



# LIDDINGTON PARISH COUNCIL

## PAYMENT TRANSPARENCY POLICY

Status	Adopted by full council on:
Version number 1	4 <sup>th</sup> September 2024 To be reviewed annually or sooner if required.

## **Liddington Parish Council Payment Transparency Policy**

### **Introduction**

This policy applies to all financial transactions conducted by the Parish Council, including but not limited to payments to suppliers, contractors, and employees. This policy has been written to provide clarity over the steps taken by the Clerk/RFO and the Full Council to ensure that there is full transparency and accountability for all financial transactions.

### **1. Authorisation of payments**

1. All invoices for payment shall be examined, verified and certified by the Clerk/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.
2. The Clerk/RFO shall examine invoices for arithmetical accuracy.
3. Each month the Clerk/ RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the next Full Council Meeting and, together with the relevant invoices, present the schedule to council. Two designated signatories shall review the invoices against the schedule and initial each invoice and the schedule to confirm accuracy. Full council shall review the schedule and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and initialled by the Chair 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.
4. For each financial year the clerk/RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the council may authorise in advance for the year. Any such payments will be itemised on the monthly payment schedule under the appropriate heading for method of payment as a future payment or for ratifying.
5. The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) 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/RFO certifies 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 for ratifying;
  - b) If an immediate Health & Safety issue arises and an urgent resolution is required, subject to verbal approval from the Chair or a designated signatory.

c) fund transfers within the councils 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.

## **2. Instructions for the making of payments**

1. The council will make safe and efficient arrangements for the making of its payments.
2. 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.
3. 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. A programme of regular checks of standing data with suppliers will be followed.
4. Following authorisation under Payment Transparency Policy 5 above, the council or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.
5. Orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two members of council 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.
6. All payments may be made by BACS 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 shall be renewed by resolution of the council at least every two years.
7. If thought appropriate by the council, payment for certain items (principally salaries) 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.
8. Once payments have been made, all amounts to be itemised in the workbook and assigned to the relevant expenditure heading.