



Beaudesert & Henley-in-Arden

Joint Parish Council

Working for the Benefit of the Residents of Henley-in-Arden

FINANCE REGULATIONS

Last Amendment 28th November 2016

1. Responsible Finance Officer (RFO)

- 1.1 The RFO is a statutory office and appointed by the Council. The Clerk of the Council will take on this role of managing the Council's financial affairs in accordance with Proper Practices as defined in Appendix 1 – Job Description for Parish Clerk and Responsible Finance Officer.
- 1.2 **Estimates and Precept**
The RFO will compile estimates of income and expenditure annually for the Council's consideration. The Council will review the budget in preparation for the precept being agreed, and submitted to the Collection Authority in January. During the year the budget will be reviewed against actual expenditure and income.
- 1.3 **Income and Expenditure**
The accounting records compiled by the RFO shall be sufficient to show and explain the council's transactions. The RFO will ensure that management information prepared for the council complies with the Accounts and Audit regulations 2015.

2 Accounting and Audit

- 2.1 The RFO will ensure all accounting procedures and financial records of the Council are in accordance with the Accounts and Audit Regulations 2015 and these Financial Regulations.
- 2.2 The RFO will complete the annual financial statements of the Council including the annual return as soon as practicable after the end of the financial year and will submit and report on them to the Council. The Council will review them each year.
- 2.3 An Internal Auditor will be appointed by the Council to carry out the work required to comply with the Proper Practice. The person appointed will be competent and independent of the operation of the Council.
- 2.4 The RFO will submit the Annual Return to the External Auditor by the due date after submitting the form to the council for approval.
- 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 and books and display or publish any notices and statements of account required by the Audit Commission Act 1998, or any superseding legislation and the Accounts and Audit Regulations.

3 Budgetary Control and Authority to Spend

- 3.1 All items of expenditure will be authorised at a Council meeting and the payments approved. Approval may be by email from individual councillors to the clerk.
- 3.2 In cases of extreme urgency or risk to the delivery of council services, the Clerk may authorise revenue expenditure on behalf of the council which, in the clerk's judgment, it is necessary to carry out. Such expenditure includes repair, replacement or other work whether or not there is any budgetary provision for expenditure, subject to a limit of £500.00. The Clerk shall report such action to the chairman and one other member of the council as soon as possible and to the council as soon as practicable thereafter.
- 3.3 The RFO can in addition authorise total expenditure up to a limit of £500.00 in any one month and a single amount up to £150.00 at any one time, provided that authorisation by two members of the council has been given.

- 3.4** Upon receipt of an invoice which requires payment before the next Council meeting, the RFO will obtain authorisation from at least two councillors. The Finance Councillor will then make payment upon receipt of an instruction from the RFO. If the designated Finance Councillor is not contactable for any reason, such as holiday, an alternative councillor or the Chairman will action any payments but this nominee shall not take part in any payment authorisation process during the interim arrangement. If the RFO is similarly not contactable then the Finance Councillor will obtain authorisation from two other councillors before actioning payment.

4 Banking Arrangements

- 4.1** The Council's banking arrangements, including the Bank Mandate, will be made by the RFO and approved by the Council.
- 4.2** A resolution of the Council will nominate four members to be authorised by the Council to sign cheques. Each cheque must bear two of the approved signatures.
- 4.3** Payments may be made by internet banking provided that the Finance Councillor (or nominee) obtains email authorisation from the RFO and two cheque signatories. All payments made shall be reported at the following council meeting.
- 4.4** The Finance Councillor (or nominee) may make transfers between deposit and current accounts without further approval and will report any such transfers immediately to the RFO and later to the following council meeting.
- 4.5** Members of the council are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

5 Payment of Salaries

- 5.1** 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. Salary rates and terms shall be as agreed by the council and in accordance with each individual contract of employment.
- 5.2** No changes will be made to any employee's pay, emoluments or terms and conditions of employment without the prior consent of the council.
- 5.3** The Clerk/RFO and any members of the council can claim necessary and reasonable expenses for travel, subsistence or any other necessary and reasonable expenses incurred whilst on council business with the approval of the Chairman. The Chairman's expenses must be approved by two other councillors.

6 Income

- 6.1** The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 6.2** 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 RFO and the RFO shall be responsible for the collection of all income, rents and accounts due to the council.

7 Loans and Investments

- 7.1** All loans and investments will be negotiated in the name of the Council and will be set for a period approved by the Council.
- 7.2** All borrowings will be in the name of the Council and will not be entered into until necessary approvals have been given. Any application will be approved by Council, especially the terms and purpose. These terms must be reviewed annually.
- 7.3** All investments of money under the control of the Council will be in the name of the Council and all certificates or other documents will be retained by the RFO.

