

## **Bubbenhall 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. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2 At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.3 The Parish Clerk will act as the Responsible Financial Officer (RFO) 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 December 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.

### **4. Accounting & Audit**

- 4.1 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and submit a report to the Council.
- 4.2 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 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 Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing each financial year.
- 4.6 The RFO shall bring to the attention of all councillors any correspondence or report from the Internal or External Auditor.
- 4.7 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.
- 4.8 The RFO shall ensure that all council records are kept in a secure manner.
- 4.9 The RFO shall ensure that all council computerised records are routinely backed up.
- 4.10 To enable the council to continue to function in the event of the Clerk's incapacity, an unforeseen emergency, loss or damage, the chairman is to be kept informed by the RFO of how these records can be accessed (including computer files).

## **5. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 5.1. 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 financial year in the form of a budget to be considered by the parish council.
- 5.2. The parish council shall consider annual budget proposals update the forecast accordingly.
- 5.3. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of December 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.
- 5.4. The approved annual budget shall form the basis of financial control for the ensuing year.

## **6. Banking Arrangements and the making of payments**

- 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. The RFO is able to replace one Council member as cheque signatory in the case of an emergency.
- 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 other instructions to the council's bankers. Where electronic banking is used, arrangements should ensure that at least 2 members of the parish council (cheque signatories) are involved in any transaction. Direct debits and standing orders are permitted if approved by the council.
- 6.2. 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.
- 6.3. The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading.
- 6.4. All items of expenditure must be approved by the Council in advance of payment being actioned, 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 a majority of the Council members before payment. Details of such payments shall be submitted to the next meeting of Council.
- 6.5. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

## **7 Payment of Salary**

- 7.1. The Clerk shall receive a salary, payable quarterly, and reviewed annually by the full Council. The Clerk shall be responsible for the payment of income tax and NI contributions in line with HMRC guidelines.

## **8 Orders for work, goods and services**

- 8.1. All members and the RFO are responsible for obtaining value for money at all times. The RFO in issuing an order for goods or services is to ensure as far as practicable that the best available terms are obtained, usually by obtaining a minimum of two quotations or estimates from appropriate suppliers.

## **9 Revision of financial regulations**

- 9.1. 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.