

Ruspidge and Soudley Parish Council

Financial Regulations

(Reviewed & Adopted January, 2020)

1. General

- 1.1 These regulations should be read in conjunction with the Accounts and Audit Regulations 2015.
- 1.2 These regulations shall govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council. The regulations provide for the good management of the financial affairs of the Council and incorporate measures to minimise the risks of fraud or fraudulent activity within the Council. These regulations should be reviewed annually by the Council. In conjunction with the review of the regulations the Council is to undertake a risk assessment in respect of the financial management of the Council.
- 1.3 At its annual meeting, usually held in May each year, the Council is to appoint the Responsible Financial Officer (RFO) of the Council, the Treasurer of the Council and the Internal Auditor of the Council.
- 1.4 The RFO of the Council, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.

2. Annual estimates

- 2.1 The duly appointed Committees of the Council are to prepare and submit proposals to the Council in respect of revenue services and capital projects for inclusion in the financial planning of the Council not later than October of each year.
- 2.2 The RFO is to prepare detailed estimates of income and expenditure on revenue services for budgetary purposes not later than November of each year.
- 2.3 The Treasurer of the Council, or their nominated officer, shall review the estimates and submit them for approval of full Council by January each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each Member of the Council with a copy of the approved estimates.
- 2.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. Budgetary control

- 3.1 Expenditure of the revenue account may be incurred up to the amounts included within each approved budget heading.
- 3.2 Expenditure should not be incurred which cannot be met from the amount provided in the appropriate revenue budget unless the Council has approved a virement (the transferring of items from one financial account to another).
- 3.3 The RFO shall periodically provide the Council with a statement of receipts and payments to date under each heading of the approved annual revenue and capital budgets.
- 3.4 The RFO may incur expenditure on behalf the Council which is necessary to carry out any repair, replacement or other work that 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 an upper limit of £750. The RFO shall report such action to the Chairman, the Treasurer, and the Council as soon as practicable and no later than the following meeting of the Council and whenever possible gain the approval of the Treasurer before implementing any such repair, replacement or work.

- 3.5 The Chairman is allocated up to £100 to be used at his discretion, for activities undertaken in the role of chairman such as attendance at civic events and gifts.
- 3.6 Unspent provisions within the revenue budget shall not be carried forward to a subsequent year but are to be incorporated into the reserves of the Council, unless this provision is towards a planned capital project of the Council.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into, or tender accepted involving expenditure on the capital unless the Council is satisfied that it is contained within the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval has been obtained.
- 3.8 All capital works shall be administered in accordance with the Council's Standing Orders and financial regulations relating to contracts.

4. Accounting and Auditing

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2015.
- 4.2 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Council.
- 4.3 The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 2015.

5. Banking arrangements and Cheques

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council.
- 5.2 A schedule of payments, together with details of any income received, shall be prepared by the RFO, together with the relevant invoices, and presented to the Council at its routine meetings after scrutiny by the Treasurer. If the schedule is in order it shall be authorised by resolution of the Council.
- 5.3 Cheques drawn on the Council's bank account in accordance with the schedule referred to in paragraph 5.2 shall be signed by no fewer than two members of the Council. The cheque stub is to be initialled by those members signing the relevant cheque. Other than in extraordinary circumstances the Treasurer should not normally be a signatory to the Council's account.

6. Payment of accounts

- 6.1 Other than petty cash payments all payments shall be effected by electronic transfer, unless requested otherwise by payee, and shall be drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified, and certified by the RFO. Before certifying an invoice the RFO shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 The RFO shall code all invoices to the appropriate expenditure head and shall take all possible steps to settle all invoices received and which are in order within 30 days of receipt. All duly certified invoices are to be entered on the schedule referred to in paragraph 5.2.

6.4

- (a) The RFO shall maintain a petty cash float to the limit of £80 (Eighty pounds) for the purpose of defraying day-to-day operating expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payments.
- (b) Monies or income received is not to be credited to the petty cash float but must be separately banked as provided for elsewhere in these regulations.
- (c) Payments from the main account to maintain the petty cash float shall be shown separately on the schedule of payments presented to the Council.

7. **Payment of salaries and wages**

- 7.1 The payment of all salaries shall be made by the RFO in accordance with the pay roll records. The RFO is to ensure that the necessary deductions of PAYE, National Insurance and Pension Contributions are made before payments are made to the individual.

