

Leigh Parish Council – FINANCIAL REGULATIONS

These Regulations were adopted by Leigh Parish Council (the Council) at its meeting on 16 January 2018

GENERAL

- 1.1 These Financial Regulations govern the conduct of financial transactions of the Council and may only be amended or varied by resolution of the Council.
- 1.2 The Parish Clerk shall be the Responsible Financial Officer (RFO) under the policy direction of the Council, and shall be responsible for the proper administration of the Council's affairs and for production of financial management information bi-annually in April and October.
- 1.3 The Council will appoint a financial sub-committee or nominated individual to work with and assist the RFO as necessary in the administration of these Regulations.

2 ANNUAL ESTIMATES

- 2.1 Proposals for revenue and capital costs for the following financial year will be formulated by the Chairman in conjunction with the RFO and financial sub-committee or nominated individual.
- 2.2 The financial sub-committee or nominated individual shall review the proposals for revenue and capital cost, comparing them with the estimates and spend for the current financial year as compiled by the RFO. Together they shall then prepare a draft budget and Precept to cover proposed income and expenditure for the coming financial year.
- 2.3 The proposals and draft budget and Precept shall be submitted to the Council for its initial consideration not later than the middle of November each year unless material considerations indicate that a later date would be advisable. After the tax base for the forthcoming year is received (November/December) from the paying authority, Council will accordingly set the Precept at its January meeting.
- 2.4 In order to be able to cover unexpected costs, Council will normally aim to hold uncommitted reserves of about 75-100% of annual expenditure.
- 2.5 If the spending proposals and Precept are not agreed by the Council, the Chairman shall decide on the appropriate course of action.

3 BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget. This authority is to be determined by:
 - the council for all items over £500;
 - the Clerk, in conjunction with Chairman of Council for items below £500. If the Chairman is not available, the Vice Chairman or Chairman of the appropriate committee, for any items below £500.

Leigh Parish Council – FINANCIAL REGULATIONS

- Exceptionally, in an emergency and when these individuals cannot be contacted, the Clerk may act alone in best judgement. Council must be informed of the circumstances at its next meeting.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

3.2 No expenditure may be authorised that will exceed by more than 10% the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. 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'). However, virement for monies in reserved headings (such as Playpark Funds) or any reserved funds held separate from the main current account shall only occur when appearing as a specific item on the Council agenda.

3.3 The RFO shall provide the Council at each meeting with a statement of receipts and payments to date. This should be circulated with the agenda. At the May and November meetings, the RFO in conjunction with the Chairman of the financial sub committee or nominated individual will produce with the agenda in addition a statement of receipts and payments to date comparing actual expenditure against that budgeted.

3.4 The RFO may incur expenditure subject to a limit of £500 on behalf of the Council which is necessary to carry out a repair, replacement or other work which is of such urgency that it MUST be done at once or where safety of persons, goods or buildings might be compromised whether or not there is a budgetary provision for the expenditure. Where such expenditure is likely to exceed £500, the RFO shall immediately contact the Chairman or Vice-Chairman for a resolution. The RFO shall report the action to the Council as soon as practicable thereafter.

3.5 Expenditure on capital projects shall not be incurred unless the Council is satisfied that the funds are available and that the expenditure is in accordance with the Council's Standing Orders.

4 ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be conducted by the RFO as required by the Accounts and Audits Regulations 1996 (The Regulations) as amended.

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

4.3 The RFO shall be responsible for completing the accounts of the Council contained in the Annual Return and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by The Regulations.

4.4 The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in

Leigh Parish Council – FINANCIAL REGULATIONS

accordance with The Regulations. Any officer member of the Council shall make available such documents, information or explanation to the RFO or the Internal Auditor which appear to be necessary for the purpose of the internal audit.

4.5 The Internal Auditor shall carry out the work of audit with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return, The Internal Auditor, who shall be competent and independent of the operations of the Council shall report to the Council on a regular basis with a minimum of one Annual Report in reach financial year.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers as required by The Regulations.

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

5 BANKING ARRANGEMENTS

5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be reviewed regularly for efficiency and cost effectiveness.

