

TOSELAND PARISH COUNCIL FINANCIAL REGULATIONS

These financial regulations were adopted by Toseland Parish Council at its meeting held on 07/05/03 and revised 15/11/07

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.
- 1.2 The Clerk/Responsible Financial Officer (RFO), under the policy direction of the Council shall be responsible for the proper administration of the Council's affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.
- 1.4 The Council shall be responsible for checking and confirming the accuracy of the accounts and the adequacy and efficiency of the financial regulations, budgetary and Risk Management strategies. To ensure that Councillors and Clerk are aware of responsibilities and proper procedures, the Parish Council has instituted a Members Training Plan – see Annex 2.

2.ANNUAL ESTIMATES

- 2.1 The RFO shall formulate and submit proposals to the Council in respect of revenue and capital costs in the form of a draft budget, estimating the receipts and payments for the following year, for consideration at the November meeting.
- 2.2 The Council shall review these estimates and shall agree the precept for the ensuing financial year at the November meeting. The RFO shall provide each member with copies of the approved estimates when Huntingdonshire District Council advise the approved rate of precept.
- 2.3 The annual budgets shall form the basis of financial control for the ensuing year.

3.BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may normally be incurred up to the amounts included on the approved budget, with the proviso that, where the actual costs of these items is greater than expected and funds exist, the expenditure will go ahead.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the overall revenue budget.

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- 3.3 The RFO shall regularly supply the Council with statements of receipts and payments to date, related to the budget, comparing actual expenditure against that planned.
- 3.4 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4.ACCOUNTING AND AUDIT – see Annex 1 for the Audit Plan

- 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 1996 as amended. The calendar of actions is given in the Audit Plan – see Annex 1.
- 4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as is practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1996 as amended. The RFO shall make available to the Internal Auditor such documents of the Council, and information and explanations which appear to the Internal Auditor to be necessary for the purpose of the internal audit.
- 4.5 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 as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The Clerk/RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by the Audit Commission Act 1998 section 15 and the Accounts and Audit regulations 1996 as amended.
- 4.7 The RFO shall as soon as is practicable bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

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5.BANKING ARRANGEMENTS AND CHEQUES

- 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 A schedule of payments require, forming part of the agenda for the meeting, shall be prepared by the Clerk/RFO and together with the relevant invoices, be presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council and the invoices shall be initialled by the Chair of the meeting. The schedule and resolution shall be recorded in the minutes.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph or with the procedure for dealing with invoices submitted between meetings (see **6.PAYMENT OF ACCOUNTS**), shall be signed by two members of the Council. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil.

6.PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk/RFO. The Clerk/RFO shall satisfy her/himself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The Clerk/RFO shall examine invoices in relation to arithmetical accuracy, analyse them to the appropriate expenditure heading, and take all steps to settle the invoices submitted, and which are in order, at the next available Council meeting.
- 6.4 If a payment is necessary to avoid charge of interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of the Council, where the Clerk/RFO certifies that there is no dispute or any other reason to delay payment, the Clerk/RFO may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next available meeting of the Council.

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7.PAYMENT OF SALARIES

- 7.1 If a salary is paid to the Clerk/RFO, the payment of that salary shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and the salary shall be agreed by the Council.
- 7.2 Payment 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, provided that each payment is reported to and ratified by the next available Council meeting.

8.INCOME

- 8.1 The collection of all sums due to the Council shall be the responsibility of the Clerk/RFO.
- 8.2 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 Clerk/RFO, and the Clerk/RFO shall be responsible for the collection of all accounts due to the Council.
- 8.3 The Council will review all fees and charges annually, following a report from the Clerk/RFO.
- 8.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and should be written off in the year.
- 8.5 All sums received on behalf of the Council shall be banked intact by the Clerk/RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Clerk/RFO considers necessary.
- 8.6 The origin of each receipt shall be entered on the paying in slip.
- 8.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 8.8 The Clerk/RFO shall promptly complete any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made when a reasonable amount of VAT charges have accumulated.

9.ORDERS FOR WORK, GOODS AND SERVICES

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- 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 all orders shall be retained.
- 9.2 Order books shall be controlled by the Clerk RFO.
- 9.3 All members and Officers of the Council 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 possible terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in regulation 10 (**CONTRACTS**) below.
- 9.4 The Clerk/RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the Clerk/RFO shall ensure that the statutory authority shall be reported at the meeting at which the order is approved so that the minutes can record the power being used.

