

FINDOCHTY COMMUNITY COUNCIL

Financial Procedures

Managing finances with transparency and accountability

Authority	Moray Council Scheme of Establishment (2025–2029)
Version	1.2
Date Adopted	[date]
Review Period	Annual

These Financial Procedures set out how Findochty Community Council manages its finances to ensure transparency, accountability and proper use of public funds. All members must comply with these procedures.

1. Financial Principles

Findochty Community Council shall ensure that:

- all financial activity is transparent and properly recorded
- funds are used only for approved purposes consistent with the Community Council's objectives
- appropriate controls are in place to prevent fraud or misuse
- accurate and up-to-date financial records are maintained at all times

2. Financial Year

The financial year of Findochty Community Council runs from 1 October to 30 September each year, in accordance with the Moray Community Council Scheme.

3. Banking Arrangements

3.1 Bank Account

The Community Council shall maintain a dedicated bank account in the name of Findochty Community Council. No other accounts shall be used for Community Council funds without formal approval.

3.2 Authorised Signatories

The Community Council shall maintain three authorised signatories, normally:

- Treasurer
- Chairperson
- One other nominated member

Important: Any two of the three signatories are required to authorise payments. No individual may authorise a payment to themselves.

Authorised signatories may not be co-habitees (i.e. persons living together at the same address). This is a requirement of the Moray Community Council Scheme.

3.3 Online Banking

Where online banking is used:

- access shall be restricted to authorised users only
- accounts shall be protected by strong passwords and two-factor authentication
- where the banking platform supports dual authorisation for payments, this shall be enabled
- where dual authorisation is not technically available, approval from a second signatory must be obtained and recorded separately (e.g. by email) before the payment is made

4. Payments and Expenditure

4.1 Approval of Expenditure

All expenditure must be approved by the Community Council in advance, or authorised within delegated limits agreed by the council. Unplanned or emergency expenditure must be reported to the next meeting for retrospective approval.

4.2 Payment Authorisation Threshold

Payments above £250 must be approved by two authorised signatories. Payments below £250 may be authorised by the Treasurer alone, subject to reporting at the next meeting.

The £250 threshold is an FCC operational decision and may be reviewed by the Community Council at any time.

4.3 Supporting Documentation

All payments must be supported by an invoice, receipt or other appropriate record. No payment shall be made without supporting documentation.

4.4 Cash Handling

Cash use should be kept to a minimum. Where cash is used, a full written record must be maintained, including the purpose, amount, date and the person receiving or paying the cash.

4.5 Payments to Members

Any payment to a Community Council member (including expenses or honoraria permitted under the Scheme) must be:

- agreed in advance by the Community Council

- supported by a receipt or written claim
- authorised by a signatory other than the member receiving payment

In practice, many purchases on behalf of the Community Council are made by the Treasurer using personal funds, with reimbursement from the council account. This creates a conflict of interest, as the Treasurer cannot authorise a payment to themselves. The following procedure applies in such cases.

Treasurer reimbursement procedure

Where the Treasurer needs to reimburse themselves for a pre-approved expense, a second authorised signatory must approve the payment before it is processed. Where the bank's online platform does not support dual authorisation, written approval must be obtained from a second signatory (for example, by email) before the payment is made. That approval must be retained as a supporting record alongside the receipt or invoice.

All such reimbursements, and the approval obtained, must be reported at the next ordinary meeting of the Community Council.

5. Financial Management and Reporting

5.1 Financial Records

The Treasurer shall maintain accurate and up-to-date records of all income, expenditure and balances. Records shall be retained in accordance with the Document Retention Policy.

5.2 Reporting to Meetings

A financial report shall be presented at every ordinary meeting of the Community Council. This report shall include:

- current bank balance
- income and expenditure since the last meeting
- any significant financial commitments or liabilities
- any payments made under delegated authority since the last meeting

5.3 Annual Accounts

Annual accounts shall be:

- prepared by the Treasurer at the close of each financial year
- independently examined by a suitably qualified person who is not a member of the Community Council
- presented to the Community Council at an AGM or ordinary meeting
- submitted to Moray Council following approval, as required by the Scheme

6. Risk Management and Fraud Prevention

The Community Council shall:

- review financial activity regularly, including at each meeting
- investigate any irregularities or discrepancies immediately

- report any suspected fraud to the appropriate authorities

Basic safeguards shall include:

- separation of duties where possible (e.g. the person authorising a payment should not be the same person processing it)
- dual approval controls for payments above the threshold
- secure handling and storage of financial records and banking credentials

7. Grants and External Funding

All grant funding shall be:

- used only for the purpose for which it was awarded
- recorded separately where required by the funder
- supported by appropriate documentation, including application, award letter and expenditure records

Where a funder's conditions are more restrictive than these procedures, the funder's conditions take precedence for that specific grant.

8. Asset Management

The Community Council shall maintain an asset register recording all significant items of equipment and funded assets. The register shall be reviewed at least annually and updated when items are acquired or disposed of.

9. Review

These Financial Procedures shall be reviewed annually and updated as required. Any material changes must be approved by the Community Council.

10. Compliance

All members of Findochty Community Council must comply with these procedures. Failure to comply may result in withdrawal of financial authority and further action as determined by the Community Council.

Adopted by Findochty Community Council on: _____

Signed (Chairperson): _____

Signed (Treasurer): _____