

# Financial Regulations

These Financial Regulations were adopted by Piercebridge Parish Council on

## 1. GENERAL

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

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

1.3 The Clerk/RFO shall be responsible for the production of financial management information.

## 2. ANNUAL ESTIMATES

2.1 Each Committee (if any) shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of October each year.

2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the Clerk/RFO.

2.3 The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The Clerk/RFO shall supply each member with a copy of the approved estimates.

2.4 The annual budgets shall form the basis of financial control for the ensuing year.

## 3. BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget.

3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget without the resolution of the Council.

3.3 The Clerk/RFO shall provide the Council, at the mid year finance review and the precept setting meeting, with a statement of receipts and payments to date under each head of budgets, comparing actual expenditure against that planned.

3.4 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available.

3.5 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, 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').

#### **4. ACCOUNTING AND AUDIT**

4.1 All accounting procedures and financial records of the Council shall be determined by the Clerk/RFO as required by the Accounts and Audit Regulations 1996 Act (as amended)

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

4.3 The Clerk/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 Council within the timescales set by the regulations, or set by the Auditor.

4.4 The Clerk/RFO shall be responsible for ensuring that there is adequate and effective systems of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Account and Audit Regulations 1996 (as amended). Any officer or member of the Council shall, if the Clerk/RFO or internal auditor requires, make available such documents of the Council which appear to the Clerk/RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Clerk/RFO or internal auditor with such information and explanation as the Clerk/RFO or internal auditor considers necessary for that purpose.

4.5 The internal auditor shall carry out the work required by the Clerk/RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's section of the Annual Return as compiled annually by the Audit Commission. The internal auditor shall be competent and independent of the operations of the Council.

4.6 The Clerk/RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 Section 15 and the Accounts and Audit Regulations 1996 (as amended).

4.7 The Clerk/RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the internal or external auditor, unless correspondence is of a purely administrative matter.

## **5. BANKING ARRANGEMENTS/PAYMENTS/AUTHORISATION**

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

5.2 A schedule (Finance Report) of the payments required, forming part of the Agenda for the Meeting shall be prepared by the Clerk/RFO and, together with the relevant invoices, be presented to the Council. The Finance Report shall be authorised by a resolution of the Council.

5.3 Cheques drawn on the bank account in accordance with the Finance Report referred to in 5.2 shall be signed by **two** authorised council members of the Council in accordance with a resolution approving the Finance Report.

5.4 To indicate agreement of the details shown on the cheque, the signatory should also initial the cheque counterfoil

5.5 Any Debit Card issued for use will be specifically restricted to the Clerk/RFO and will also be restricted to any single transaction maximum value of £500 unless authorised by the council.

5.6 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.

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

5.8 The RFO shall take steps to settle all invoices submitted, and which are in order, at the next Council meeting.

5.9 In cases of risk to delivery of council services, the Clerk/RFO may authorise expenditure on behalf of the council which in the Clerk/RFO's judgement it is necessary to carry out. Such expenditure includes, repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £300. The Clerk/RFO shall report such action to the Chair as soon as possible and to the council as practicable thereafter.

5.10 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO (for example for postage, or stationary items) shall be refunded at least quarterly.

## **6. PAYMENT OF SALARIES**

6.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance (if appropriate) currently operating, and salaries shall be as agreed by the Council.

6.2 Payment of salaries can be made monthly or quarterly by cheque or Standing Order.

## **7. INCOME**

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

7.2 All sums received on behalf by the Council shall be banked intact as directed by the Clerk/RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

7.3 The origin of each receipt shall be entered on the paying-in slip.

7.4 Personal cheques shall not be cashed out of money held on behalf of the Council.

7.5 The Clerk/RFO shall promptly complete any VAT Return that is required. Any payment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually.

## **8. ORDERS FOR WORK, GOODS AND SERVICES**

8.1 An official letter on headed paper shall be issued for all work, goods and services unless a formal contract is to be prepared or an official letter would be inappropriate. Copies of orders shall be retained.

8.2 All members and Officers are responsible for obtaining value for money at all times. To ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, the Clerk/RFO would usually obtain three or more quotations or estimates from appropriate suppliers

8.3 The Clerk/RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the Clerk/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.

## **9. INSURANCE**

9.1 Following an annual risk assessment, the Clerk/RFO shall effect all insurances and negotiate all claims on the Council's insurers.

9.2 The Clerk/RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

9.3 The Clerk/RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the Council at the next available meeting.

9.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

## **10. RISK MANAGEMENT**

10.1 The Clerk/RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.

10.2 When considering any new activity the Clerk/RFO shall prepare a draft Risk Management policy for any activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if appropriate, adoption.

## **11. REVISION OF FINANCIAL REGULATIONS**

11.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.

Adopted: