

# SELLINDGE PARISH COUNCIL FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on 12<sup>th</sup> September  
2017

## **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 Finance Committee, 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.
  - 1.3.1 The Finance Committee shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.

## **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 September 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 no later than the end of December 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 No expenditure may be incurred which will exceed the amount provided in the revenue budget, without prior permission and the approval of Council to vire between subheads.
- 3.3 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or 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 £1,000 and in consultation with the Parish Council and F&GP Chairmen. £350 for the day to day running of Council. The Clerk shall report the action to the Council as soon as practicable thereafter.

- 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, or the requisite borrowing approval has been obtained.
- 3.5 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

#### **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 2003 and 2006, and any subsequent amendments thereto.
- 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 thereon 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 from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The Finance Committee shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto and report to the full Council.
- 4.5 The Internal Auditor shall carry out the work required by the Clerk/RFO and 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 Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing one annual report in respect of each financial year.
- 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 2003 and 2006, and any subsequent amendments thereto.
- 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 the correspondence is of a purely administrative matter.

#### **5. BANKING ARRANGEMENTS AND CHEQUES**

- 5.1.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency, but at least every two years
- 5.1.2 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in

the Minutes of the Meeting. Monthly statements will be reconciled every ~~two month~~Clerk and presented to the full Council.

- 5.1.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Council. Who are authorised to do so.

## **6. PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers. ~~Where agreed payment for staff may be made by BAC's payment by the RFO. This will be witnessed by a councillor at the time of the transfer. delete~~

6.2 All invoices for payment 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.

6.3 The Clerk/RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk/RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.

6.4 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 Meeting of Council, where the Clerk/RFO certify that there is no dispute or other reason to delay payment, the Clerk/RFO may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

6.5 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 minor stationery items) shall be refunded on a monthly basis, on the production of an expenses sheet duly completed

6.6. Council members shall submit receipts for reimbursement at the next meeting after the expenses have been incurred or as soon as is practicable. All such requests should be accompanied by a signed expenses form.

## **7. PAYMENT OF SALARIES**

7.1 Salaries of staff shall be paid by bank transfer. This shall be carried out by the Clerk who has internet access. Before any transfers are made, a list of all salaries due shall be authorised by the Chairman of the Parish Council or one other Councillor.

7.2.1 All authorised transfers shall be listed in the schedule of payments at the next full Council meeting.

7.3 Transfers of Salaries will take place ~~on the last Monday of each month.~~ As close to the end of the month as possible, but no later than 30<sup>th</sup> of each month.

## **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 The Council's Investment Policy will be reviewed annually.
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be affected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

## **9. INCOME**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk/RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the Clerk/RFO and the Clerk/RFO shall be responsible for the collection of all accounts due to the Council.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and may be written off in the year.
- 9.5 All sums received on behalf of 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 Clerk/RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Clerk/RFO shall complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made annually coinciding with the financial year end.

## **10. INSURANCE**

- 10.1 Following an annual risk assessment, the Clerk/RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 10.2 The Clerk shall give prompt notification to the Clerk/RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

- 10.3 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.
- 10.4 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 Council at the next available meeting.

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

- 11.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 11.2 All members and Officers are responsible for obtaining value for money at 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. If a similar product or service is available at similar costs and using local companies, these can ~~will~~ be used. The Council will not be required to use the cheapest quote, but what is considered value for money.
- 11.3 The Clerk/RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

## **12. PROPERTIES AND ESTATES**

- 12.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned and leased and all other legal documents retained by the Council. The Clerk shall ensure a record is maintained of all properties owned or leased by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.
- 12.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £25.

## **13. RISK MANAGEMENT**

- 13.1 The Clerk/RFO together with the Finance Committee shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 13.2 When considering any new activity the Clerk/RFO and council shall determine if a draft Risk Management policy for the activity is required, addressing the legal and financial liabilities and Risk Management issues that arise to Finance Committee for consideration and, if thought appropriate, adoption at the next Council Meeting.
- 13.3 The Finance Committee shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

## **14. REVISION OF FINANCIAL REGULATIONS**

- 14.1 It shall be the duty of the Council to request that the Finance Committee carry out a review of the Financial Regulations of the Council from time to time but in any event this should be carried out annually.