

10th November 2023

Minutes of the Finance Meeting held on **Thursday 19th October 2023 at 10.30am at Stantonbury Parish Office, 126 Kingsfold, Bradville, Milton Keynes, MK13 7DX**
For the purpose of transacting the business as set out below:

Minutes

21/23	Welcome and Introduction to Finance Committee meeting.	Action
22/23	<p>Present: Cllr John Warren Cllr Peter Kirkham Cllr Kevin Smith Cllr Ann Ronaldson - Chair Cllr Judy Kite</p> <p>Donna Moore – Clerk Sarah Espey – Responsible Finance Officer (RFO)</p> <p>Cllr C Northwood – attended meeting as invited by the Finance Committee to participate in 4 Year Plan and Budget Preparation agenda items.</p>	
23/23	Apologies for Absence: - None.	
24/23	<p>Declarations of Interest: Under the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, made under s30 (3) of the Localism Act, members must declare any disclosable pecuniary interest which they may have in any of the items under consideration at this meeting, and any additional interests not previously declared. – None.</p>	
25/23	<p>Public Forum for members of the public to speak: <i>Public participation at a meeting in accordance with standing order 3(e) shall not exceed (15) minutes unless directed by the chair of the meeting. Each member of the public shall not speak for more than (3) minutes in accordance with standing order 3(g)</i></p> <p>1 member of the public in meeting. No comments made.</p>	
26/23	<p>Chairs Remarks: Model Finance Regulations – Clerk advise Committee due to high demand of workloads, the office was unable to review the Model Finance Regulations and provide feedback to National Association of Local Council.</p>	
27/23	Risk Management: - None	
28/23	<p>Minutes: To approve and sign the Minutes of the Finance Committee meeting held on Wednesday 12th July 2023 - Committee agreed 5 votes for.</p> <p style="text-align: right;">Resolved</p>	

Signature:.....Date:.....

29/23	Councillor Allowance Expenses: Committee to review the policy and the internal control process and discuss how they wish to proceed. Committee agreed to make recommendation to Full Council to adopt the draft policy. Committee did request to add: <ul style="list-style-type: none"> On item 2 on page 8 to add or elected to “a nominated or elected member”. Then to add a new item on page 8, a number 6 to allow councillors to claim for a taxi if Full Council have authorised them to carry out a duty. <p style="text-align: right;">Agreed</p>	DM
30/23	4-year plan: Deferred from Finance Committee meeting agenda item 12/23 Committee to invite all Committee Chairs to discuss and review 4-year plan. Committee acknowledge we currently have no 4-year plan in place, Clerk to send email to Full Council asking them to attend a meeting with suggestions on what they would like to see happen in the next 4 year. <p style="text-align: right;">Agreed</p>	DM/KF
31/23	Budget Preparation 2023 – 2024 Committee to invite all Committee Chairs to advise the Committee of future plans for 2023 – 2024 to assist the RFO in draft budget preparation. RFO went through the budget and Committee made recommendations of suggested budget amounts. RFO will amend and present a Draft Budget at a future meeting. <p style="text-align: right;">Agreed</p>	RFO
	Member of public left the meeting 12:09.	
32/23	Business Interruption insurance for the Community Hub. Deferred from Finance Committee meeting agenda item 13/23 Committee to discuss the need for business interruption insurance and make recommendation to Full Council. Committee agreed to defer agenda item to the next meeting. - Agreed 5 votes for. <p style="text-align: right;">Resolved</p>	DM
33/23	Budget: Committee to review the actual spend against budget to date. - Committee acknowledge – 5 votes for. <p style="text-align: right;">Noted</p>	
34/23	Grants: To review grant allocation for the quarter. - Committee acknowledge – 5 votes for. <p style="text-align: right;">Noted</p>	
35/23	Payroll: Committee to discuss and recommend looking into outsourcing Payroll.	DM

Signature:.....Date:.....

	Committee agreed to defer agenda item to the next meeting. - Agreed 5 votes for.	
	Resolved	

Meeting closed 13:10.

Signature:.....Date:.....

