

Colaton Raleigh Parish Council

Financial Regulations

These Financial Regulations were readopted with a revision at 9.3, by the Council at its Meeting held on 22nd May 2023

1. GENERAL

- 1.1** These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of financial control, which facilitates the effective exercise of the council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the council meets those responsibilities.
- 1.2** The Responsible Financial Officer (RFO) is a statutory office 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 on behalf of the council its accounting records, and accounting control systems. 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 produce financial management information as required by the Council.
- 1.4** In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of Section 27 of the Audit Commission Act 1998 and then in force.
- 1.5** In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability in local Councils in England and Wales – A Practitioners' Guide that is published jointly by NALC and SLCC and updated from time to time.

2 ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and property practices.
- 2.2 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report there on to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.3 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.4 The internal auditor shall be competent and independent of the financial operations of the Council.
- 2.5 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.6 The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3 ANNUAL ESTIMATES (BUDGET)

- 3.1 The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following year in the form of a budget to be considered by the Council.
- 3.2 The Council shall fix the precept to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.3 The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETRY CONTROL AND AUTHORITY TO SPEND

- 4.1 All financial transactions must be authorised by full Council meetings.
- 4.2 The RFO shall notify members at a meeting of Council of any payment, or recommendations of the Council or committee, that will, in his/her opinion, exceed the (net) budget provision made for any particular head of expenditure.

- 4.3** Following notification in accord with Financial Regulation 4.2, any such payment or recommendation, shall not be made or adopted unless a resolution be made by Council to increase the appropriate (net) expenditure head.

5 BANKING ARRANGEMENTS AND AUTHORITY TO PAY

- 5.1** The general bank account is held with Barclays Bank. No changes will be made without the approval of Council.
- 5.2** The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.3** The RFO shall prepare a schedule of payments requiring authorisation, forming part of the agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised.
- 5.4** All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
- 5.5** The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.
- 5.6** Where it is necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness up to a maximum of £500 by the RFO and approved by the Chairman or Vice-Chairman.
- 5.7** All payments ratified under paragraph 5.6 of this Financial Regulation shall be included in the next schedule of payments laid before the Council.

6 INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1** The Council will make safe and efficient arrangements for the making of its payments.
- 6.2** All payments shall be affected by cheque or, if thought appropriate by the Council, payment for certain items may be made by BACS provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made. The approval of the use of BACS shall be renewed by resolution of the Council at least every two years.
- 6.3** Cheques for payment drawn on the bank account in accordance with the schedule as presented to Council shall be signed by two members of Council in accordance with a resolution instructing that payment. The relevant invoice should be countersigned by

the signatory. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

- 6.4** Where internet banking arrangements are made with any bank, the Clerk (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 the account.
- 6.5** The RFO will initiate any BACS payment which will require dual authorisation by the Clerk and a member of the Council as stated in paragraph 6.4.

7 PAYMENT OF SALARIES

- 7.1** As an employer, the Council shall make arrangements to meet full the statutory requirement 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 or PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council.

8 INCOME

- 8.1** The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 8.2** The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9 ORDERS FOR WORKS, GOODS & SERVICES

- 9.1** 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.
- 9.2** The Clerk will issue all orders for work, goods and services. A member may not issue an official order or make any contract on behalf of the council.
- 9.3** The Clerk shall use best endeavours to obtain three quotations for all work over a value of £1000.
- 9.4** The Council is not obliged to accept the lowest or any tender, quote or estimate.

10 ASSETS, PROPERTIES AND ESTATES

10.1 The RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties/land held by the council.

10.2 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually.

11 INSURANCE

11.1 Following the 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 annual 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 FINANCIAL RECORDS AND DOCUMENTS

12.1 The RFO shall be responsible for keeping all documents of a financial nature, including invoices and payments made by the Council. (*The statutory requirement is to keep all financial documents for 7 years.*)

12.2 The RFO shall be responsible for the safe keeping of all cheque books, bank paying in books, and bank statements.

13 SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

13.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The RFO shall make arrangements to monitor changes in legislation or property practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.

13.2 The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of the Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

