

# STRATTON ST MARGARET PARISH COUNCIL



## VIREMENT POLICY

<b>Financial Policy Number Two</b>		
<b>Issue No.</b>	<b>Date completed</b>	<b>Details of amendments</b>
One	26/01/2010	Full Council Min Ref: 117/09
One	07/12/2010	Reviewed by the Audit & Governance Sub Committee

## **SCHEME OF VIREMENT**

### **1. THE NEED TO REQUEST A VIREMENT**

- 1.1 The virement policy will be used as a **key control mechanism** to help the Council to manage its resources within the limits agreed by Council.
- 1.2 A virement may be necessary to facilitate the use of the Purchase Order Processing system. This is also a key control mechanism, and ensures that the Officers use the correct coding structure for all purchases, and that the Council's commitments are managed within budget.
- 1.3 The Financial Monitoring arrangements for the Council are collated using up to date information on budgeted expenditure, and virements are used to maintain the Council's Financial System (RBS Omega) to inform this process.
- 1.4 Virements are used to track movements in expenditure and income and understand the redirection of expenditure between priorities. This is used to inform future resource requirements for individual service areas, and alert Officers to any concerns at an early stage.

### **2. WHO CAN REQUEST A VIREMENT?**

- 2.1 The Clerk/RFO and the Committee who have the responsibility for a budget have the power to request a virement for areas of responsibility.
- 2.2 If the virement is between responsibilities, this will need agreement between all managers prior to submission of the request.
- 2.3 All virements will be subject to Full Council approval except in the case of an emergency when the Finance Committee will be given delegated authority.

### **3. REQUESTING A VIREMENT**

- 4.1 A Virement request should be submitted to the Finance Committee for consideration and approval before being placed before full Council for ratification if required.
- 4.2 The Virement request should be discussed prior to submission for consideration by the relevant Committee Chair and vice Chair and the Clerk/RFO and in accordance with the authorisation limits set.

- 4.3 The authorisation limits are:
- 4.3.1 For a Revenue Budget request exceeding £2,000 Full Council approval is required.
  - 4.3.2 For a Capital Expenditure request of any amount Full Council approval is required.
  - 4.3.3 For a Revenue Budget request between £500 and £1,999 approval is required by the Finance Committee.
  - 4.3.4 For Revenue Budget requests below £500, delegated authority is granted to the Clerk/RFO.