

FINANCIAL REGULATIONS

General

- 1.1 These financial regulations govern the conduct of the financial transactions of Broughton Astley Parish Council and may be amended or varied only by resolution of the Council.
- 1.2 The Parish Manager to the Council will also act as the Council's Responsible Financial Officer (RFO). This is a statutory office and will be appointed by the Council.
- 1.3 The RFO under the policy direction of the Administration and Finance Committee of the Parish Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The RFO shall be responsible to produce financial management information.

2. Annual Estimates

- 2.1 Each Committee of the Council shall formulate and submit proposals to the Parish Council in respect of revenue services and capital projects for inclusion in the expenditure programme not later than the end of October each year.
- 2.2 Detailed estimates of income and expenditure and receipts and payments shall be prepared each year by the RFO.
- 2.3 The Administration and Finance Committee shall review the estimates and submit them to the Council not later than the end of December in each year and shall recommend the Precept to be levied for the ensuing financial year. The RFO shall supply each Member 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 on the revenue account may be incurred up to the amounts included in the approved budget.
- 3.2 The RFO shall each month provide the Parish Council with a statement of actual income and expenditure to date compared to the approved budgets as well as a balance sheet and aged debtors and creditors reports.
- 3.3 The RFO may incur expenditure on behalf of the Council up to the £800 limit set for the RFO by the Council. These limits represent a personal delegation. They will be set on the appointment of a new incumbent, for that incumbent, and reviewed by the Parish Council on a regular basis thereafter.
- 3.4 Where expenditure is incurred in accordance with regulation 3.3 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate recommended by the Administration and Finance Committee and approved by the Council.
- 3.5 The Parish Manager in consultation with the Chair, or in his / her absence, the Vice Chair or Chair of Scrutiny Committee; may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2,500. The Parish Manager shall report the action to the Parish Council as soon as practicable thereafter. In the absence of the Parish Manager, the Deputy Clerk be authorised to incur urgent expenditure for safety reasons up the amount of £2,500 in consultation with the Chair, or in his / her absence, the Vice Chair or Chair of Scrutiny Committee.

3.6 Unspent provisions in the revenue budget shall not be taken into reserves unless earmarked for a specific purpose and recommended by the Administration and Finance Committee and approved by the Council.

3.7 No expenditure shall be incurred, nor any contract entered into or tender accepted, in relation to any capital project unless it is contained in the approved budget and the necessary capital funds are available, or the requisite borrowing approval can be obtained.

3.7 All capital works shall be administered in accordance with the Council's Standing Orders and these Financial Regulations.

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.

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 Parish Council.

4.3 The following principle shall be observed in connection with accounting duties: the duty of providing information, calculating, checking and recording sums due to or from the Council should be separated as completely as possible from the duty of collecting or disbursing them.

4.4 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 the Accounts and Audit Regulations. Any officer or Member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

5. Banking Arrangements and Cheques

5.1 The Council's banking arrangements shall be made by the RFO and approved by the Administration and Finance Committee. Accounts shall be maintained at the bank, comprising a general account, an interest-bearing account and separate loan accounts.

5.2 A schedule of the payment of money shall be prepared by the RFO and presented to the Council on a monthly basis. If the schedule is in order it shall be authorised by a resolution of the Council and signed by the presiding chairman.

5.3 Cheques drawn on the Council's bank accounts shall be signed by two of the Council's designated signatories.

6. Payment of Accounts

6.1 Apart from petty cash payments all payments shall be affected by electronic payments (internet banking), cheque or other order drawn on the Council's bankers.