Stantonbury Parish Council

Governance and Internal Controls

Interim Internal Audit Report

2023/24

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Audit dates	13 & 14 November 2023	Auditor	Margaret Sheppard (FCCA)
Draft Report Issued	22 November 2023		
Responses Received	24 November 2023		
Final Report Issued	28/11/2023		Responsible Financial Officer / Proper Officer
		Distribution	Parish Councillors

The matters raised in this report are only those that came to our attention during our internal audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or all of the improvements that may be required. While every care had been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of Parish Councillors of Stantonbury Parish Council. Details may be made available to specified external agencies, including external auditors, but otherwise this report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report is not prepared and is not intended for any other purpose.

Executive Summary

1.1 Introduction

An interim review of Governance and Internal Controls was undertaken as part of the approved internal audit periodic plan for 2023/24. The period covered was from April – September.

The object of this review was to ensure that Governance continues to be sound and that the appropriate controls, policies, and procedures are in place up to date and completely effective. However, this review did not cover all aspects that would be covered when conducting the Annual Audit. This will be covered later in the year when the Annual Audit of the Annual Governance and Accounting Return is completed.

It was pleasing to note that there has been significant improvement in the general policies and procedures from the previous report and that recommendations have been considered. The majority of the policies are now complete and have been implemented.

It was, however, noted that there have been some breaches of the policies and procedures as laid down and that some of these are of high importance.

Audit Objective	To ensure that effective Governance and accounting processes have been established and are operating throughout the period.
Risk	Failure to achieve Parish Council Objectives due to the risks to the organisation not being identified, mapped and effectively managed. Ineffective governance at Parish Council Committee or at Operational Level.

1.2 Scope of the Review

The purpose of the internal audit is to evaluate the adequacy of control within the system and the extent to which these are applied, with a view to providing an opinion. Control activities are put in place to ensure that the risks to the achievement of the organisation's objectives are managed effectively.

The scope of the review was limited to the areas of examined and to the extent to which they have been applied with a view to providing an opinion to the extent with which risks in this area are managed. Our work does not provide any guarantee against material errors, loss or fraud or provide assurance that material error, loss or fraud does not exist.

The audit was designed to assess the controls in place to manage the objective and are as described in the Annual Governance and Accounting Return.

1.3 Conclusion

Considering the issues identified, in our opinion the Parish Council cannot take Substantial Assurance that the controls upon which the Parish Council relies to manage this area, as currently laid down are operated are consistently applied and effective. While the majority have been consistently applied there have been too many issues to confirm that categorically and more work will be required at the final visit when the AGAR is reviewed to confirm improvement in all areas.

1.4 Recommendations Summary

The following tables highlight the number and categories on recommendations made. The action plan in Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations Made during this audit:

	High	Medium	Low
Recommendations brought forward			1
New Recommendations	4	2	3
Total	4	2	4

Recommendations Implemented since the previous audit in this area:

Date of Previous Audit March 2023	High	Medium	Low
Number of recommendations made during previous audit	0	2	4
Number of Recommendations Implemented		2	3
Number of Recommendations not Fully Implemented	0	0	1

2 Action Plan

Ref	Recommendation	Categorisation	Accepted y/n	Parish Council Comment
1	<u>Appointment of Chair for General Purpose Committee</u> While this followed the procedures laid down and therefore not wrong it would be better to have a procedure for this instance to appoint chair for that meeting only and then revisit to position when all members were able to attend and vote	Low		<i>We have acted in line with our Terms of Reference our first meeting we elect a chair.</i>
4	<u>Review of Policies and Procedures – Staff Handbook.</u> Steps should be taken to ensure that this is rectified as soon as possible especially as there have been a number of changes to Employment Law over the last few years	Medium		

5	<p><u>Override of Procedures</u></p> <p>It is understood that this is being referred to the main committee to resolve. However, it is recommended that training for councillors of the rules and consequences is urgently sought.</p>	High		<i>Clerk has arranged for training for the councillors in early 2024</i>
6	<p><u>Conflict between Standing Orders and Terms of Reference re Election of Chair to Committees.</u></p> <p>It is understood that NALC have advised to leave the appointments as they stand for this year but to ensure the conflict is resolved going forward. It is recommended that this takes place at the earliest convenience.</p> <p>It is recommended that a read across from standing orders to Terms of Reference is carried out annually to ensure no other conflicts creep in.</p>	<p>High</p> <p>Medium</p>		
9	<p><u>GDPR Breach</u></p> <p>While it is accepted that sometimes non council assets need to be used on Council business it must be stressed that any documents sent should be copied to the Proper Officer at the same time and steps taken to ensure removal of those documents immediately</p>	High		

