

ORSTON PARISH COUNCIL



FINANCIAL REGULATIONS

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Signed:	

ORSTON PARISH COUNCIL FINANCIAL REGULATIONS

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

2. ANNUAL ESTIMATES

- 2.1 Detailed estimates of receipts/payments shall be prepared annually by the RFO.
- 2.2 The council shall review the estimates by the end of January each year in order to determine the parish precept to be levied for the ensuing financial year.
- 2.3 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 an approved budget.
- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget unless: the council takes a specific decision on each item of proposed expenditure in excess of budget.
- 3.3 The RFO shall monthly provide the council with a statement of receipts/payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.4 At the end of every financial year, following internal audit, the RFO shall publish online: a bank reconciliation; items of expenditure over £100; the annual return documentation.

4. ACCOUNTING AND AUDIT

- 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 2003 as amended.
- 4.2 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.
- 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 timescales set by the Accounts and Audit Regulations 2003 as amended or set by the current external auditor.
- 4.4 The RFO shall be responsible for ensuring that there is 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 2003 as amended.
- 4.5 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. The internal auditor, who shall be competent and independent of the operations of the council, shall report to the council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the internal or external auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 Banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed.
- 5.2 A schedule of the payments required, forming part of the meeting agenda, shall be prepared by the RFO and, noting the relevant invoices, be presented to council and will be shown in the minutes of the meeting.
- 5.3 Cheques drawn on the bank account shall be signed by two signatories.
- 5.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 5.5 The RFO will where possible use online banking to make payments (following authorisation by councillors) and conduct transfers between accounts.
- 5.6 A councillor will have access to online banking to be able to verify at any time the accuracy of the accounts.

6 PAYMENT OF ACCOUNTS

- 6.1 All invoices for payment shall be examined, verified and certified by the clerk. The clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.2 The RFO shall examine invoices in relation to arithmetic accuracy and shall link them to the appropriate expenditure heading. The clerk shall take steps to settle all invoices submitted, and which are in order, at the next available council meeting.
- 6.3 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled council meeting, where the clerk certifies that there is no dispute or other reason to delay payment, the clerk may take steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next council meeting.
- 6.4 The RFO does not need to maintain a petty cash float – expenses incurred by the clerk or councilors will be reimbursed following agreement at a council meeting.

7 PAYMENT OF SALARIES

- 7.1 The payment of the clerk's salary, as agreed by the council, shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating.
- 7.2 Payment of the monthly salary is by BACS but formally signed off at the preceding parish council meeting.

8 LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 8.2 Financial investments under the control of the council shall be in the name of the Council.

9 INCOME

- 9.1 The collection of any sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Any sums received on behalf of the council shall be banked as soon as possible intact as directed by the RFO.
- 9.3 The origin of each receipt shall be entered in the RFO's ledger.
- 9.4 The RFO shall claim back VAT when appropriate or on an annual basis.

10 ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 An official order or letter shall be issued for all work, goods and services by the clerk.

10.2 All members and the RFO are responsible for obtaining value for money as all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

10.3 The 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 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.

11 CONTRACTS

Any contract shall comply with these financial regulations, no exceptions shall be made otherwise than in an emergency, and in most cases the clerk shall invite tenders.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.

12.3 Any variation to a contract or addition to or omission from a contract must be approved by the council and clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

13 PROPERTIES AND ESTATES

13.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council. The RFO shall ensure a record is maintained of all properties owned by the council.

14 INSURANCE

14.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insured risks.

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

14.3 The 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 Council at the next available meeting.

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

15 RISK MANAGEMENT

15.1 The clerk shall prepare and promote risk management policy statements in respect of all activities of the council.

15.2 When considering any new activity the clerk shall prepare a draft risk assessment with the councillor or other volunteer concerned, addressing the legal and financial liabilities and risk management issues that arise. This shall be brought to the council for consideration and, if thought appropriate, adoption.

16 GRANTS

An organisation can address the council in support of grant applications. Requests should be in writing and submitted to the clerk to be put to the council at the next meeting.

17. REVISION OF FINANCIAL REGULATIONS

It shall be the duty of the council to review these regulations annually.