

This is the statement of general policy and arrangements for:	High Ongar Parish Council
Overall and final responsibility for Virement Policy is that of:	High Ongar Parish Council
Day to day responsibility for ensuring this policy is put into practice is delegated to:	Parish Clerk

Virement Policy

Introduction

The budget is set in either December or January for the next financial year and is the basis for the precept request from residents. History tells us that there will be some overspends and some under spends on budget accounts. The purpose of this Policy is to clarify when a transfer between budget accounts is to be made, how to deal with transfers from the Reserve account and what happens when a budget is overrun, or under spent.

Definition of Virement

Virement is the process of transferring a revenue budget from one budget heading to another, with the approval of the Parish Council. It can be used to amend budgets in the light of experience, or to reflect anticipated changes in the pattern of future income or expenditure.

The budget virement process is part of the practice to make sure that the Parish Council has adequate policies and procedures in place to ensure effective system of financial control.

Why do we need a Virement Policy?

This policy stipulates that no payments will be made directly from the Reserve account until transfer is made from the holding account to the nominated project budget and the payment made from there.

The RFO produces detailed reports and shows when accounts are over and under budget, but also approaching budget. It is therefore not proposed to subject all unbudgeted expenditure to full scrutiny, only amounts over £500 but these will be highlighted by the Clerk to the Full Council.

Any item of unbudgeted expenditure over £500 will require a virement and this decision will only be made by an absolute majority of Full Council. All virements will be recorded in the minutes.

Transfer from Reserve

VIREMENT POLICY

HIGH ONGAR PARISH COUNCIL

From time to time, it may be necessary for the Council to withdraw money from the reserve to meet a shortfall or meet an opportunity. There is no reason why this should not happen, but any resolution to take money from reserve must have a statement to show how the money will be replenished. If reserves are high, then a statement confirming that the money will be transferred and not be replaced will be sufficient. If the reserves are not high enough to allow this, then a statement confirming the amounts and the timescale for rebuilding will be required.

Financial Responsibilities

Budgetary control must be strictly maintained throughout the year in order that any potential expenditure overspends or income loss within budget headings are identified at the earliest opportunity.

Signed by the Chair of High Ongar Parish Council	<i>Toby Acton</i>
Presiding at the Parish Council Meeting Dated	12 th June 2024

Reviewed Annually