6.2 All invoices should be certified by means of a goods received stamp.

6.3 All invoices under £800 for payment shall be examined, verified and certified by the Parish Manager and Deputy Clerk. Any invoice over £800 shall be examined, verified and certified by two Members of the Council designated as signatories. Before certifying an invoice, the two Members shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

- 6.4 Duly certified invoices shall be coded to the appropriate expenditure head. All possible steps shall be taken to settle all invoices submitted, and which are in order, within the due date for payment.
- 6.5 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.
- 6.6 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

7. Authorisation of Electronic Payments

- 7.1 Payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct and payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
- 7.2 Payments for regular suppliers may be made by variable Direct Debit and payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
- 7.3 Individual payments up to a limit of £800 may be made by electronic payments (internet banking) limits with the authorisation from the Parish Manager. For items over this amount each payment is signed, or otherwise evidenced, by two authorised bank signatories and retained, and any payments are reported to full council on a monthly basis. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 7.4 Payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 7.5 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be retained in a sealed dated envelope. This envelope may not be opened other than in the presence of the Chairman and two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 7.6 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 7.7 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 7.8 The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 7.9 Where internet banking arrangements are made with any bank, the Parish Manager [or RFO] shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 7.10 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

- 7.11 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Parish Manager [or the RFO]. A programme of regular checks of standing data with suppliers will be followed.
- 7.12 A corporate credit card or trade card account opened by the council will be specifically restricted to use by the Parish Manager [and RFO], restricted to a single transaction maximum value of £800 or £2,500 in an urgent situation [3.7]. The corporate credit card shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 7.13 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- 7.14 All petty cash vouchers for payment shall be signed by the Parish Manager [or RFO]

8. Payment of Salaries and Wages

- 8.1 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 payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Council.
- 8.2 Payments of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified by the next available Council Meeting.
- 8.3 All time sheets shall be certified as to accuracy by the Parish Manager [or RFO]

9 Loans and Investments

- 9.1 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Administration and Finance Committee at the earliest opportunity.
- 9.2 All investments of money under the control of the Council shall be in the name of the Council.
- 9.3 All borrowings shall be in the name of the Council.
- 9.4 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

10 Income

- 10.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 10.2 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.
- 10.3 The Council will review all fees and charges annually.
- 10.4 Any doubtful debts shall be reported to the Parish Council. No debt shall be written off without the approval of Council.
- 10.5 All credit notes issued shall be signed by the RFO.

- 10.6 All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked by the officer collecting the money as directed by the RFO. In all cases all receipts shall be deposited within a maximum of every three weeks of receipt or when the total balance amounts to £1000, whichever is sooner.
- 10.7 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- 10.8 Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.
- 10.9 Personal cheques shall not be cashed out of the money held on behalf of the Council.
- 10.10 Where any significant sums of cash are regularly received by the Council the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

11 Orders and Contracts 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 e.g. petty cash purchases to the value of £20. Copies of official orders issued shall be maintained.
- 11.2 Official order forms shall be controlled by the RFO.
- 11.3 All officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as is reasonable and practicable that the best available terms resulting from a minimum of two independent quotations are obtained in respect of each transaction with a value of between £800 and £2,500. A minimum of three independent quotations should be obtained when the Council undertakes the procurement of 'high-value' items from £2,501 up to £15,000.
- 11.4 Procedures for dealing with contracts with a value above the limits described in 11.3 are laid down in the Council's Standing Orders 30 b & c.

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.
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of the work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Administration and Finance Committee.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the RFO in writing, the Administration and Finance Committee being informed where the final cost is likely to exceed the financial provision.

13 Stores and Equipment

- 13.1 The officer responsible for each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regards quality at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.

14 Properties and Estates

- 14.1 The RFO shall make appropriate arrangements for the custody of all title deeds and lease agreements of land and properties owned by the Council. The RFO shall ensure a record is maintained of all land and properties owned or leased by the Council, recording the location, extent, plant, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

15. Insurance

- 15.1 The RFO shall affect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

16 Community Right to challenge

- 16.1 Any expression of interest in running one of the relevant authority's local services to be submitted under Section 82 of the Localism Act 2011; must be made following resolution by the Parish Council.

17 Revision of Financial Regulations

- 17.1 It shall be the duty of the Administration and Finance Committee to review the financial regulations of the Council from time to time to make such recommendations to the Council as the committee considers are required.**