	afterwards. Council also need to follow the Retention and Destruction Policy			
10	<p><u>Staff Cover</u></p> <p>This is noted on the risk register but there should be a backup plan or cross training to ensure that any situations can be covered.</p>	Low		<i>For long term absence of the Clerk, we have insurance in place, however to consider delegated work when Clerk is on Holiday, and to also consider this for other members of staff as well for example the RFO.</i>
14	<p><u>Performance related payments and training</u></p> <p>While salaries are in line with NJC scales, performance reviews and acknowledgement of staff work and progress should also be undertaken</p> <p>It was also noted that requests for training have been deferred to a later meeting. If possible, they should be decided on a timely basis – especially if they are a legal requirement such as PA1 and PA6</p>	<p>Low</p> <p>Low</p>		<i>The HR Committee approved the appraisal template in September 2023.</i>
16	<p><u>Breach of Procedures in connection with the travel expenses on the Councillors and Expenses Policy.</u></p> <p>While this is not of significant value such a breach could result in other procedures not being correctly followed. It is recommended that:</p> <p>a) If the breaches are not resolved on a timely basis, then the account is</p>	High		<i>Clerk is revising this policy and it will be on the agenda for the Main meeting</i>

	<p>suspended for those individuals not complying with the breach; and</p> <p>b) all future bookings are made via the Clerk, RFO or authorised member of staff who will record details and reason for journey at the time of booking.</p>			
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3 Findings and Recommendations

	Controls	Adequate Design	Test Results/Implications	Recommendation	Categorisation
1 Risk: The Parish Councils Standing Orders and Financial Regulations have not been Met					
1	The parish Council operate with a number of committees/sub committees each with their own terms of reference	Y	<p>It is good to note that the structure and membership of these committees has been reviewed and acted upon.</p> <p>It is good to note that all meetings now have a minimum of 5 members.</p> <p>It was noted, however, that at one meeting not all members were able to attend and as a result a tied vote was arrived at. Therefore, the previous chair exercised a casting vote in his own favour.</p>	While this followed the procedures laid down and therefore not wrong it would be better to have a procedure for this instance to appoint chair for that meeting only and then revisit to position when all members were able to attend and vote	Low
2	Terms of Reference	Y	It is good to note that the terms of reference for each committee have been reviewed and updated this year.		
3	Staff Oversight	Y	It is good to note that staff oversight has been moved from a council member to the Proper Officer		
4	Review of Policies and Procedures	Y	All policies and procedures have been updated and approved during the current year, with the exception of the	Steps should be taken to ensure that this is rectified as soon as possible especially as there have been a number of changes to Employment Law over the last	Medium

			staff handbook	few years	
5	Override of Procedures	Y	It has been noticed in one instance that a decision made within a sub committee was overridden without reference back to that committee.	It is understood that this is being referred to the main committee to resolve. However, it is recommended that training for councillors of the rules and consequences is urgently sought.	High
6	Conflict between Standing Orders and Terms of Reference	Y	There is a conflict between the standing orders and the terms of reference for committees as to when the Chair for each committee is appointed.	It is understood that NALC have advised to leave the appointments as they stand for this year but to ensure the conflict is resolved going forward. It is recommended that this takes place at the earliest convenience. It is recommended that a read across from standing orders to Terms of Reference is carried out annually to ensure no other conflicts creep in.	High Medium
2 Risk is not assessed and managed effectively					
7	All items from the council meetings are minuted	Y	A review of all minutes from April 23 to September 2023 identified one out of court settlement which has been handled correctly via the HR committee procedures.	This is a historical item and procedures are in place to minimise the risk of this happening again.	
8	Annual Risk Register	Y	The latest risk register has now been published on the council website.		
9	GDPR Breach	Y	The minutes showed a breach of GDPR which, whole correctly reported to the ICO and managed could cause reputational damage	While it is accepted that sometimes non council assets need to be used on Council business it must be stressed that any documents sent should be copied to the Proper Officer at the same time and steps taken to ensure removal of those documents immediately afterwards. Council also need to follow the Retention and Destruction Policy	High
10	Staff Cover	Y	The small team employed at the council work well together and help each other but there is a risk that if	This is noted on the risk register but there should be a backup plan or cross training to ensure that any situations can be covered.	Low

