in discussion with the Clerk. |
| Bank Accounts | The Parish Council has two bank accounts - a current account and business account at Lloyds Bank. Quarterly accounts are provided giving all expenditure/income and balances.  The Accounts are checked by the Internal Auditor and submitted on the Annual Return to the External Auditor | Balances are supplied quarterly. | Clerk/RFO responsible. The Internal and External Auditor responsible the other checks. |
| Investments | No investments are held by the PC | Reviewed by Full Council when necessary. | The Clerk |
| VAT | A computerised report is submitted every six months to HMRC. The funds are received by BACS payment direct into the Parish Council’s current account. | Frequency is six-monthly. | The Clerk is responsible. |
| Salaries, Pensions and PAYE | Clerk is an employee of the PC, tax deductions are made on salary due on a monthly basis. Income drawn by clerk as required. | Tax deducted monthly, balance when required by Clerk. | Clerk/Internal Auditor |
| Invoicing Process | No invoicing is undertaken |  |  |
| Bank Reconciliation | Monthly reconciliation between bank statements and the accounts are carried out by the Clerk to ensure accuracy. | Quarterly | The Clerk / Responsible Finance Officer |
| Budgetary Controls | Quarterly summaries of budget and expenditure to date are provided to members.  Decisions on project expenditure is decided by Full Council and minuted, competitive quoting used when required.  The clerk advises Councillors of the impact of any expenditure on the budget. There is no requirement for the Council to keep expenditure strictly within budget but every endeavour is made to ensure this is generally the case.  Any expenditure over budget is met from the Council’s adequate Reserves, in accordance with the Council’s Reserves Policy | Quarterly or as and when requested. | The Clerk and the Full Council are responsible. |
| Internal Audit | The Internal Auditor reviews procedures and makes checks on financial payments and systems and reports to Full Council | Monthly/Quarterly and Annually | Clerk/Internal Auditor |
| Insurance | Insurance is reviewed annually, to ensure adequacy of cover. The Council is currently in a three-year rolling contract which has reduced the premium. When the insurance is up for renewal at least one other quote is sought to ensure value. The Insurance Company is advised of any changes to assets and the policy is changed accordingly. | Annually or when assets change. The insurance company is advised of changes as required. | Clerk and Full Council |
| Risk Management | A General Risk Assessment is carried out annually by the Clerk at the time of the annual audit. | Annually in conjunction with the audit. | The Clerk/Responsible Finance Officer |