

GILDERSOME PARISH COUNCIL

FINANCIAL REGULATIONS

GENERAL

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.

Financial Regulations are one of the Council's three main governing policy documents providing procedural guidance for members and officers. Financial Regulations are to be observed in conjunction with Council's Standing Orders.

The Clerk has been appointed the Responsible Financial Officer (RFO) under the policy of the direction of the Council and shall be responsible for the proper administration of the Council's affairs.

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

ANNUAL ESTIMATES

The Finance Committee 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 November.

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

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 RFO shall supply each councillor with a copy of the approved estimates.

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

SALARIES AND ALLOWANCES

The Clerk's salary shall be in line with the NATIONAL JOINT COUNCIL *for* LOCAL GOVERNMENT SERVICES and NATIONAL AGREEMENT *on* PAY AND CONDITIONS OF SERVICE. The Clerk's salary shall be reviewed annually by the Finance Committee, prior to submission to the full Council for approval.

Clerk to the Parish Council allowances

Mileage

Broadband/Phone

Light/ heat

Parish Council Allowances

Allowances will be provided to councillors to cover expenses and travel on completion of an expenses claim form.

BUDGETARY CONTROL

Expenditure on revenue items may be incurred up to the amounts in the approved budget. All additional expenditure must be approved by the full Council.

The RFO shall provide detailed budgetary information on specific cost centres at any time throughout the year on the request of a councillor or councillors.

The RFO may incur expenditure on behalf of the Council necessary to carry out any repair, replacement or any other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The RFO shall report the action to the Council as soon as practicable.

Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.

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, or the requisite borrowing approval has been obtained.

ACCOUNTING AND AUDIT

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.

In these Financial Regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC). The 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 thereon to the Council.

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

The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission.

The Internal Audit shall be carried out within the 'Governance and Accountability for Smaller Authorities in England' A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements – March 2019

The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year. The RFO shall make arrangements for the opportunity for inspection as per the Accounts and Audit Regulations or 'the regulations' which 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.

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

BANKING ARRANGEMENTS AND PAYMENTS

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

A monthly Finance Report, prepared by the RFO, shall be an Agenda item, and recorded in the Minutes for that month. Reconciliation of the accounts shall be an ongoing process, using the Scribe Finance system.

To indicate the verification of online payments the RFO shall present bank statements at the next meeting. These to be signed by the Chair and Vice Chair, or in exceptional circumstances, approved by email. The Chair to be an administrator, along with the RFO, to allow access to both the online banking and Scribe Finance systems.

Cheques drawn on bank account shall be signed by the RFO and one other authorized signatory. To indicate agreement of the details shown on the cheque with the counterfoil and the invoice or similar documentation, the signatories should also initial the cheque counterfoil.

All payments, apart from smaller petty cash payments, shall be affected by cheque or bank transfer drawn on the Council's bankers account. All invoices for payments shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services, to which the invoice relates, shall have been received, carried out, examined and approved. Invoices shall be allocated to appropriate budget cost centre.

The Council can maintain a cash float of £100. All other cash received must be banked intact. Any payments made in cash by the Clerk, or Councillors (for minor items) shall be made from Petty Cash.

PAYMENT OF SALARIES

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

Payment of salaries and payments of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council meeting.

INCOME

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

Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers as soon as possible.

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

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

The RFO shall promptly complete any VAT return that is required. Any repayment claims due in accordance with the VAT Act 1994 section 33 shall be made at least annually coinciding with the end of the financial year.

ORDERS FOR WORK, GOODS AND SERVICES

CONTRACTS

Procedures as to contracts are laid down as follows: -

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency.
- b) Where it is intended to enter into a contract exceeding £500 in value for the supply of goods or materials or for the execution of works or specialist services, the Clerk shall invite tenders from at least three firms.
- c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- d) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk.
- e) If less than three tenders are received for contracts above £500 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- f) The Council shall not be obliged to accept the lowest of any tender, quote or estimate.

INSURANCE

Following an annual risk assessment, the RFO shall affect all insurances and negotiate all claims on the Council's insurers. The insurance to be reviewed annually.

The RFO shall ensure that all new risks and any alterations affecting existing assurances are dealt with.

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

The RFO shall report to the Council any loss liability or damage or any event likely to lead to a claim at the next available meeting.

The RFO shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

ASSESSMENT OF RISKS

Fraud

This is considered to be a low risk area, despite the fact that the day-to-day control of the Council's finances rests with relatively few people. The regular monitoring and reconciliation of the accounts should result in the early detection, and therefore minimalization of any fraudulent action.

Improper Payment

This is considered to be a low risk area, as such payments would require collusion between all Councillors, the RFO and probably the internal auditor.

Failure to Manage Funds

This is considered to be a low risk area because both income and expenditure are monitored on a regular basis, and compared to budgets. Plus, the ongoing reconciliation of balances on the Scribe Finance system ensures that any discrepancies are brought to light immediately.

Revision of the Financial Regulations shall take place as required.

Version 1 Adopted February 2021