			someone is away unexpectedly or for a long period that things could be missed.		
3 Risk Income and Expenditure is not correct and Valid					
11	Payments are transacted by BACS or other instructions to council bankers	Y	From a sample review it was confirmed that payments were made by BACS, except for some minor items		
12	Suitably authorised and minuted invoices support all payments. All invoices are signed and referred to minutes. All receipts are treated similarly	Y	A sample of invoices were tested from the accounting system for validity and cross referred to council minutes for authorisation.		
13	All income is recorded upon receipt in the accounting system	Y	We confirmed from a review of the accounting records that income received is banked properly on a timely basis.		
14	The salaries paid to the Proper Officer, the Responsible Financial Officer, are formally approved by the HR Committee. There is also a Councillors Scheme of Allowance in place	Y	From a review of the records it is confirmed that appropriate records are maintained in relation to all staff. Salaries are reviewed by the HR committee and are in line with NJC scales. They are not however, performance related. It was noted that training to improve skillsets was rewarded. Councillors Allowance was paid in accordance with the agreed increases.	While salaries are in line with NJC scales, performance reviews and acknowledgement of staff work and progress should also be undertaken. It was also noted that requests for training have been deferred to a later meeting. If possible, they should be decided on a timely basis – especially if they are a legal requirement such as PA1 and PA6	Low Low

15	PAYE/NI is correctly operated and deducted	Y	A review of payroll records confirmed this to be correct.		
16	Breach of Procedures	Y	<p>A review of minutes noted that there is a breach of the procedure used to book taxis for attendance at meetings or on council business. It is noted that:</p> <ul style="list-style-type: none"> a) Taxis were used for non - council business (resolved by deduction from council allowance); and b) Forms required to confirm details of journey and reason for it are not completed on a timely basis – in one instance several months. 	<p>While this is not of significant value such a breach could result in other procedures not being correctly followed. It is recommended that:</p> <ul style="list-style-type: none"> a) If the breaches are not resolved n a timely basis, then the account is suspended for those individuals not complying with the breach; and b) All future bookings are made via the Clerk, RFO or authorised member of staff who will record details and reason for journey at the time of booking. 	High
4 Risk: Risk VAT is not properly Accounted for.					
17	VAT is identified and recorded in the accounting records and payments have been reclaimed	Y	<p>A review of accounting records showed receipt of all vat reclaimed under the old system of vat accounting for Parish Councils and that it has correctly been transferred to MTD for VAT.</p> <p>All receipts have been properly accounted for</p>		
5 Risk: The appropriate books of Account have not been kept throughout the period					
18	The RFO maintains the accounting records on a regular basis with monthly reports to each Parish Council Meeting	Y	<p>Financial reports are included in the meeting minutes.</p> <p>All payments over £500 are recorded on the council website and all over £1,000 require approval of the</p>		

			Council.		
19	Accounting updates are provided on a regular basis to the Parish Council with a final version produced at the year end.	Y	The Parish Council has a Financial Reserves Policy to ensure funds are available to cover operational and other contingencies, in line with government requirements and for a specific policy regarding devolved services. A draft investment policy has been drawn up and is under review.	The investment policy to be reviewed and, if appropriate, adopted. A review of reserves should also be carried out to ensure that they are adequate for requirement.	
6 Risk: Account Reconciliations are not timely and accurate					
20	There are Several Bank and Savings Accounts maintained	Y	The bank reconciliations are evidenced in the accounting records are being completed on receipt of the statement. They are regularly reviewed and signed off by the Internal Scrutineer.		
7 Risk: The Annual Precept request is not the result of a proper budgetary process and is not properly monitored					
21	Actual Expenditure against the budget is regularly reported to the council	Y	This is presented on a quarterly basis and is used to set the precept for the following financial year.		
22	All budget variances are discussed at council meetings	Y	A review of the budget documentation showed no unexplained variance arising.		

