



## **FINANCIAL REGULATIONS**

**TO BE READ IN CONJUNCTION WITH STANDING ORDERS  
APPROVED AND ADOPTED BY THE COUNCIL  
APRIL 2015**

### **INDEX**

- 1. GENERAL**
- 2. ANNUAL ESTIMATES/PRECEPT**
- 3. RISK ASSESSMENT**
- 4. BUDGETARY CONTROL**
- 5. ACCOUNTING AND AUDIT**
- 6. MANAGEMENT INFORMATION**
- 7. BANKING ARRANGEMENT AND CHEQUES**
- 8. PAYMENT OF ACCOUNTS**
- 9. PAYMENT OF SALARIES**
- 10. LOANS AND INVESTMENTS**
- 11. PARISH GRANTS**
- 12. INCOME**
- 13. ORDERS AND CONTRACT FOR WORK, GOODS AND SERVICES**
- 14. INSURANCE**
- 15. DATA PROTECTION**
- 16. REVIEW OF REGULATIONS**

Adopted 10.06.2015

Revised 8.6.16.

Reviewed 2.8.17 11.7.18 8.12.21.

# **SHALFLEET PARISH COUNCIL**

## **FINANCIAL REGULATIONS**

### **1. GENERAL**

- 1.1 These financial regulations shall govern the conduct of financial transactions of the Council and may only be amended or varied by resolution of the Council or by Government legislation and shall be read in conjunction with Standing Orders adopted by the Council.
- 1.2 The Council shall appoint a person to act as the Councils Responsible Financial Officer (R.F.O.), to work in conjunction with the Clerk. The Clerk may if desired also be the R.F.O.
- 1.3 The RFO will be responsible for the proper administration of the Councils financial affairs and will be responsible for the production of financial management information.

### **2. ANNUAL ESTIMATES/PRECEPT**

- 2.1 The Clerk/RFO shall prepare an annual budget to be considered by the Council at the appropriate meeting. A financial Risk Assessment will be presented to the Council at the same time as the recommended Precept.
- 2.2 The Council shall review the budget and shall fix the Precept to be levied for the ensuing financial year. The Clerk/RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.
- 2.3 The annual budget shall form the basis of financial control for the ensuing year.

### **3. RISK ASSESSMENT.**

- 3.1 The Clerk/RFO will produce a Risk Assessment document each year.
- 3.2 The Risk Assessment must be formally approved to stand alongside the full year budget.
- 3.3 The Clerk/RFO will highlight at the earliest opportunity where there are indications that a risk referred to within the Assessment is becoming active. The Council will at that time discuss the actions required to remedy the risk identified.

### **4. BUDGETARY CONTROL**

- 4.1 Expenditure should always be in accordance with the annual estimated budget and precept levied.
- 4.2 The Clerk/RFO will advise the Council of any planned expenditure that will exceed the budget. Should they still wish to proceed with the expenditure, the Council must indicate from where such overspend should be funded.
- 4.3 Committees may be set up by the Council to deal with specific matters and cost categories within the budget. These committees will report their recommendations to the full Council.
- 4.4 All items of expenditure exceeding £500 incurred on behalf of the Council must be approved by specific resolution of the Council unless approved by the Council within the budget set for that financial year.

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- 4.5 The Clerk/RFO will provide details of all cheques and BACS payment to each monthly meeting of the Council. The Chairman and Deputy Chairman will sign copies of these documents as confirmation. The documentation will be retained by the RFO for audit purposes.
- 4.6 All Councillors shall have the right to question the RFO as to the content of any financial figures provided.
- 4.7 The Clerk can vire amounts up to £500 in the budget without referring back to the Council but will report back any virements at the next meeting of the Council.

## **5. ACCOUNTING AND AUDIT**

- 5.1 All accounting procedures and financial records of the Council shall be determined by the Clerk/RFO as required with the Accounts and Audit Regulations 2003 or other statutory instrument which may supersede those regulations.
- 5.2 The Clerk/RFO will be responsible for ensuring the annual accounts of the Parish Council are completed as soon as practicable after the end of the financial year and will submit a copy to each member. The Clerk/RFO will also report thereon to the meeting of the Parish Council.
- 5.3 The Council will employ a competent internal auditor, with sufficient status and independence, to undertake the role in accordance with regulation 6 of the Accounts and Audit Regulations 2003 and any subsequent regulations.
- 5.4 The Annual Statement of Accounts, required for external audit, must be prepared by the Clerk/RFO for formal approval by the Council before the end of June. This document must be confirmed by the internal auditor, prior to dispatch to the Audit Commission.
- 5.6 The Council shall consider and act on any items appearing in the internal audit report relating to the Annual accounts or procedures.
- 5.7 The internal auditor will also undertake a system and procedural audit.

## **6. MANAGEMENT INFORMATION**

- 6.1 The Clerk/RFO will provide a written report to each Councillor at each monthly meeting. The report will show details of the previous month's expenditure and income.
- 6.2 The Clerk/RFO will supply quarterly expenditure against budget figures to the Council.

