



## Alvanley Parish Council Financial Processes

Adopted 3<sup>rd</sup> September 2025, Amended 20<sup>th</sup> May 2026

Next review date: May 2027

The Parish Council has adopted the model financial regulations recommended by NALC and they provide the formal basis of ensuring regularity and effective financial control in the conduct of the Parish Council's business. This document supplements those regulations by providing interpretation and more detailed guidance. It is not intended that this document amends any part of the regulation and in the event of any conflict between this document and the regulations, the regulations shall be regarded as the definitive statement of the Council's policies. The definitions in the financial regulations (1.4) apply in this document.

### Banking (Financial Regulations 6 and 2.4)

- The Council shall 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
- Two Councillors (agreed by the Parish Council at a meeting) and the Clerk are authorised signatories (internet banking approval)
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- On approving an internet banking payment, the second approver shall inform the Clerk by email that the approval has been completed
- Amendments to, or setting up of Standing Orders and Direct Debits shall be approved in writing or on-line in accordance with the bank mandate

### Internet Security (Financial Regulations 7 and 2.7)

- 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 4)

- 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 2.6)

### **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 5)

- For expenditure above £3,000, the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply) (Financial Regulations 5.6);
- Where the value is below £3,000 and above £100 the Clerk shall strive to obtain 3 estimates (Financial Regulations 5.7);
- The Parish Council 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 shall be kept for 2 years after the work is completed, unless there are complications in which case they shall be kept indefinitely with the incumbent Parish Clerk.

### **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 2.4)
- As part of the review of the effectiveness of internal control, the practices set out above will be reviewed at a meeting of the PC: