

RELATED PARTY TRANSACTIONS

Scenario 1: General Related Party Transactions

1. **Invoice received** → Sent to Clerk for review and accuracy check
2. **Clerk approval** → Clerk signs off the invoice
3. **Payment schedule** → Invoice is added to the payment schedule
4. **Chair/Vice Chair approval** → Chair or Vice Chair checks and signs off
5. **BACS run** → payment authorised by bank signatory who has not signed off at stage 4.
6. **Third-party sign-off** → Non-signatory third-party check after payment has been made.
7. **Record-keeping** → Copy retained in the Internal Audit file

Scenario 2: Related Party Transaction Involving the Clerk

1. **Invoice received** → Clerk checks for accuracy
2. **Line Manager approval** → Clerk's Line Manager signs off
3. **Payment schedule** → Invoice is added to the payment schedule
4. **Chair/Vice Chair approval** → Chair or Vice Chair checks and signs off
5. **BACS run** → payment authorised by bank signatory who has not signed off at stage 4.
6. **Third-party sign-off** → Non-signatory third-party check after payment has been made.
7. **Record-keeping** → Copy retained in the Internal Audit file

Docs retained in IA file:

1. Copy of invoice/timesheet with initial check plus 2 further signatories
2. Copy of signed payment schedule, with Minute ref of approval
3. Copy of bank BACS run showing approval by neither of the 2 signatories in stage 1
4. Copy of bank statement showing 3rd party check by independent non-signatory councillor

Reviewed 09.02.2026

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