

STETCHWORTH PARISH COUNCIL

FINANCIAL REGULATIONS

Adopted on 1st July 2010, reviewed 15.5.12, 14.5.13, 15.7.14, 20.5.15 and 13.06.18

1. GENERAL

1.1 These financial regulations govern the conduct of financial management by the Council and may only be amended by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control that facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption.

1.2 The Parish Clerk has been appointed as the Responsible Financial Officer (RFO). The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices.

1.3 The RFO shall produce financial management information as required by the Council.

1.4 At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control.

1.5 In these financial regulations references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of section 27 of the Audit Commission Act 1998 and then in force.

1.6 In these financial regulations the term 'proper practice' shall refer to guidance issued in *Governance and Accountability in local Councils in England and Wales – a Practitioners' Guide* that is published jointly by NALC and SLCC.

2. ANNUAL BUDGET

2.1 Estimates of all receipts and payments including the use of reserves for the year shall be prepared each year by the RFO together with the Chairman in the form of a budget to be considered by the Council.

2.2 The RFO and the Chairman shall recommend to Council a budget for the next year as the basis for setting the precept. The RFO shall issue the precept to the District Council and shall supply each member with a copy of the approved budget.

2.3 The Council shall consider the need for a three-year forecast of Revenue and Capital Receipts and Payments, which may be prepared at the same time as the annual Budget.

3. BUDGETARY CONTROL

3.1 Expenditure may be incurred up to the amounts included for that class of expenditure in the approved budget.

3.2 With the approval of Council unspent amounts may be moved to other budget headings or to an earmarked reserve as appropriate.

3.3 The RFO shall each quarter provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget.

3.4 The Clerk in consultation with the Chairman may incur expenditure on behalf of the Council to carry out an urgent repair whether or not there is any budgetary provision for the expenditure, subject to a limit of £200. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in general reserves by resolution of the Council.

3.6 Capital expenditure requires the prior agreement of Council.

3.7 Any proposal to raise a loan requires the prior agreement of Council.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

4.2 The RFO shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them to the Council.

4.3 The RFO shall complete the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations.

4.4 The RFO and Parish Council shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices.

4.5 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be independent of the Council, shall report to Council at least once each financial year.

4.6 The RFO shall make arrangements for the inspection of the accounts, books, and vouchers and for the publication of any notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations.

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

5. BANKING ARRANGEMENTS

5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required shall be prepared by the RFO for each Council meeting and, together with the relevant invoices, be presented to Council.

5.3 Cheques drawn on the bank account shall be signed by two members of Council.

5.4 The signatories shall each initial the cheque counterfoil.

6. PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.

6.2 All invoices for payment shall be verified by the Clerk.

6.3 The RFO shall check the arithmetical accuracy of invoices.

6.4 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, the Clerk in consultation with the Chairman may settle the invoice provided that the payments shall be submitted to the next meeting of the Council.
Cheques may be signed between meetings provided the Chairman and one other councillor agree and sign. Council will minute expenditure at the subsequent meeting.

6.5 The RFO shall maintain a petty cash float of £40 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

6.6 Payment for utility supplies (energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by two Councillors and reported to Council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the Council at least every two years.

7. PAYMENT OF SALARIES

7.1 The Council shall annually review the Clerk's salary and other payments. The Clerk's salary shall be approved in advance by Council.

7.2 The RFO shall ensure that Tax and National Insurance liabilities, if any, are met.

7.3 Records are to be kept to satisfy Inland Revenue enquiries.

8. EXPENSES OF CLERK AND COUNCILLORS

8.1 The Clerk shall be able to claim authorised travel and out of pocket expenses.

8.2 Councillors shall be able to claim travel and out of pocket expenses for travel outside the parish, attending training or on other authorised Council work.

8.3 Rates to be agreed by Council from time to time and minuted.

8.4 All claims to be made in writing in the name of the person claiming and to be signed.

8.5 Records shall be kept of all such payments so as to be able to satisfy Inland Revenue enquiries.

9. INVESTMENTS

9.1 The Council shall consider the need for an Investment Policy. Any Policy shall be reviewed at least annually.

9.2 All investments of money under the control of the Council shall be in the name of the Council.

9.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

10. INCOME

10.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

10.2 All sums received on behalf of the Council shall be banked by the RFO. The origin of each receipt shall be entered on the paying-in slip.

10.3 The RFO shall complete any VAT Return that is required.

11. ORDERS FOR WORK, GOODS AND SERVICES

11.1 All orders for goods and services other than those obtained through Petty Cash shall be confirmed in writing on Council headed paper or an order form.

11.2 Copies of all orders to be retained for audit purposes.

12. CONTRACTS

12.1 All contracts to be approved at the outset by the council.

12.2 Where the supply of goods, material, equipment or services is required and the total expenditure is likely to exceed £1,000 the RFO shall seek a minimum of three quotations unless otherwise agreed by Council. Invitation to tender shall be in writing with a similar and full specification and a set closing date.

12.3 The Council shall not be obliged to accept the lowest of any tenders.

12.4 An exception to these rules may be made for the continued supply of services such as electricity, phone, water and sewage; for the extension of an existing contract in order to allow for completion or supply; for the provision of specialist services such as those provided by solicitors; for accountants, surveyors, valuers and other similar consultants; and for the repair, supply of parts for existing machinery, equipment or plant.

13. ASSETS

13.1 The RFO shall maintain a register of Council assets, to be reviewed annually by the Council.

13.2 No property shall be sold or otherwise disposed of without the consent of the Council.

14 INSURANCE

14.1 The RFO shall be responsible for ensuring the Council has adequate insurance to include cover for property, third party liability, fidelity guarantee, employer's liability and other areas as directed by Council.

14.2 The RFO and Councillors will notify Council of any new risks arising.

14.3 The level of cover will be reported to Council annually for approval.

14.4 The RFO shall be responsible for processing all claims and informing Council.

15. RISK MANAGEMENT

15.1 The Council shall draw up a risk management policy in respect of all activities of the Council. Risk management arrangements shall be reviewed by the Council annually.

15.2 When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

16. REVISION OF FINANCIAL REGULATIONS

16.1 Council shall review these Financial Regulations annually. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council appropriately.

16.2 No amendments to these orders can be made without Council approval.

16.3 An addendum list is to be maintained, with section numbers, to show where and when

amendments have been made.

SIGNEDCHAIRMAN

1.7.10 6.5 Petty Cash amended to £40.00 from £100.00

20.5.15 12.2 Changing of the word Tender to Quotation

14.06.18 No changes