

FINANCIAL REGULATIONS

1. General

- 1.1. These financial regulations shall govern the conduct of the financial management by the Council and may only be amended or varied by resolution of the Parish Council.
- 1.2. The responsible financial officer (RFO) is a statutory officer and shall be appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine the accounting records and accounting control systems on behalf of the Council. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up-to-date in accordance with proper practice.
- 1.3. The RFO shall be responsible for the production of financial management information, as required by the Council.
- 1.4. A suitably qualified Advisor to the Council, not necessarily a Councillor, may be nominated to assist the Clerk/RFO in Financial and other matters.

2. Annual Estimates (Budgets)

- 2.1. With the support of the RFO as required, each Committee shall formulate proposals in respect of any income and expenditures for the forthcoming financial year not later than September of each year.
- 2.2. A consolidated and detailed estimate of income and expenditure shall be prepared each year by the RFO.
- 2.3. The Finance and Resources Committee shall review the budgets and make its recommendation to the Full Council who shall review and approve the budget at the November Council meeting and thereby recommend and fix the Precept to be levied for the ensuing financial year. The RFO shall issue the Precept to the billing authority (NFDC). The RFO shall supply each member with a copy of the approved budget.
- 2.4. The annual agreed Budget shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- 3.1. Expenditure may be incurred up to amounts included in each approved Committee budget with any unforeseen expenditures or over-runs brought to Council for additional authorisation request prior to any expenditure or commitment thereon.
- 3.2. The RFO will provide the Council with a statement of income and expenditure to date, comparing actual expenditure to budgeted expenditure on a quarterly basis.
- 3.3. Notwithstanding the provisions of 3.1 above, the Clerk, in agreement with the Chairman or Vice-Chair, may incur expenditure on behalf of the Council, which is necessary to carry out any repair, replacement or other work that is of an urgent nature even though there may not be a budgetary provision for the expenditure, subject to a limit of £250. The Clerk shall report the action to Council at the next appropriate opportunity.
- 3.4. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations. The RFO shall complete the accounts of the Council, including the Council's Annual Return (as supplied by the External Auditor appointed by the Audit Commission), and shall submit them to the Finance and Resources Committee for approval within the time scales set by the Accounts and Audit Regulations.
- 3.5. The RFO 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 as defined by the Audit Commission in the presentation of the audit and accounts of Public Bodies. The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices and shall be independent of the operations of the Council.
- 3.6. The RFO shall make arrangements for the inspection of the accounts, books and supporting documentation, and for the display or publication of any notices and statements of account required by current Audit and Accounts regulation and requirements and shall bring to the attention of Councillors any relevant and material correspondence or reports from the Internal or External Auditor.

4. Banking Arrangements and Cheques

- 4.1. Each month the RFO shall present to the Council a schedule of all payments for the immediately preceding month for authorisation by a resolution.
- 4.2. All cheques/counterfoils and accompanying paperwork shall be signed/initialled by two Councillors and the RFO. Councillors should not sign cheques where they are the payee/recipient thereof. Invoices relating to these payments will be available for inspection and initialling by signatories.
- 4.3. As detailed in clause 7.2 of the Standing Orders, the Chair of each Committee/up to five (5) Councillors will have a bank mandate signature.

5. Payment of Salary and reimbursement of expenses

- 5.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The Clerk/RFO's salary shall be reviewed and agreed from time to time as appropriate and at least on an annual basis.
- 5.2. The Clerk/RFO shall be entitled to claim out-of-pocket and other expenses as laid out in their contract of employment.
- 5.3. The Chairman shall be entitled to an annual Allowance to cover incidental items of expenditure which they incur on behalf of the Parish Council in the undertaking of their duties. The amount will be agreed concurrently with the Precept each year at the November Finance and Resources meeting.
- 5.4. Councillors may also claim for out-of-pocket expenses which are incurred wholly, exclusively and necessarily on behalf of the Council and supported by specific invoices/receipts for the entire amount of the cost incurred; no reimbursement will be approved without this relevant supporting documentation. Private car mileage can also be claimed for journeys on Council matters outside of the Parish boundary at the prevailing rate sanctioned by HMRC.

6. Income

- 6.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 6.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the Council.
- 6.3. The Clerk will review all fees and charges annually. Any sums found to be irrecoverable and any bad debts shall be reported to the Council.
- 6.4. An official Council receipt may be issued for sums received and amounts will be banked by the RFO who will also determine the frequency of banking.
- 6.5. The RFO shall make arrangements for the prompt completion of VAT returns and ensure that all input/output VAT is properly accounted for in a timely manner.

7. Orders for Work, Goods and Services

All Councillors and the Clerk/RFO are responsible for obtaining value for money at all times.

8. Contracts

- 8.1. All work that it is estimated with a value of over £1,000 will be put out to tender to at least three individuals or firms.
- 8.2. Invitations 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. Invitations to tender shall state that tenders must be addressed to the Clerk and the last date by which such tenders should reach the Clerk. If it proves impossible to obtain three tenders the Council may make such arrangements as it thinks fit for execution of the work.
- 8.3. Where it is intended to enter into a contract exceeding £10,000 for the supply of goods or materials or for the execution of works, the Clerk shall give at least three weeks public notice of such intention in the same manner as public notices of Council Meetings are given.
- 8.4. The Clerk will ensure that Contractors have the required level of Public Liability insurance as recommended by NFDC.
- 8.5. All Contractors will be required to have submitted all necessary Insurance and competency documents with the Clerk prior to the start of any work.

9. Assets, Properties and Estates

- 9.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and records of properties owned or leased by the Council.
- 9.2. The RFO shall maintain an appropriate, accurate and up to date Register of Assets. The continued existence of tangible assets shown in the Register should be verified at least annually and distributed to councillors with the annual accounts.

10. Insurance

- 10.1. The RFO shall arrange for insurance cover and negotiate all claims with the Council's insurers.
- 10.2. The Clerk shall make arrangements to ensure that all new risks or properties and any alterations affecting existing insurance arrangements are dealt with as soon as it is practicable.
- 10.3. The Clerk, as a Council employee shall be included as part of the insurance arrangements which shall cover the maximum risk exposure as determined by the Council.

11. Reserves

- 11.1. The Council should consider how any additional/excess funds could be allocated from Reserves with a view to identifying projects and/or items of expenditure required within the Parish but not covered by the Budgeting process.

11.2. The amount of any such sums available to Reserves will also be established and agreed upon by the Council from time to time but at least annually in line with the Risk Assessment process and a review of the Register of Assets, taking into account the likely requirements which may arise to accommodate any unforeseen and unexpected emergency cost items.

12. Revision of Financial Regulations

12.1. The Council shall review these financial regulations annually, at the AGM.