10.CONTRACTS

- 10.1 Procedures as to contracts are laid down as follows:
- 10.2 Where it is intended to enter a contract exceeding £1000 in value for the supply of goods or materials or for the execution of works or specialist services other than those that are excepted as set out in the final paragraph of this section, the Clerk/RFO shall invite tenders from at least three firms to be taken from the appropriate approved list maintained by the Council for such works.
- 10.3 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.
- 10.4 Such invitation to tender shall state the general nature of the intended contract and the Clerk/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 Clerk/RFO in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- 10.5 All sealed tenders shall be opened at the same time on the prescribe date by the Clerk/RFO in the presence of at least one member of the Council.

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- 10.6 If less than three tenders are received for contracts above £1000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 10.7 Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders.
- 10.8 When it is to enter a contract less than £1000 in value for the supply of goods or materials or the execution of works or specialist services other than such goods, materials, works or specialist services set out in the final paragraph of this section, the Clerk/RFO shall obtain three quotations (priced descriptions of the proposed supply).
- 10.9 The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 10.10 Every contract shall comply with these financial regulations and no exceptions shall be made otherwise than in an emergency, provided that these regulations shall not apply to contracts which relate to the following items:
- i. For specialist services such as are provided by solicitors accountants surveyors and planning consultants;
 - ii. For work to be executed or goods or materials supplied which consist of repairs to or parts for existing assets owned by the Council.
 - iii. For additional audit work of the External Auditor up to an estimated value of £250 (in excess of this sum the Clerk/RFO shall act after consultation with the Chair of the Council.
 - iv. For goods and materials proposed to be purchased which are proprietary articles and/or only sold at a fixed price.

11.PROPERTIES AND ESTATES

- 11.1 The Clerk/RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record (Register of Assets) is maintained of all property owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, and purpose for which held, in accordance with Regulation 4(3) of the Accounts and Audit Regulations 1996 as amended.
- 11.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

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12.INSURANCE

- 12.1 Following an annual risk assessment, the Clerk/RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 12.2 The Clerk/RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby, and annually review it.
- 12.3 The Clerk/RFO shall be notified of any loss liability or damage or of any event likely to lead to claim, and shall report these to the Council at the next available meeting.
- 12.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.
- 12.5 The Council shall be covered up to the sum of £5,000,000 by a public liability insurance, and shall have a certificate of employers liability, and insurance cover for money and assets.

13.RISK MANAGEMENT

- 13.1 The Clerk/RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 13.2 When considering any new activity the Clerk/RFO shall prepare a draft Risk Management policy for the activity, addressing the legal and financial liabilities and Risk Management issues that arise, and shall present this draft to the Council for consideration, and, if thought proper, adoption.
- 13.3 The overall Risk Management strategy of the council shall be reviewed annually, normally at the budget-setting meeting in November.

14.REVISION OF FINANCIAL ARRANGEMENTS

- 14.1 It shall be the duty of the Council to review the finance regulations annually, normally at the budget-setting meeting in November.

Date 07/05/03

Signed Ann Tossell Chair of Toseland Parish Council

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**ANNEXES TO FINANCIAL REGULATIONS ADOPTED 15/11.07
ANNEX 1: AUDIT PLAN**

| DATE | ACTION |
|------------------------------------|---|
| May, September, November, February | Budget statements for each meeting |
| November | Budget set for following year Risk Assessment Review of Internal Audit procedure |
| December | Precept request Interim Internal Audit |
| April-May | Final Interim Audit Complete Annual Return |
| May | Appoint/reappoint Internal Auditor Advertise External Audit/Electors' rights of inspection |
| June-July | External Audit |
| August | Publish results of External Audit |

See the written terms of reference for Internal Audit with regard to the prevention of fraud in Financial Regulations 4.1 – 4.7.

ANNEX 2: MEMBER TRAINING PLAN

New Councillors will be supported to attend CPALC training sessions to ensure that they are fully aware of their responsibilities. Existing Councillors and the Clerk will be encouraged to attend appropriate CPALC updating courses. The fees will be paid by the Parish Council and an element for training fees will be included in each annual budget.