## **7. BANKING ARRANGEMENTS AND CHEQUES**

- 7.1 The Council's banking arrangements shall be made by the Clerk/RFO and approved by the Council. They shall be regularly reviewed for efficiency.
- 7.2 A schedule of the payments required, 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 for payment by a resolution of the Council.
- 7.3 Cheques drawn on the bank account shall be signed by the Clerk/RFO together with one Councillor's signature. The signatories shall each also initial the cheque counterfoil and the invoices.

## **8. PAYMENT OF ACCOUNTS**

- 8.1 All payments shall be effected by cheque or BACS, or other order drawn on the Council's bankers.
- 8.2 All invoices for payment shall be examined, verified and certified by the Clerk/RFO.

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- 8.3 Before certification, the Clerk/RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 8.4 The Clerk shall present for approval all invoices submitted, and which are in order, at the next available Council Meeting.
- 8.5 All certificated invoices will be kept with the accounts for auditing purposes.
- 8.6 The Clerk/RFO will deal with the VAT element of each invoice ensuring the correct sum is recovered as appropriate from HM Customs and Excise.
- 8.7 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, and there is no dispute or 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 appropriate meeting of Council for ratification.

## **9 PAYMENT OF SALARIES**

- 9.1 The salaries of the Clerk/RFO will be paid monthly. Payment of salary for each calendar month will normally be paid on the 25<sup>th</sup> of the month.
- 9.2 The Clerk/RFO will be responsible for the calculation of wages and salaries and the payment thereof. Payment will be by Standing Order wherever possible.
- 9.3 The Clerk/RFO will ensure that all relevant taxes are deducted as appropriate and payment for same made to the relevant authorities on a timely basis.

## **10. LOANS AND INVESTMENTS**

- 10.1 All loans and investments shall be negotiated by the Clerk/RFO in the name of the Council and shall be for a set period in accordance with Council policy. Changes must be reported to the Council at the earliest opportunity.
- 10.2 All investments of money under the control of the Council shall be in the name of the Council.
- 10.3 All borrowings and application for borrowing approval shall be approved and be effected in the name of the Council. The terms and conditions of borrowings shall be reviewed at least annually.
- 10.4 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

## **11. PARISH GRANTS**

- 11.1 Grants will be looked at and decided on as and when requested.
- 11.2 Priority will be given to requests for grants from, and granted firstly to, Shalfleet Parish residents and charities, then secondly to Island charities for the benefit of Shalfleet Parish residents.
- 11.3 Applicants for Community Grants must provide their accounts or other relevant financial information as part of the application. If these are not available immediately, then the Grant may be agreed, subject to providing their accounts or other relevant information, before the Grant is paid.
- 11.4 Grants will only be granted within the budget available.

(This section resolved to remain, by majority vote, at the PC meeting held 9<sup>th</sup> June 2021.)

Adopted 10.06.2015

Revised 8.6.16.

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## **12. INCOME**

- 12.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk/RFO.
- 12.2 The Clerk/RFO will review all fees and charges annually.
- 12.3 All sums due to the Council will be banked as soon as possible, certainly within seven days of receipt.
- 12.4 The Clerk/RFO will deal with the VAT element of income, ensuring the correct sum is paid as appropriate to HM Customs and Excise.
- 12.5 Any personal cheques shall not be cashed out of money held on behalf of the Council.

## **13. ORDERS AND CONTRACTS FOR WORK, GOODS AND SERVICES**

- 13.1 The principles of best value will be embraced at all times when negotiating for any work, goods or services, where possible with Island based contractors.
- 13.2 The Clerk, following consultation with the Chairman or appropriate Committee Chairman is empowered to purchase goods or services, or undertake emergency small works to the value of £250.
- 13.3 For work of a value exceeding £250 but below £2,500, three price indications shall be endeavoured to be obtained and brought to a meeting of the Council for approval.
- 13.4 All tenders over £2,500 received in respect of any particular contract shall be opened at one time by the Clerk to the Council after the deadline date.
- 13.5 Any tender received after specified time shall remain unopened, save that such tender may be considered when the Council is satisfied that there is evidence of posting in time for delivery by the normal course of postal delivery and the other tenders have not been opened.
- 13.6 All contracts entered into by the Council will be passed by resolution made by the Council.
- 13.7 The Clerk will maintain a Register with details of companies tendering for contracts, tenders received and details of tender opening and evaluation and the Councils decision.
- 13.8 Whilst best value principles must always be adopted when deciding upon a contract, the Council will not be bound to select the lowest, of any tender.
- 13.9 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.

## **14. INSURANCE**

- 14.1 The Clerk/RFO will effect all insurance matters and negotiate all claims on the Parish Councils insurers.
- 14.2 The Clerk/RFO will ensure the Councils property; effects and risks are covered by policy, and annually review the situation.
- 14.3 The Clerk/RFO will advise the Council at the earliest opportunity in the event of any known loss liability or other situation, which may lead to a claim.
- 14.4 The Clerk / RFO will be included in a suitable fidelity guarantee.

## **15. DATA PROTECTION ACT**

- 15.1 The Clerk will ensure all aspects of the Data Protection Act are adhered to.

## **16. REVIEW OF REGULATIONS**

- 16.1 These financial regulations shall be reviewed at least once in every four year period and more often as appropriate.
- 16.2 The next review shall take place no later than June 2026.

Adopted 10.06.2015

Revised 8.6.16.

Reviewed 2.8.17 11.7.18 8.12.21.