

PARISH OF SOUTH DAREBIN

FINANCIAL GOVERNANCE AND DELEGATIONS POLICY

PURPOSE AND SCOPE

The *Parish Governance Act 2013* states that “A person must not occur incur a liability on behalf of the parish except as authorised by the parish council” and further states that “The parish council must establish a proper system for monitoring the incurring of liabilities on behalf of the parish to ensure that liabilities are incurred within the scope and terms of the authorisation”.¹ The purpose of this policy is to provide a framework for the delegation of day to day expenditure as part of a system of financial monitoring. It applies to all parish officers and employees of the Parish and covers the signing of documents and the making of financial and other commitments on behalf of the Parish.

POLICY STATEMENT

It is Parish Council policy that no person shall commit the Parish to expenditure or other contractual arrangement without the relevant authority or appropriate approval as outlined in this policy document. As a general principle, a transaction is to be authorized or approved by a person or body other than the person undertaking or seeking the transaction.² Authorizations and approvals are to be in written form,³ and all legal documents must be made in the name of the Parish of South Darebin, Anglican Diocese of Melbourne.

PROCEDURES

Asset Register: All assets shall be recorded in an asset register. The register is to be held and kept up to date by the churchwardens. The register is to record the asset, its value and its location.

Bank Accounts: The funds of the parish “must be kept in account in the name of the parish with a bank or with some other prescribed institution”, and “the signatories for payments from the funds of the parish are the treasurer, the churchwardens and any other persons decided by the parish council; and a cheque or other payment from the funds of the parish must be signed or authorised by two signatories, one of whom is the treasurer or churchwarden”.⁴

Conflicts of Interest: If any person with a delegated authority has a conflict of interest in undertaking their delegation, then the delegation must not be exercised.

Delegations: Before a parish officer commits the parish to an expenditure or other contractual arrangement, the following requirements must be met:

- there is a specific delegation or approval by the parish council;
- the item is primarily for the use of the parish or primarily for a use directly related to the mission of the parish or a related body;
- those involved in the proposed procurement process have considered possible conflicts of interest and declared that no conflicts of interest arise;
- the relevant funds are available (source of funding proposed may include internal and external funds, current investments, other);
- where relevant, the use of a ‘preferred 3rd party provider’ has been considered;
- that any expenditure is within the financial delegation limits listed in the ‘Schedule of Financial and other Delegations’ attached to this Policy; and
- where the item is a ‘transaction of larger value’, the procedures outlined elsewhere in this policy for ‘transactions of larger value’ are met.

Delegations to a person may be given to them by name or by reference to an office or position. Where a parish officer or employee has a delegated authority to commit the parish, this delegation cannot be further delegated. The parish council may revoke any delegation under this policy at any time, and may also exercise its powers concurrently with any delegation.

Investment of Funds: Cash assets not immediately required for operating expenses are to be deposited in an at-call cash deposit account or bank term deposit at an Australian licensed/regulated bank with a Standard and Poor’s credit

¹ Clauses 34(5) and 34 (6).

² ie you can’t give approval to yourself.

³ Note, an email is a form of written document.

⁴ *Parish Governance Act 2013*, clauses 34(2) & 34(3).

rating of no less than BBB+.⁵ Or, subject to the specific approval of the Parish Council, in an account with the Anglican Development Fund.⁶

Offerings: Offerings of cash collected during a church service are to be recorded immediately following the service in the official church register and, at the same time, in the pay-in book by a Local Counting Officer, in the presence of a witness, and placed in a locked safe, for subsequent transfer to a parish bank account by the treasurer or their delegate.

Permits: If any proposed development of, or addition to, a building requires a building permit, or a planning scheme permit under the local Council planning scheme, evidence is required that such permit/s have been sought and/or obtained.

Preferred 3rd Party Providers

The Parish Council may appoint one or more persons or businesses as a preferred supplier of specified goods or services. Preferred suppliers shall be appointed by way of a competitive process undertaken not less frequently than every five years. Selection criteria are to be advertised and may include a combination of price, relevant experience and qualifications, and availability.

Ratification of Expenditure

All items of expenditure undertaken under delegation are to be reported and ratified at the next meeting of the parish council.

Reporting / Documentation: All commitments to expenditure or other contractual arrangement shall be documented in writing and a copy retained for 7 years and all approvals shall be documented by way of approved minutes or other documentation. Any such documentation shall be available for viewing by any parishioner, on request.

Splitting of Accounts: While it may be convenient and appropriate for accounts arising from a particular item of expenditure to cover part payment of the whole project, for the purposes of assessing the threshold limit of any delegation, the total item or project cost shall be used.

Transactions of Larger Value: Other than for payment of Diocesan assessment or payroll collections, transactions involving an amount greater than \$5000 require the provision of additional supporting material:

- (a) If an asset or lease:
 - clear description of the need, use and storage of the asset
 - at least two written quotes
 - if the cheapest quote is not recommended, a rationale of why the recommended quote is proposed
- (b) If the purchase, sale or lease of real estate:
 - clear description of the need, use and responsibility of the real estate
 - approval of the Diocese
- (c) If a service arrangement (including building maintenance and improvements)
 - at least two written quotes
 - if the cheapest quote is not recommended, a rationale of why the recommended quote is proposed.
 - if the services involve building works, evidence that the recommended supplier is a registered service provider and has public and/or professional liability insurance
 - if the services to be procured involve additions to a building, Diocesan approval is required.

RESPONSIBILITIES

Parish Council

Amongst other things, in summary, the parish council is responsible for:

- a) the general direction of the administration of all parish funds; and
- b) the approval and presentation to each annual meeting a parish budget for the financial year in which the meeting is held.⁷

⁵ Such banks currently (as at January 2024) include the ANZ Banking Group, Commonwealth Bank of Australia, National Australia Bank, Westpac Banking Corporation, Bank West, Suncorp Bank, Bendigo & Adelaide Bank, and Bank of Queensland.

⁶ Note that investments with the Anglican Development Fund (ADF) are guaranteed by the Diocese of Melbourne but the ADF is not supervised by the Australian Prudential Regulatory Authority, nor do deposits with the ADF have the benefit of the depositor protection provisions of the Banking Act 1959.

⁷ The parish council may alter the parish budget to respond to unforeseen increases or decreases in income, expenditure, assets or liabilities (clause 33 (4)).

Parish Treasurer

The Parish Treasurer is responsible for:

- a) ensuring the proper banking of all moneys of the parish and the proper payment of all amounts payable by the parish;
- b) maintaining proper financial records of the parish;
- c) reporting to each meeting of the parish council on the financial affairs of the parish, including projected outcomes in accordance with the annual budget of the council;
- d) preparing forward estimates of income and expenditure in accordance with strategies and plans adopted by the council;
- e) ensuring that the accounts of the parish are audited or assessed as required by the Act; and
- f) preparing the annual financial report to the annual meeting.⁸

The Churchwardens

Amongst other things, the churchwardens have responsibility for the proper keeping and management of all parish funds and must maintain adequate and accurate accounting records of the parish's financial transactions.⁹

DEFINITIONS

Asset: For the purposes of this policy, an asset is something costing \$500 or more.

Churchwarden: Being two parishioners elected at the annual meeting of the parish and another parishioner appointed by the vicar.

Conflict of Interest: A conflict of interest arises when there are competing interests for an individual that may impact on his/her decision-making role. A conflict of interest may involve a 'direct conflict' between the matter being considered and parish responsibilities and personal/private interests, or may involve a 'potential conflict' where a person has private interests which are such that a conflict of interest would arise if he/she were to become involved in conflicting official responsibilities in the future. Conflicts of interest are not limited to financial or pecuniary interests, but may involve otherwise legitimate private capacity or business activity, personal affiliations and associations and family interests, if these interests could reasonably be considered likely to improperly influence the performance of responsibilities and duties to the parish.

Local Counting Officer: Being a churchwarden, member of the Parish Council other than the Treasurer, or other person appointed by the Parish Council.

Parishioner: Being a person on the Parish Electoral Roll.

Parish Officer: A person in a parish (other than the vicar) who is a churchwarden, member of the parish council, member of the parish nominations committee, or a member of a local vestry.

Preferred 3rd Party Provider: A provider of goods or services that has been nominated by the Diocese or Parish Council.

Specified Budget Item: An item of expenditure for an asset or service that is specifically identified as a line item within an approved budget, for example 'Purchase of photocopier \$XX'. A 'Non-specified Item' would be an item not specifically identified in the budget, but come under a more general line item eg under 'Purchase of Office Equipment'.

DATE OF APPROVAL / DATE OF REVIEW

25 January 2024. Amended 26 February 2024 / 25 January 2027

⁸ As is set out in Schedule 1 of the Parish Governance Act, Rule 18.4.

⁹ Parish Governance Act 2013, clause 34 (1).