

FINANCIAL REGULATIONS

ADOPTED 29TH MARCH 2018

GENERAL STATEMENT OF POLICY

1. These financial regulations govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Parish Council.

1.1 The Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.

1.2 The RFO shall be responsible for the production of financial management information.

1.3 The Council shall be responsible in law for ensuring that the financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of its functions and which manages risk.

1.4 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

1.5 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Smaller Authorities in England - a Practitioners' Guide*

1.6 The RFO holds a statutory office and is appointed by the Council. Where the Clerk has been appointed as the RFO, these regulations will apply accordingly.

1.7 The RFO is not empowered by these Regulations.

In particular any decision regarding:

setting the precept

approving an annual governance statement

addressing recommendations in any report from internal or external auditors.

These shall be a matter for the full Council only.

2. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING AND CONTROL

2.1 Details of all receipts and payments for the year shall be prepared each year by the RFO. The Council will receive a financial report each council meeting indicating current budget expenditure / income and levels of reserves.

2.2 The RFO must each year, by no later than [month], prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the

following financial year in the form of a budget to be considered by the [relevant committee and the] council.

2.3 The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

2.4. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

2.5 The annual budget shall form the basis of financial control for the ensuing year and a guide to the following two years.

2.6 The Clerk/RFO may incur emergency/urgent expenditure, subject to a limit of £300.00 on behalf of the Council. The Clerk shall report the action to the Parish Council as soon as practicable thereafter.

2.7 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement'). Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

2.8 The salary budget are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council.

2.9 Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

2.10 No one member is authorised to make payments or enter contract unless delegated by the council to have that authority.

3. ACCOUNTING AND AUDIT

3.1 All accounting procedures and financial records of the Parish Council shall be determined by the RFO as required by the current Accounts and Audit Regulations.

3.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

3.3 The RFO shall be responsible for completing the annual financial statements of the Parish Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council for Council approval and Chairman signature.

3.4 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Parish Council within the timescales set by the Auditor.

3.5 The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Parish Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations.

3.6 The council shall ensure that there is an adequate and effective system of internal audit of its accounting reports and of its system of internal control in accordance with proper practices. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

3.7 The internal auditor or his/her family shall:
be competent and independent of the financial operations of the council
have no involvement in the financial decision making, management or control of the council

3.8 The RFO shall make arrangements for the opportunity for inspection of the accounts etc. required by the current Accounts and Audit Regulations.

3.9 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal and External Auditor, unless the correspondence is of a purely administrative matter.

3.10 The RFO shall promptly complete any VAT return that is required.

3.11 Assets The RFO will ensure that an appropriate and accurate Register of Assets is maintained by the Council. It will be reviewed at least annually, in conjunction with a health and safety inspection of assets if appropriate.

4. BANKING ARRANGEMENTS AND CHEQUES

4.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for safety and efficiency. The Clerk/RFO shall not be a signature for payments. |

4.2 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to the Council. A detailed list of all payments shall be disclosed within the minutes of the meeting at which the payment was authorised. Personal payments (including wages etc.) will be summarised to remove public access to any personal information.

4.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 4.2 or in accordance with paragraph 5.4 shall be signed by two members of the Parish Council named on the bank mandate.

4.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

5. PAYMENT OF ACCOUNTS

5.1 All payments shall be effected by a cheque drawn on the Council's bankers and to indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatures shall each also initial the cheque counterfoil.

5.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

5.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall take all steps to settle all invoices submitted, and which are in order, at the next available Council meeting.

5.4 Cheques for payment shall not normally be presented for signature other than at a council meeting; any signatures obtained away from a meeting shall be reported to the council at the next convenient meeting.

5.5 An official order, letter or email shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained. Order books shall be controlled by the RFO.

5.6 A member may not issue an official order or make any contract on behalf of the council.

5.7 The RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

5.8 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the RFO can certify that there is no dispute or other reason to delay payment, the RFO may (notwithstanding paragraph 5.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate Meeting of the Council.

5.9 Where a computer requires use of a personal identification number (PIN) or other password(s) for access to the council's records on that computer, a note shall be made of the PIN and passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payment.

5.10 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

5.11 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites", and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this regulation will be treated as a very serious matter under these regulations.

6.0 PAYMENT OF SALARIES

6.1 As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of salary shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council.

6.2 No changes shall be made to any employee's pay or terms and condition of employment without the prior consent of the council.

6.3 Each and every payment to an employee of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

by any councillor who can demonstrate a need to know

by the internal auditor

by the external auditor

by any person authorised under Audit commission Act 1998 or any superseding legislation

6.4 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7. BORROWING

7.1 All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

8. CONTRACTS

8.1 Where the Council intends to procure or award a contract for £5000.00 and above, these Regulations will be altered by the Clerk/RFO and presented to Council for approval before the contract is placed for council approval.

8.2 If the value of the order is between £500 and £5,000, the Clerk shall produce three estimates for Council consideration and approval of one, which may not be the lowest. If the Clerk considers that the work to be ordered is of such a specialist nature to warrant a single estimate, approval must be sought to wavier these regulations.

8.3 No interests in land shall be leased without the resolved approval of the Council. A report in writing shall be presented to the council in respect of valuation and surveyed

condition, including all matters such as planning permissions and covenants including the result of adequate level of consultation with the electorate.

9 RISK MANAGEMENT

9.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

9.2. When considering any new activity, the Clerk / RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

10. REVISION OF FINANCIAL REGULATIONS

10.1 It shall be the duty of the Council to review the Financial Regulations of the Parish Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Regulations

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