

THORNER PARISH COUNCIL

FINANCIAL REGULATIONS 2020

These financial regulations shall govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council. They shall be reviewed no later than two years from the date of this document.

1. GENERAL

The Clerk shall be the responsible financial officer (RFO).

The responsible financial officer (RFO) under the policy direction of the council shall be responsible for the proper administration of the council's financial affairs in accordance with all accounting regulations and proper practices.

The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

The Council shall formulate, if required, a rolling capital programme not later than the end of November each year.

Detailed estimates of receipt and expenditure on revenue services, and receipts and expenditure on capital account, shall be prepared each year by the RFO.

The Council shall review the estimates and recommend the precept to be levied for the ensuing financial year, not later than the end of January in each year.

The RFO shall supply each member with a copy of the budget monitor each quarter.

The quarterly budget monitor shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

No expenditure on the revenue account may be incurred which will exceed the amounts included in each approved budget heading (unless a virement has been approved by the Parish Council).

Financial assistance may be given to working party's and steering groups, all amounts must be presented for payment and will be subject to final approval by the Parish Council.

The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair and replacement, subject to the following;

1. When the nature of the work is urgent, subject to a limit of £500 in each financial year.
2. When the nature of the work is non-urgent subject to a limit of £200 in each financial year.

In each instance it will be reported to the council as soon as practicable.

The Chair may incur similar expenditure to a limit of £250, in each financial year.

There will be a Chairs allowance of £50, to spend on behalf of the Council.

The RFO shall provide the council with a quarterly statement of receipt and expenditure, under each head of the approved annual revenue and capital budgets.

Where expenditure is incurred and the sum required cannot be met from savings made elsewhere within the councils approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.

No expenditure shall be incurred in relation to any capital project, no contract entered into or tender accepted involving expenditure on capital account, unless the council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained and has been approved by the full Council.

All capital works shall be administered in accordance with the Council's financial regulations relating to contracts.

4. ACCOUNTING AND AUDIT

All accounting procedures and financial records of the council shall be determined by the RFO as required by the Accounts and Audit Regulations 2015.

The RFO shall be responsible for completing the annual accounts of the council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the council.

The following principles shall be observed in connection with accounting duties.

The duty of providing information, calculating, checking and recording sums due to, and from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them.

The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the council's accounting, financial and other operations in accordance with the Governance and Accountability for Smaller Authorities in England March 2019.

Any officer or member of the council shall, if the RFO requires, make available such documents of the council which relate to their accounting and other records, as appear to the RFO to be necessary for the purpose of the audit, and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

The Parish Council reserve the right to invite the Internal Auditor to the Precept meeting in January to offer advice.

5. BANKING ARRANGEMENTS AND CHEQUES

The council's banking arrangements shall be made by the RFO and approved by the council.

One current account and one savings account shall be maintained with an appropriate financial institution.

A schedule of payments will be prepared and identified on the Agenda for approval by the Council.

If required, the RFO shall be allowed to move funds between the accounts of the Parish Council and report the action to the Council as soon as practicable.

Cheques drawn on the bank account shall be signed by two signatories of the Council, other payments can also be made when necessary, by the RFO via online banking.

The RFO may allow members access to online banking to confirm account balances only, for internal audit and governance purposes.

The RFO will confirm the signatories and trustees of each account when requested.

6. PAYMENT OF ACCOUNTS

All payments shall be effected by cheque, standing order, direct debit or online banking.

With regard to online banking, any transaction will be subject to a limit of £500. All invoices for payment shall be examined, verified and certified by the RFO. Before certifying an invoice the officer shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head.

All duly certified invoices will then be entered on to a payments and receipts spreadsheet.

The RFO may allow members to make payment for the purpose of defraying operational and other expenses up to a maximum of £200.

Invoices for payments made shall be forwarded to the RFO with a claim for reimbursement.

7. PAYMENT OF SALARIES AND WAGES

The payment of all salaries shall be made by cheque or standing order and in accordance with current statutory legislation.

8. GRANTS, DONATIONS AND LOANS

Any financial assistance by way of application, which is given to a voluntary body or charity must require such organisations to provide accounts for the last financial year and a written statement of how the money has been spent.

