

# **STRETTON-ON-DUNSMORE 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 Parish Clerk will act as the Responsible Financial Officer (RFO) under the policy direction of the Parish Council and shall be responsible for the proper administration of the Council's affairs including the production of financial management information.

## **2. ANNUAL ESTIMATES**

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

2.2 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 next financial year. The RFO shall supply each member with a copy of the approved estimates.

2.3 The annual budgets shall form the basis of financial control.

## **3 BUDGETARY CONTROL**

3.1 Expenditure must be approved having regard to the amount provided in the revenue budget.

3.2 The RFO shall, each quarter, provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.

3.3 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.

3.4 No single member of the council (including the Chairman) shall be able to agree or approve expenditure except within the terms of delegated powers.

3.5 The RFO shall have delegated powers to approve and pay recurrent, non-controversial expenditure from time to time such as wages, insurance, HMRC payments and utility bills. Such expenditure must be paid by cheque bearing two councillor signatures and must be reported to the next Parish Council meeting.

## **4. ACCOUNTING AND AUDIT**

4.1 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.

4.3 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 records.

4.4 The Internal Auditor, who shall be competent and independent of the operations of the Council, 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.

4.5 The RFO shall bring to the attention of all councillors any correspondence or report from the Internal or External Auditor.

4.6 The RFO shall ensure that all council records are kept in a secure manner.

4.7 The RFO shall ensure that all email and electronic correspondence is kept discrete and separated from the correspondence of other interests.

4.8 The RFO shall ensure that all council computerised records are routinely backed up. Both copies are to be stored and archived in separate locations.

4.9 To enable the council to continue to function in the event of the Clerk's incapacity, an unforeseen emergency, loss or damage, the Chairman and Vice Chairman are to be kept informed by the RFO of how these records can be accessed (including computer files).

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

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

5.2 Cheques drawn on the bank account shall be signed by two Council members who are properly mandated cheque signatories.

5.3 The signatories shall each also initial the cheque counterfoil.

## **6 PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque or bank transfer (as appropriate.)

6.2 All payments made will be logged on the expenditure page of the Finance Records Excel Spreadsheet, and given the next sequential payment reference number, next to which the cheque number and payment details (cheque total, VAT, and payee) are entered. The payment number is then written on any corresponding paperwork and filed.

6.3 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall be satisfied that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.4 All items of expenditure must be approved by the Council in advance, except for very urgent items that require payment before the next meeting of the Council. In these cases the RFO must seek the approval of at least two of the Council members before payment. Details of such payments shall be submitted to the next meeting of Council.

6.5 The Council may maintain a cash float, with a maximum limit of £100. Receipts will be recorded and kept. Checking this process is in order will form part of the Internal Auditors remit on an annual basis, however any member of the Parish Council can perform a check at any time, with a minimum of 3 days' notice to the RFO.

## **7 PAYMENT OF SALARIES AND EXPENSES**

7.1 The Clerk shall be paid monthly. All payments must be entered into the appropriate HMRC system.

7.2 The Clerk will ensure that the money to HMRC from the Council is paid on a quarterly basis.

## **8 INCOME**

8.1 The collection of all sums due to the Council shall be the responsibility of the RFO.

8.2 Any sums found to be irrecoverable and any bad debts shall be reported by the RFO to the Council and, if approved, shall be written off in the year.

8.3 All sums received on behalf of the Council shall be banked intact.

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

8.5 The RFO shall promptly complete any HMRC returns that are required. Any repayment claim due shall be made at least annually coinciding with the financial year end.

## **9 CONTRACTS**

9.1 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 provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below. An emergency is defined as a situation where there is a hazard to life, limb or health or where unavoidable preliminary work needs to be done before the commencement of an existing contract. Where such a decision cannot wait until the next full council meeting the RFO shall obtain agreement to let the contract from at least two of the serving councillors:

(i) for the supply of gas, electricity, water, sewerage and telephone services;

(ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;

(iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;

(iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;

(v) for additional audit work of the external Auditor up to an estimated value of £400 (the full Council shall decide on the action to be taken where the value exceeds £250);

(vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

(b) Where the contract has an annual value of more than £500 for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the RFO shall obtain 3 estimates. Each contract shall be subject to this process at least every three years.

(c) Where the contract has an annual value of less than £500 the RFO shall be authorised to negotiate with one supplier.

(d) 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.

(e) The Council shall not be obliged to accept the lowest or any tender, quote or estimate, but in such cases the reason shall be embodied in a recommendation to the Council.

## **10 PROPERTIES AND ESTATES**

10.1 The RFO 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, recording the location, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held.

## **11 INSURANCE**

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

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

11.3 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.

## **12 REVISION OF FINANCIAL REGULATIONS**

12.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time and at least every three years.