8. **Loans and Investments**

- 8.1 The Council shall approve the making or taking up of any loan or investment before such loan or investment is entered into. Loans and investments are to be negotiated in the name of the Council and shall be for the set period of time in accordance with Council policy. Changes to the conditions of any loans or investments shall be reported to the Council at the earliest opportunity and no later than the following meeting of the Council.
- 8.2 All investments of money under the control of the Council shall be in the name of the Council. All borrowings shall be effected in the name of the Council.
- 8.3 All investment certificates and other documents relating thereto shall be retained in the custody of the Council.

9. **Income**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- 9.3 The RFO shall bring to the attention of the Council any bad or outstanding debts.
- 9.4 A reference to the related debt, or otherwise, indicating the origin of each cheque shall be entered on the counterfoil of the bank paying-in slip.
- 9.5 Personal cheques shall not be cashed out of money held on behalf of the Council.

10. **Orders for work, goods and services**

- 10.1 Procedures for orders for works, goods and services are laid down in Council Standing Orders.

11 **Contracts**

- 11.1 Procedures for the placing of contracts are laid down in Council Standing Orders.

12. **Stores and goods**

- 12.1 Delivery notes should be obtained in respect of all goods received and goods must have been checked as regard quality and correctness at the time delivery is made.
- 12.2 Stocks shall generally be maintained at the minimum levels consistent with economy of ordering and the working requirements. The RFO shall be responsible for an annual check of all stock and stores.

13. **Properties and estates**

- 13.1 The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO is to ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with the regulations.
- 13.2 No property shall be sold, leased, or otherwise disposed of without the authority of the Council.

14. **Insurance**

- 14.1 The RFO shall effect all insurance and negotiate all claims on the Council's Insurers.
- 14.2 The RFO shall give notice to the Council of all new risks, properties, or items that require to be insured and of any alterations affecting existing insurance at the meeting following such occurrence.
- 14.3 The RFO shall keep a record of all insurance effected by the Council and the property and risks covered thereby and shall undertake an annual review of all such insurance policies.
- 14.4 The RFO shall be notified of any loss, liability, or damage, or of any event likely to lead to a claim against the Council.
- 14.5 The Clerk and all other appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

15. **Responsibilities and duties**

- 15.1 The responsibilities of the RFO and the Treasurer are at separate appendices to these Regulations.

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Chairman

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Treasurer

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Clerk & RFO

Adopted by the Council: January, 2020

The Responsible Financial Officer

The Clerk of the Council is appointed as the Council's Responsible Financial Officer (RFO) in accordance with section 151 of the Local Government Act 1972 with specific responsibility for undertaking the following duties:

1. To prepare periodic financial reports for the Council. These reports should cover the preparation of the Council's budget, budget monitoring, fund balances, receipts to date, payroll summary, payment of accounts, periodic internal auditing, and other relevant current matters.
2. To submit the precept to the district council and supply any break down that may be required.
3. To maintain the account of the Council on a regular basis ensuring entries are made as transactions occur and to bank all moneys received without undue delay.
4. To ensure that money due to the Council is billed and collected promptly.
5. To manage cashflow and control investments and bank transfers.
6. To control payments by cheque.
7. To take responsibility for the submission of the VAT returns on a quarterly basis and deal with any inspection of the account by HM Customs and Excise.
8. To prepare and balance the end-of-year accounts in accordance with the Accounts and Audit Regulations 2015, and report thereon to the Council.
9. To produce accounts and reports for external audit in accordance with the Accounts and Audit Regulations 2015.
10. To arrange for the internal audit of the Council's account in accordance with Regulation 5 of the Accounts and Audit Regulations 2015.
11. To monitor compliance with the Council's financial regulations and to ensure that the correct financial systems are observed. The purpose of such financial regulation is to set out the arrangements for governing the conduct of the financial transactions of the council and to insure compliance with the accounting requirements of the Accounts and Audit Regulations 2015.
12. To manage the insurance risk and to process any claim as may be necessary. To report annually to the Council on the insurance risks covered.
13. To maintain the Council's register of property and assets.

The Treasurer of the Council

1. The Treasurer of the Council will normally be a member of the Council and is to be appointed at the annual meeting of the Council. He/she will not normally be a signatory to cheques signed at meetings of the Council.
2. The Treasurer is to periodically check all entries in the Council's accounts and compare expenditure against the invoices received. He/she is to ensure the accuracy of all other entries in the Council's accounts and in particular to ensure the correctness of VAT entries.
3. The Treasurer is to report to the Council at each meeting as to the correctness of the financial report prepared by the Clerk of the Council, having ensured that payments presented correspond to the entries in the cash ledger and the respective electronic transfer/cheque payments.
4. The Treasurer is to check that the Clerk's time sheet (hours of work) is correctly maintained and that the deductions for Income Tax, National Insurance and Pension Contributions, where applicable, have been applied.