Xero Bank Summary Q2 - Councillor Verification

Stantonbury Parish Council

30 September 2023

Finance Committee Minute Reference

Bank Accounts	XERO Closing Balance	ACTUAL - Bank Statement	Variance +/-
CCLA	£ 455,087.48	✓	
Charity Bank	£ 123,433.50	✓	
Co-operative Bank Current	£ 95,557.35	✓	
Nationwide Savings	£ 139,655.11	✓	
Petty Cash	£ 180.19	✓	
Santander Current	£ 1,386.88	✓	2.6.23
Santander Savings	£ 125,500.54	MISSING	
Soldo Prepaid Debit Cards	£ 997.51	✓	
Unity Trust Bank - 12 Month Fixed Term Deposit	£ 125,000.00	✓	
Unity Trust Bank - Instant Access Account	£ 2,233.40	✓	
Total	£ 1,069,031.96		

Checked by:

PRINT NAME

EALOC NORTHWOOD

Date:

15/11/23

SIGNATURE

Endorsed

Comments

Document No : ISSPCo51223



Investments Strategy Policy

Signed:
The Chair of Finance Committee

Date:

Signed:
The Chair-Stantonbury Parish Council

Date:

Document History

RFO Created	4.10.23
Finance Committee Meeting Approved	05.12.23
Full Council at Main Meeting Approved	

1.0 Introduction

1.1 Stantonbury Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

1.2 This strategy has been prepared in accordance with the Guidance on Local Government Investments ('the Guidance'), issued under section 15(1)(a) of the Local Government Act 2003, effective from 1st April 2018.

1.3 The Guidance states:

- a) Where a town or parish council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
- b) Where a town or parish council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
- c) Where a town or parish council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.

1.4 Stantonbury Parish Council expects its investments during the 2023-24 financial year to exceed £100,000 and therefore has agreed to apply the Guidance as set out below.

2.0 Definitions

2.1 The following definition of terms apply.

2.1.1 **Investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit: for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly owned companies or associates, to a joint venture, or to a third party. The term does not include pension funds or trust fund investments, which are subject to separate regulatory regimes and therefore are not covered by this guidance.

2.1.2 A **credit rating agency** is one of the following three companies:

- Standard and Poor's
- Moody's Investors Service Ltd; and
- Fitch Ratings Ltd

2.1.3 A **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

3.0 Investment Objectives

3.1 Investments made by the council can be classified into one of two main categories:

- Investments held for treasury management purposes: and
- Other investments

3.2 In 2023-24 the council investments will only be held for treasury management purposes.

3.3 The council's investment priorities are:

- 1) the security of its reserves.
- 2) the liquidity of its investments

3.4 The council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity being maintained.

3.5 All investments will be made in sterling and, as a minimum, surplus funds will be aggregated in an interest-bearing account.

3.6 The Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this council will not engage in such activity.

4.0 Security of Investments

4.1 Financial investments can fall into one of three categories:

- Specified Investments.
- Loans; and
- Other non-specified investments

4.2 Specified Investments

4.2.1 An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long-term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].
- The investment is made with a body or in an investment scheme described as high quality or with one of the following bodies:

- i. The United Kingdom Government.
- ii. A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; or
- iii. A parish council or community council.

4.2.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the council will use:

- UK banks and UK building societies.
- Public Bodies (including the UK Government and local authorities).
- UK FCA regulated qualifying money market funds with a triple A rating.

4.3 *Loans*

4.3.1 The council may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth.

4.3.2 Such loans will conform with the strategy if:

- Total financial exposure to these types of loans is proportionate.
- The council has used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 Financial Instruments as adopted by proper practices to measure the credit risk of their loan portfolio.
- The council has appropriate credit control arrangements to recover overdue repayments in place; and
- The council has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

4.3.3 No provision to make loans has been made for 2023-24. Any such decision would require the approval of full council.

4.4 *Non-specified investments*

4.4.1 Non-specified investments are usually for longer periods (i.e., more than one year) and with bodies that are not highly credit rated.

4.4.2 No non-specified investments are included in the Investment Strategy for the council.

5.0 Liquidity of Investments

5.1 The Responsible Finance Officer in consultation with the Finance Committee of Stantonbury Parish Council (or Full Parish Council) will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

5.2 The council’s investments have a maximum liquidity period of 365 days.

6.0 Long Term Investments

6.1 Long term investments shall be defined as greater than one year. The council will use the same criteria for assessing long term investment as identified above for specified investments.

6.2 Full council must assess the suitability of any long-term investment and take into consideration the requirements of the 4-year plan and long-term forecasts.

7.0 Risk Assessment

7.1 The council's reserves are not covered by the Financial Services Compensation Scheme and must therefore be managed carefully to mitigate the risk of losses.

7.2 The council will only invest in institutions of "high credit quality" as set out in section 3.2 of this strategy. Investments will be spread over different providers where appropriate to minimise risk.

7.3 The council will monitor the risk of loss on investments by reference to credit ratings. The council should aim for ratings equivalent to the Fitch rating A (low default risk). The council will also have regard for the general economic and political environment in which institutions operate.

7.4 The investment position will be reviewed monthly by the Responsible Financial Officer and reported to the Finance Committee and full council as part of the regular monthly financial report (bank summary).

7.5 The council does not employ, in-house or externally, any financial advisors but will rely on information which is publicly available.

7.6 The risk assessment for 2023-24 is shown in appendix A.

8.0 Use of Investment Managers

8.1 If external investment managers are used, they will be contractually required to comply with this strategy.

9.0 Investment Approval

9.1 The Finance Committee has the delegated authority to consider and recommend any short-term investments (maximum of twelve months), in accordance with this Investment Strategy, subject to the final approval of the investment provider by the parish council. All resolutions relating to investments will be noted in the minutes of meetings.

9.2 Any decision on loan activity may only be approved by the full council and will be noted in the minutes of the meeting.

10.0 Investment Reports

10.1 The Responsible Financial Officer will include a quarterly report on investment activity in the financial report (bank summary) for each Finance Committee meeting, as is the practise, this report will be reviewed by full council at their meeting.

11.0 Review and Amendment of Regulations

11.1 The Investment Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared and reviewed by the Finance Committee (if applicable) which will then make a recommendation to the Full Council.

11.2 The council reserves the right to make variations to the strategy at any time, subject to the approval of the Full Council. Any variations will result in an updated strategy being published.

12.0 Transparency

12.1 This strategy will be posted on the Parish website and a hard copy will be available from the Parish Clerk.

13.0 Account Management Arrangements

13.1 This section sets out the maximum and minimum balances to be held across the council's accounts during financial year 2023-24

13.2 The RFO will be responsible for maintaining balances within the parameters shown. Balances are reported each month in the financial report.

13.3 As large deposits, such as precept and CIL or movements between accounts usually occur at the end of the month, the RFO may hold a balance greater than the maximum specified for a limited period, until transfers can be made. Where this occurs, it will be noted in the financial report.

13.4 The minimum and maximum investments are based either upon the limits in place on individual accounts, or at levels required to for day-to-day management purposes.

Account name	Minimum balance	Maximum balance
CCLA PSDF	£25,000*	£750,000
Charity Bank Ethical Easy Access	£10,000*	£125,000
CO-OP Current	£50,000	£125,000
Nationwide 125 Day Saver	£5,000*	£250,000
Santander Business Reserve	£1	£250,000
Santander Current	£1	£50,000
Unity 12 Month Fixed Term Deposit	£100,000*	£125,000
Unity Trust Instant Access	£1	£50,000

**minimum investments levels*

13.5 The RFO will look to spread risk across the different financial institutions where accounts are held. In financial year 2023-24 this will be a maximum of £650,000 per banking group.

13.6 If combined balances are expected to exceed £2.25m in the year, as a result of CIL receipts, the Clerk will bring forward updated balance proposals to the Finance Committee.

Appendix A - Risk Assessment 2023-24

Financial Organisation	Fitch Rating / Outlook	As at
CCLA PSDF	AAAf/S1	March 2023
Charity Bank	Not Available	
CO-OP	BB/Stable	June 2023
Nationwide Building Society	A/Stable	December 2022
Santander	A- (Senior A) / Stable	September 2023
Unity Trust Bank	Not Available	

Financial Services Compensation Scheme (FSCS)

In a Policy Statement (PS9/15) issued in May 2015, the Prudential Regulation Authority (PRA) of the Bank of England announced a change in policy to extend the protection afforded under the Scheme to “Small Local Authorities” (SLAs). Such Authorities are defined as Local Authorities with “an annual budget of up to 500,000 Euros”. The regulations do not specify whether the term “Budget” refers to Income or Expenditure, but the only prudent course is to assume that BOTH Income and Expenditure need to be under the 500,000 Euros threshold in order to qualify for protection. Stantonbury Parish Council does not qualify for protection in the scheme for 2023-24.

Risk of failure

The risk of failure of any of the financial institutions used by the Parish Council is low. The UK Government is unlikely to allow a major high street provider to fail as evidenced by the Financial Crisis of 2007-08.

Negative returns

The Bank of England has indicated that interest rates are likely to rise through 2023-24 and remain positive. The threat of negative interest rates has been lifted.

The Clerk will keep members advised of any changes and their impact on the council's investments.