All applications for over £500, must be received from 01 April to 30 September.

Any financial assistance which exceeds £3000, will be subject to consultation with the village.

9. LOANS AND INVESTMENTS

All loans and investments as requested by the Council, shall be negotiated by the RFO in the name of the council, and shall be for a set period of time in accordance with council policy.

No changes to loans and investments should occur unless reported to the Council and agreed.

All investments of money under the control of the Council shall be in the name of the council.

All borrowings shall be effected in the name of the Council.

All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

10. INCOME

The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO.

The RFO shall be ultimately responsible for the collection of all accounts due to the council.

The Council will review all fees and charges on a regular basis, following a report by the RFO.

Any bad debts shall be reported to the council.

All sums received on behalf of the council shall be banked by the RFO.

A reference indicating the origin of each cheque, shall be entered on the paying-in slip.

Every transfer of official money from one member of the Council to another member shall be signed for by the receiving officer.

The RFO shall complete a VAT return twice a year.

11. ORDERS FOR WORK, GOODS AND SERVICES

Council approval must be sought in the following instances;

An official order, letter or e-mail shall be issued for all work, goods and services unless a formal contract is to be prepared or issuing an order would be inappropriate.

Copies of orders issued shall be maintained.

A member may not issue an official order or make any contract on behalf of the council.

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 reasonable and practicable that the best available terms are obtained in respect of cash transactions.

12. CONTRACTS

Where the supply of goods, materials or the execution of works is more than £500 but does not exceed £3000, then there is not a requirement to enter into a contract, the RFO will, where practicable, seek a minimum of TWO estimates/quotes, in this instance.

Where it is intended to enter into a contract exceeding £3000, but not exceeding £10,000, in value for the supply of goods or materials or for the execution of works, then the RFO will seek a minimum of TWO estimates/quotes and give public notice of such intention.

Notice of a contract exceeding £10,000 but not exceeding £25,000, in value for the supply of goods or materials or for the execution of works, then the RFO shall give public notice of such intention.

The notice shall state the general nature of the intended contract, and state the name and address of the person to whom the tenders are to be addressed, and the last date by which those tenders should reach that person, and that they have to be in sealed envelopes.

Notice of a contract exceeding £25,000 shall adhere to the Public Contracts Regulations 2015.

Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time, the Council must consider whether the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2006 apply to the contract and if either of those Regulations apply, the Council must comply with procurement rules.

The Clerk shall obtain the necessary assistance to prepare a specification when necessary.

Tenders should be sent to the Clerk and be opened by the RFO, in the presence of the Parish Council at a full meeting of the Parish Council.

Neither the Council or any committee is bound to accept the lowest tender.

If no tenders are received or if all tenders are identical, the Council may make such arrangements for procuring the goods or materials or executing the work as it thinks fit.

13. STORES AND EQUIPMENT

Any member in possession of any equipment belonging to the Council shall be responsible for the care and custody of the equipment.

14. PROPERTIES AND ESTATES

The Clerk shall make appropriate arrangements for the custody of all deeds and documentation for property or land which is owned or leased.

A register of assets shall be prepared and reviewed annually by the RFO.

No property or land shall be sold or leased or otherwise disposed of without the authority of the Council.

15. INSURANCE

The RFO shall effect all insurance and negotiate all claims on the council's insurer.

The RFO shall insure that all new risks, properties and vehicles which require to be insured are added to existing insurance.

The RFO shall keep a record of all insurance effected by the Council and the property and risks covered thereby and annually review it.

The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.

Any employee of the council shall be included in a suitable fidelity guarantee insurance.

16. RISK MANAGEMENT

The Clerk shall instigate a Risk assessment and Management Plan in respect of the activities of the Council on an annual basis.

When considering any new financial expenditure exceeding £3000, then a financial risk management policy shall be prepared for the activity, and be presented to the Council for consideration.

17. REVISION OF FINANCIAL REGULATIONS

It shall be the duty of the Council to review the financial regulations no later than two years from the date of this document and to make such changes as the Council considers are required.

Adopted; 04 February 2020