

## **1. Introduction**

- 1.1. This Financing and Accounting Policy and Procedure is issued to provide further detail to the Statement of Internal Control signed by SPC in the meeting of June 2019 and the Standing Orders.
- 1.2. SPC represent approximately 850Nr residents in the West Berkshire parish of Streatley. Funding is provided by a stipend from West Berkshire Council as a part of the Council Tax raised funding for public services. This policy addresses the auditable manner in which the stipend, plus minor additional funding from asset disposal and interest, is utilised for the benefit of the Parish.
- 1.3. The budget is set against the standard tax year for the UK, i.e. April 6th to April 5th of the following year and a stipend requested of West Berkshire Council (WBC) accordingly. The actual stipend granted is granted by WBC.
- 1.4. The SPC Financing and Accounting policy is to follow the guidance of normal best practice accounting practices of the UK and to expend monies with full exposure to scrutiny by Parish Councillors and by the public. However, the accounting tools utilised for the purpose reflect the scale of expenditure and the regularity with which expenditure is reviewed by Councillors.
- 1.5. The SPC Financial policy strives for an annual neutral cash flow reflecting the mandate for the Council to operate as a not-for-profit organisation.
- 1.6. An annual calendar of key events is established to maintain auditability of the expenditure process and the formulation of a reasonable budget for the following tax year.

## **2. Expenditure Value For Money**

- 2.1. Multiple quotes for services and capital expenditures are sought for any routine service or capital expenditure with a value in excess of £500. In all cases, selection of service by price is only applied once Councillors are satisfied that the technical provision is comparable between providers.
- 2.2. Routine service contract pricing is reviewed against multiple quotes every third year.
- 2.3. Councillor individual comparison against equivalent items is accepted for values below £500 other than by exception when any Councillor chooses to challenge the expenditure and seek an alternative price.

### **3. Monthly Expenditure Authorisation**

- 3.1. The policy requires financial and accounting attention to ongoing expenditure, against the established budget, openly between Councillors.
- 3.2. The Clerk arranges for, and receives all invoices for, services and capital expenditure by outside organisations contracted by SPC.
- 3.3. For authorised expenditure, against items less than £500, individual Councillor expenditure is allowed with expenses paid against receipts submitted to the Clerk. All such purchased items only follow authorisation at the preceding monthly meeting.
- 3.4. At each SPC monthly meeting (except August) the following activities take place and are recorded for public scrutiny:
  - 3.4.1. Any unbudgeted new potential expenditures highlighted by any Councillor during the preceding month are raised for Council review during the meeting and agreement to proceed is determined against a budget reallocation such that the overall budget is not exceeded.
  - 3.4.2. Invoices received by the Clerk are presented for Council authority for payment against a budgeted item, whether routine or single expenditure. Invoices are manually cross-referenced to meeting clauses indicating payment authorisation.
  - 3.4.3. Un-authorised Invoices are not anticipated for receipt against unbudgeted entries other than in rare emergencies. In such cases, payment prior authorisation is provided by the Chairman or Deputy with justification and recording in the following monthly meeting.
  - 3.4.4. There is no monthly meeting convened during the August recess each year. During this period, necessary routine, budgeted, invoices are distributed by the Clerk to the Councillors by email for approval and recorded as payments in the September meeting. No ad-hoc single payments are raised.
- 3.5. Monthly, any expenditure against a single item over the value of £500, each month is published on the SPC website, following approval of invoice payment.

### **4. Auditable Payments**

- 4.1. Following payment authorisation against invoices and Councillor expenses at the monthly meeting, the Clerk sets up payments to be authorised from the SPC current account held with the Lloyds Bank and requests two Councillors to authorise payment via the bank website.

- 4.2. Two Councillors are required to authorise all payments via the bank website. In authorising, a check against the agenda or previous SPC monthly meeting minutes is manually conducted.

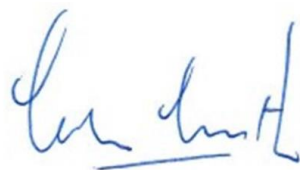
## **5. Annual Budget Compilation**

- 5.1. In December, each year, the SPC Chairman and Clerk review expenditure to date against the current annual budget, recognising where line entries are projected to be exceeded or underspent. With monthly expenditure control, exceeding the overall budget is not anticipated.
- 5.2. The Chairman and Clerk collate information gathered from the current year to compile the budget to be proposed for Council authorisation to be submitted to West Berkshire Council for ratification and inclusion for fund raising via the Council Tax process for the following year.
  - 5.2.1. The expenditure profile against the current budget forms the basis for the compilation of the budget for the following tax year
  - 5.2.2. Routine expenditure line items and values are entered with an allowance for escalation
  - 5.2.3. Specific individual expenditures are noted for potential repetition the following year together with proposed further expenditures highlighted by Councillors within the monthly meetings. Escalation is applied
  - 5.2.4. Suggested further individual capital expenditure is itemised
  - 5.2.5. The allowance for future escalation is determined in line with Government published statistics adjusted for local knowledge of prices for specific activities or products.
  - 5.2.6. Itemised entries for the planned building of funds for long term planned expenditure to replace existing capital items are included.
  - 5.2.7. Proposed contingency sums are individually itemised to allow for risk-based potential needs.
  - 5.2.8. Where expenditure against contingency funds were not realised in the current year, unspent funds are offset against contingency sums proposed for the following year.
- 5.3. The Clerk distributes the compiled proposed budget to all Councillors for review, debate and approval during the January monthly meeting or within the month of January if minor clarifications are required. A special Council meeting is to be convened in the same month for a full budget review in order to reach approval if significant clarifications or changes are considered to be required to the initial proposed document.

- 5.4. Following budget proposal approval, the Clerk submits to West Berkshire Council to meet the date for submissions and consideration for stipend allocation to fund the following tax year.
- 5.5. West Berkshire Council acceptance of the proposed Parish Council budget is based on submission of a justifiable budget request and guidance as to acceptable levels of adjustment as discussed with the West Berkshire District Councillor.

## **6. Annual Accounts Publication**

- 6.1. Following the end of the tax year in April, the Chairman and the Clerk review the accounts for the previous tax year and verify that invoices are cross-referenced against monthly meeting authorisation clauses and are itemised against the appropriate budget entries.
- 6.2. Once considered to be in a properly structured and auditable format, the accounts are distributed to Councillors for approval at the May monthly meeting. Adjustments are appraised for inclusion before or during the meeting.
- 6.3. The Chairman signs the accounts following Councillors approval and the Clerk submits the signed accounts for audit.
- 6.4. The Clerk works with the Auditors to ensure all information is provided for the purpose of auditing the accounts. Should there be shortfalls, additional required information is sought from Councillors, suppliers and service providers as necessary.
- 6.5. Following the return of accounts signed by the Auditor, the accounts are published on the SPC website for public access.
- 6.6. The SPC website maintains availability of published accounts for the 5Nr preceding years with all older accounts archived for provision upon request.



Signed : .....

Colin Smith  
Chairman, Streatley Parish Council

Date : 09 December 2024