

SECTION G FINANCIAL REGULATIONS

1 Responsible Financial Officer

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 the Job Description for Parish Clerk and Responsible Financial Officer. The RFO will compile estimates of income and expenditure annually for the Council's consideration.

1.2 Estimates & Precepts

The Council will review the budget not later than the end of December 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. Amendments to the budget will be discussed in Council and changes recorded in the minutes.

1.3 Income and Expenditure

The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, or management information prepared for the council from time to time comply with the Accounts and Audit regulations.

The RFO will supply updates of income and expenditure at each council meeting detailing actual figures against estimate and bank balances. Significant underspends or overspends will be brought to the attention of the Council and action taken to address any discrepancies. Underspent revenue will be identified and earmarked to reserves by a Council Resolution.

Good practice dictates that in the event of expenditure being proposed is outside the normal parameters contained within the scope of this section, advice and guidance MUST be sought from WALC or the Internal Auditor.

2 Accounting and Audit

2.1 The RFO will determine all accounting procedures and financial records of the Council in accordance with the Accounts and Audit Regulations.

2.2 On a regular basis, **at least once in each quarter**, and at **each financial year-end**, a member of the council, other than a cheque signatory, or the Chairman, shall be appointed to verify bank reconciliation's for all accounts prepared by the RFO. The council member shall sign the reconciliation's as evidence of verification. Any identified activity shall be reported to the council, including any exceptions, to and noted by the council.

2.3 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 each year and ensure that there is an adequate, effective system of internal audit of the Council's accounting, financial and other procedures in line with Proper Practice.

2.4 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.

2.5 The RFO will submit the Annual Return to the External Auditor by the due date, ensuring the return is complete after submitting the form to the council for approval. [AGAR].

2.6 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 In cases of extreme risk to the delivery of council services, the Clerk may authorize revenue expenditure on behalf of the council, which in the clerk's judgement it is necessary to carry out. Such expenditure includes, unplanned repair, replacement, or other work, whether or not there is any budgetary provision for expenditure, subject to a limit of **£1,000.00**. 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.

3.2 The RFO [Clerk] can authorise total expenditure up to a limit of **£750.00 in any one month** and a single amount of **£250.00 at any one time**, provided that authorisation by two members of the Council has given email verification.

3.3 Beaudesert & Henley in Arden Joint Parish Council will reimburse the expenses the Clerk, Chairman or Councillors incurred in performing the duties required whilst on council business. This may be a proportion of running costs if the Clerk's residence is used as the Council's offices. This allowance should be agreed at the Financial Sub-Committee's meetings and reviewed every quarter. Clerk's allowances in excess of **£18.00 per calendar month** will be taxable.

3.4 The Chairman, Councillors and the Clerk will be able to claim mileage at the prevailing Inland Revenue non-profit making rate (presently **45 pence per mile**) and therefore this will not be taxable. Such claims apply to journeys outside of the SDC boundary line.

3.5 Subsistence, which may include overnight accommodation and meals incurred whilst performing council business will be paid, provided there is a completed expenses form, together with the appropriate receipts and it is approved by at least two members of the council.

3.6 The Clerk may also claim for stationery, postage, printing costs and other office consumables, provided that an Expenses Form is completed, and a receipt is included. The Council will also contribute towards broadband, telephone, and the use of the home as an office for the Clerk, which will be paid on a monthly basis.

3.7 Items purchased specifically at the direction of the council will be reimbursed. The Chairman, Councillors and the Clerk should obtain a VAT receipt in the name of the council and submit it with a completed Expenses Claim Form. Applications for reimbursement should be made on the Expenses Claim Form and be submitted to the Clerk.

3.8 Councillors will use the resources of Beaudesert & Henley in Arden Joint Parish Council for proper purposes only.

3.9 Beaudesert & Henley in Arden Joint Parish Council will agree to adopt the Finance Sub-Committee's Terms of Reference at its Annual Meeting in May.

3.10 The JPC's Finance Sub-Committee has the power of delegated authority to approve the JPC's day to day expenditure, within budgetary limits.

4 Banking Arrangements and Cheques

4.1 The Council's banking arrangements, including the Bank Mandate, will be made by the RFO, or a Councillor appointed and approved by the Council. They will be regularly reviewed for efficiency.

4.2 A resolution of the Council will nominate **four members to be authorised by the Council** to sign cheques. Each cheque is to have two of the approved signatures. Internet bank transfers, including the transfer between the deposit and current accounts, to have the approval of two of the approved signatories by written authorisation.

4.3 All items of expenditure will be authorised by the Council and the payments approved. The RFO will examine invoices and verify and certify the expenditure. Cheques, direct debits, and Internet banking transfers will be completed for all transactions and signed by two authorised Councillors.

4.4 In respect of Grants, a duly authorized working party shall approve expenditure within any limits set by the council and in accordance with any policy statement approved by the council. Any revenue or capital grant in **excess of £5,000 shall before payment, be subject to ratification by resolution of the council.**

4.5 The Grant Applications Working Party will be responsible for constructing an application form which embraces all of the criteria necessary under the JPC's Grants Protocol, covered under **SECTION N** of this Handbook. 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 authorize 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.

4.6 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 authorized bank signatories, are retained and any payments are reported to the council as made. The approval of the use of **BACS shall be renewed by resolution of the council at least every two years.**

4.7 Where Internet banking arrangements are made with any bank, the RFO shall be appointed as administrator and, **where appropriate, request that one of the appointed members of Council, assist in the banking process.** The bank mandate approved by the council shall identify at least **four** members of the council who will be authorized to approve transactions on those accounts.

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 and RFO and any members of the council can claim reasonable expenses for travel, subsistence, or any necessary expenses in line with NALC guidelines, incurred whilst on council business with the authorization of at least two members of the council.

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 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 and with the full approval of the Council members.

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;

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 Clerk and RFO shall act after consultation with the Chairman and Vice- Chairman of the council); and

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 Clerk 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 Clerk 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 Clerk in the presence of at least two independent members of the council who are not involved in the administration of the contract and, if thought prudent, an independent person.

8.8 If necessary and appropriate, the Clerk will then raise any further questions direct with each tenderer and ensure that each tender document is complete and fully understood. When the Clerk is satisfied, a decision will be made by the Clerk and those councillors involved as to which tender to accept; the Clerk will document this decision and the reasons for it. The Clerk will then circulate this document to councillors before the next full council meeting and ask for formal ratification before the contract is formally awarded.

9 Assets

The RFO will ensure that the Council maintains an appropriate and accurate Register of Assets. It will be reviewed at least annually, 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 1994, 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 Clerk 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.