

## **PRINCIPLES OF FINANCIAL MANAGEMENT FOR THE COUNCIL**

The Clerk and Responsible Financial officer is exactly that – responsible for all expenditure by the council, and answerable to the External Auditor for the legal management of Public Funds. The council or executive committee (Festive Lights, FIB, Allotments) can authorise expenditure as a corporate body – no individuals in these groups can authorise expenditure.

### **Expenditure can be approved by one of several mechanisms:**

1. Pre-approved regular Direct Debits from the main business account for utilities, waste collection, monthly subscriptions for Zoom & Amazon Prime, monthly Professional Fees for, Website hosting, HR and Scribe Accounting, monthly bank charges and annual ICO registration.
2. By presentation of a quote for necessary services (3 if work over £300 and not a regular or specialist provider under the financial regs). When approved the relevant provider is asked to do the work and invoice for it. If the terms of the invoice allow it to be presented to council again to approve payment, do so. If deadline for payment is before the next meeting, the clerk has the powers to pay and present for retrospective approval.
3. Invoices for annual fees & subscriptions sent by the provider. These must be presented to Council for approval and then paid after the meeting – always in the presence of a counter-signatory, they are Museum, Shopwatch, SLCC, LALC, NAS, Internal Auditor and PKF (external auditor), again, if deadline for payment is before the next meeting clerk has the powers to pay and present for retrospective approval.
4. Payroll generated by Payright for staff salaries and HMRC & NEST payments – must always be approved by full council. Sometimes you need to request 2 months -worth depending on meeting schedules.
5. An advance project proposal – see In-bloom, Festive Lights and Allotments. Where expenditure is proposed and pre-approved within an agreed budget. Reporting is done on a separate monitoring sheet.
6. The clerk has statutory, pre-approved powers (up to £1500.00) to purchase items for the office running, including cleaning materials, stamps and mailing, stationery, printing for meeting packs and promotional material and other essential supplies or emergency repairs (locks, plumbing etc). Done using petty cash– accounted for accordingly, or bank transfer or the business debit card (preferred).

The clerk has been given extra statutory delegated powers (Item 3491 of FCM 25/1/22)as follows:

*“The Council empowers Irene Tonge as the Clerk and RFO to do anything expedient and necessary to ensure the continuous business of the council and to deal with all*

mandatory undertakings in order to prevent the authority from incurring liability for the period of time that the Coronavirus pandemic and anything arising therefrom affects the routine meetings of Fleetwood Town Council”.

7. The CEDO has statutory, pre-approved powers to purchase emergency items up to £75.00 in the clerk’s absence – will need to submit a claim for re-imburement as they do not have access to the debit card or petty cash. Should be used only rarely.

**DO NOT:**

- Make any payments that have not been approved by full council or the Festive Lights, FIB, Allotment committees, other than those delegated to the clerk to make.
- Allow any other officer or councillor to use the debit card.
- Supply any cash funds to councillors or lay members of committees to purchase items. They should supply a pre-approved list which the clerk can then legally spend against using the debit card or petty cash (Preferred), in exceptional circumstances such as cash only e.g. plants from Ashleigh Nursery (they don’t take card payments) - cash maybe given to the Chairman of the Council/Committee and receipts for purchases MUST be produced.

**IF IN DOUBT ON ANY FINANCIAL MATTER – CONSULT LALC ADVISOR.**

## **Bank Account and Debit Card Operation**

1. **First** Read financial regs
2. **Second** – look through the latest quarters paper accounts to understand filing system and scope of transactions.

FTC bank with HSBC – nearest branch **Blackpool**. Cash and cheques can be deposited at Lord St PO using the business debit card or the paying in envelope.

The card is held and used by the Clerk ONLY. Items the clerk has prior approval to purchase on an as-needed basis are essential stationery, cleaning and bathroom supplies, urgently needed office items and postage costs. The debit card can also be used to pay invoices or make online purchases when pre-authorized by council under a specific agenda item. All purchases that are office based must be witnessed and signed by an authorised signatory of the council. **These are: Cllrs Stirzaker and Raynor**

**Cheque book** - rarely used. If cheque authorised to make a payment MUST be signed by 2 approved signatories and initialled by the clerk and on the stub.

**Paying in book.** Needed when paying in at branch or paying cheques in at the PO (using standard envelope).

**Online Banking.** There are 2 accounts at HSBC:

1. The main business account, which is used to manage all DDs, Bank Transfers, salary payments and receives payments..
2. A money market account which is in 2 parts, one where the bulk is invested in 3 monthly periods. The other that holds the interest. This account holds the reserves.

The clerk accesses this account with 2 stage encryption and a code key which is known only to the chairman or counter signatories. Access to statements and payments made in the presence of a counter signatory who signs the paperwork to indicate authorisation. Each transaction needs to have a confirming print-out, filed with the invoice, **when possible, if no print facility (could be working from home) the invoice should be annotated to that regard**

All transactions are kept by quarter in a paper folder and stored in the locked cupboard as required under GDPR. **NEVER DESTROY PREVIOUS YEARS RECORDS.**

**Online ordering.** clerk has an amazon account linked to the business debit card. It's a regular source of purchases for the council (although we try to keep local wherever possible).

## **Excel Spreadsheet Accounting, Quarterly Reporting and Bank reconciliation.**

This is a legal and financial requirement and required for annual audit. Income and outgoings must be recorded on a daily basis as they occur, with VAT split out as appropriate. Festive Lights, In-Bloom and Allotment transactions must be double recorded on the relevant spreadsheets as they are used to report separately to the relevant committee/working group and full council.

**Petty cash** – locked in money box – petty cash book on desktop. All spend must be accounted for with receipts and approved by chairman. Make deposits regularly and do not exceed £200 in petty cash.

## **Regular Payments By Direct Debit/Card**

- BT monthly - Office Phone DD
- Vodafone monthly – Office mobile
- Water Plus monthly & Quarterly - Office and allotment (separate accounts) water DD
- OPUS Energy monthly – Gas Payments DD
- EDF monthly – Electricity Payments DD
- Veolia monthly & – waste collection payments & standing charge DD
- Pay-right monthly - Payroll calculations DD
- NEST monthly – Workplace Pension Contributions DD
- Amazon monthly – Prime subscription VIS
- Zoom monthly – Subscription VIS
- Easy websites monthly - Website Hosting DD
- Peninsular monthly - HR & Business Support DD
- Scribe monthly – Accounting DD
- ICO annual – Registration DD
- Microsoft Office 365 annual – subscription DD

## **Regular manual payments either pre-approved (PA) or requiring council approval (CA) every time.**

- Salaries **CA**
- PAYE **CA**
- Cleaning Contract **PA**
- Miscellaneous stationery orders **PA**
- Grant aid awards **CA**
- Window cleaning **PA**

## **Quarterly accounting.**

At the end of every financial quarter the relevant bank statements must be printed off and checked against the spreadsheets (main account) then filed in the quarterly folder. The

quarterly report must then be completed, along with the budget monitoring sheet (main account, festive lights and In-Bloom) and the bank reconciliation doc. At the next meeting of the council these 3 documents are presented for approval. The clerk must be prepared to answer any questions members may have on the detail. The report is then signed, along with the bank reconciliation sheet and the originals filed at the back of the quarterly accounts folder.

### **Annual Audit**

Legal requirement. Done in 2 parts: internal audit by a local accountant (followed by external audit by government appointed auditor. Timescales apply.