8 Contracts and Purchase Orders

- 8.1** An official order or letter will be issued for all work or service paid for by the Council. All councillors and officers are responsible for obtaining good value for money at all times. An officer placing an order on behalf of the Council will ensure that good value and appropriate terms are obtained for the transaction.
- 8.2** Orders for values £1,000 to £3,000 require a minimum of two quotations; for values above £3,000 three quotations are required. Contracts exceeding £25,000 require additional safeguards and will follow Proper Practice and comply with public contracts regulations.
- 8.3** All estimates will be approved by the Council; while the Council is not obliged to accept the lowest quotation the reasons for accepting the quotation will be recorded.
- 8.4** Procedures for contracts are laid down as follows:
- 8.4.1 Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (8.4.2) to (8.4.6) below :
 - 8.4.2 For the supply of gas, electricity, water, sewerage and telephone services;
 - 8.4.3 For specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - 8.4.4 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;
 - 8.4.5 For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council for an unexpected contingency;
 - 8.4.6 For additional audit work of the external auditor up to an estimated value of £500.00 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice-Chairman).
- 8.5** 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.
- 8.6** Such invitation to tender shall state the general nature of the intended contract and the RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the RFO by post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender shall be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- 8.7** All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one member of the council and, if thought prudent, an independent person.

9 Assets

- 9.1** The RFO will ensure that the Council maintains an appropriate and accurate Register of Assets. It will be reviewed at least annually, with physical checks taking place, in conjunction with a health and safety inspection of assets if appropriate.

10 VAT

The RFO will promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1974 section 33 will be made at least annually coinciding with the financial year.

11 Insurance

Following the annual risk assessment the Council will review the level of insurance cover and ensure it is adequate and appropriate for the activities of the Council. Minimum cover will include Public Liability, Employers' Liability, Money and Fidelity Guarantee.

12 Risk Assessment

- 12.1** A risk assessment will be undertaken annually of all the activities of the Council and a

report approved by the Council. This assessment will also cover the appropriateness of the internal audit arrangements. The Risk Assessment will be reviewed annually.

12.2 If the Council undertakes a new activity not covered by the existing risk assessment an assessment will be undertaken before the activity commences.

12.3 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

12.4 It shall be the duty of the council to review the Financial Regulations of the council at least annually. The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.

Signed

Dated

Appendix 1
JOB DESCRIPTION
PARISH CLERK AND RESPONSIBLE FINANCE OFFICER

Overall Responsibilities

The Parish Clerk will be the Proper Officer of the Council and as such is under a statutory duty to carry out all the functions and in particular to serve or issue all the notifications required by law of a parish council's Proper Officer. The Clerk will be responsible for ensuring that the instructions of the Council in connection with its function are carried out. The Clerk is expected to advise the Council on, and assist in the formation of, overall policies to be followed in respect of the council's activities and in particular to produce all the information required for making effective decisions and to implement constructively all decisions. The Clerk will be accountable to the Council for the effective management of all its resources and will report to it as and when required. The Clerk will be the Responsible Finance Officer and responsible for all financial records of the Council and the careful administration of its finances.

Specific Responsibilities

1. To ensure that statutory and other provisions governing or affecting the running of the Council are observed.
2. To monitor and balance the Council's accounts and prepare records for audit purposes and VAT.
3. To ensure that the Council's obligations for Risk Assessment are properly met.
4. To prepare, in consultation with appropriate members, agendas for meetings of the Council and Committees. To attend such meetings and prepare minutes for approval.
5. To attend all meetings of the Council and all meetings of its committees and sub-committees.
6. To receive correspondence and documents on behalf of the Council and to deal with the correspondence or documents or bring such items to the attention of the Council. To issue correspondence as a result of instructions of, or the known policy of the Council.
7. To receive and report on invoices for goods and services to be paid for by the Council and to ensure such accounts are met. To issue invoices on behalf of the Council for goods and services and to ensure payment is received.
8. To study reports and other data on activities of the Council and on matters bearing on those activities. Where appropriate, to discuss such matters with administrators and specialists in particular fields and to produce reports for circulation and discussion by the Council.
9. To draw up both on his/her own initiative, and as a result of suggestions by Councillors, proposals for consideration by the Council and to advise on practicability and likely effects of specific courses of action.
10. To monitor the implemented policies of the Council to ensure they are achieving the desired result and where appropriate suggest modifications.
11. To act as the representative of the Council as required.

- 12.** To issue notices and prepare agendas and minutes for the Parish Meeting: to attend the assemblies of the Parish Meeting and to implement the decisions made at the assemblies that are agreed by the Council.
- 13.** To prepare, in consultation with the Chairman, press releases about the activities of, or decisions of, the Council.
- 14.** To attend training courses or seminars on the work and role of the Clerk as required by the Council.
- 15.** To attend the Conference of the National Association of Local Councils, Society of Local Council Clerks, and other relevant bodies, as a representative of the Council if required.