5.2 Cheques drawn or electronic signatures on the bank account shall be signed by two members of the Council, who will satisfy themselves that the details shown on the cheque / payment authorization and counterfoil agree with the invoice and form part of agreed budgetary expenditure. Cheque signatories shall initial the cheque counterfoil/stub.

5.3 If agreed by the Council, the RFO may operate an internet banking arrangement with the bank holding the Council's current account. Internet banking shall be subject to equivalent cheques and balances as with cheque banking.

6 PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by cheque or if agreed by the Council via the internet banking arrangement. Invoices for payment shall be examined to ensure that payment has been authorised by the Council. A Council cheque signatory shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, checked and approved.

6.2 The RFO shall examine invoices for arithmetical accuracy and take steps to settle all invoices submitted and which are in order at the next Council meeting. Where payment prior to the next Council meeting is necessary to avoid interest charges and there is no dispute or other reason to delay payment, the RFO may take steps to settle such invoices provided that a list of payments shall be submitted at the next Council meeting.

6.3 The Council will not maintain a cash float. All cash received will be banked intact. Payments made in cash (eg for postage or minor stationery purchases) shall be paid on a regular basis at least quarterly.

Leigh Parish Council – FINANCIAL REGULATIONS

7 INCOME

7.1 The collection of all sums due to the Council shall be the responsibility of the RFO.

7.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council and notified to the RFO.

7.3 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the accounts for the current financial year.

7.4 The RFO shall promptly complete any VAT return or application for repayment of VAT. Any repayment claim shall be made at least annually coinciding with the financial year end and accounted for in that year's accounts.

8 ORDERS FOR WORK, GOODS AND SERVICES

8.1 Normally, a letter / email shall be issued for all work, goods or services unless an official order would be inappropriate eg such as for petty cash purposes. Copies of any orders issued shall be retained.

8.2 The Council is dealing with public money and is responsible for obtaining value for money at all times. The official order process will ensure as far as is reasonably possible (see also 9.1) that the best available terms are obtained in respect of each transaction.

9 CONTRACTS

9.1 For work costing more than £500 the following procedure and checks are to be carried out

- a. that the works are necessary and finance is contained in the approved budget
- b. at least two contractors are invited to tender for work estimated to cost less than £2000 and at least three contractors for works above that figure
- c. firms invited to tender shall be reputable firms, preferably local, and approved after consultation between the RFO and the Council
- d. for recurring contracts, eg grounds maintenance, negotiated contracts with the previous successful contractor may be used for no more than three years, provided no circumstances are considered by the Council to have rendered the contractor uncompetitive. Provided that a further tender process has been carried out, an award to a previous successful contractor may be continued beyond the third year (and multiples thereof).
- e. The RFO shall ensure that tender information is not communicated to alternative tenderers until a decision on awarding a contract has been made by the Council.

Leigh Parish Council – FINANCIAL REGULATIONS

f. the Council shall not be obliged to accept the lowest or any tender quote or estimate (see also 8.2 in relation to obtaining value for money)

10 PROPERTY

10.1 The Clerk shall make appropriate arrangements for the custody of title documents of all property owned by the Council. The Clerk shall maintain a record of all property owned by the Council recording the nature, location and an annual estimate of the value of each property.

10.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law.

11 INSURANCE

11.1 The RFO shall ensure that adequate and proper insurance is in place for the Council and shall check best value with alternative providers as the renewal anniversary approaches. Policy excesses where applied shall be agreed by the Council. The RFO shall negotiate any insurance claims with the insurance provider.

11.2 The Council, in conjunction with the RFO shall conduct an annual assessment of risk and make such alterations in insurance cover that is deemed prudent and necessary.

11.3 The RFO shall keep a record of all insurances and the property and risks thereby covered.

11.4 The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim, and shall report any such event to the Council at the next meeting.

12 RISK MANAGEMENT

12.1 The RFO and the Internal Auditor shall consider drawing up a risk management policy in respect of all activities of the Council. Where appropriate, these should be drawn up as written procedures for consideration by the Council and if thought appropriate, for adoption.

13 REVISION OF FINANCIAL REGULATIONS

13.1 It shall be the duty of the Council to review the Council's Financial Regulations annually and amend them where necessary.