

Colton Parish Council

Financial Regulations

Revised Sept 2011

STANDING ORDERS

Financial Regulations

**General**

1. These financial regulations shall govern the conduct of the Council and may only be amended or varied by resolution of the Council.
2. The Parish Clerk under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
3. The Parish Clerk shall be responsible for the production of financial management information.

**Annual Estimates**

1. Estimates of income and expenditure of the Council shall be prepared each year by the Parish Clerk.
2. The Council shall review the estimates at the appropriate time and shall recommend the precept to be levied for the ensuing financial year.
3. The annual budget shall form the basis of financial control for the ensuing year.

**Budgetary Control**

1. No expenditure may be incurred which cannot be met from the amount held in the Council's bank accounts.
2. The Parish Clerk shall periodically provide the Council with details of income and expenditure to date.
3. No expenditure shall be incurred in relation to any transaction involving expenditure unless the Council is satisfied that the necessary funds are available.
4. The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £200. The Clerk shall report the action to the Council as soon as practicable thereafter.

**Accounting and Audit**

1. All accounting procedures and financial records of the Council shall be kept by the Parish Clerk as required by the Accounts and Audit regulations 1996.
2. The Parish Clerk shall complete the annual financial statements of the Council, including the council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
3. The Parish Clerk shall complete 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 shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.
4. The Council shall appoint an Internal Auditor. The person appointed must not be related to any member or employee of the Council. The Internal Auditor, acting independently, shall examine the financial system of the Council and complete the relevant section of the Annual Return. This shall be performed annually at a time specified by the Audit Commission

### **Banking arrangements and cheques.**

1. The Council's banking arrangements shall be made by the Parish Clerk and approved by the Council. A Current Account shall be maintained at the bank for general use.
2. A schedule of payment of money shall be prepared by the Parish Clerk together with the relevant invoices and presented to the Council and recorded in the minutes.
3. Cheques drawn on the bank account with the schedule referred to in the previous paragraph shall be signed by two of the three duly authorised signatories together with the counterfoils in the cheque book.

### **Payment of Accounts**

1. All payments shall be effected by cheque drawn on the Council's banker.
2. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk, for example for postage, computer or stationery items, shall be refunded on a regular basis, at least quarterly.
3. All invoices for payment shall be examined and verified by the Parish Clerk before being submitted for payment.
4. When the Parish Clerk is satisfied that the invoices are in order he/she shall present them to the Council for approval and payment.

### **Payment of Salaries**

The payment of all salaries and expenses shall be made in accordance with the rates authorised by the Council. The Inspector of Taxes shall be informed of any changes to the Parish Clerk's salary.

### **Income**

1. The collection of all sums due to the Council shall be the responsibility of the Parish Clerk.
2. The Council will review all fees and charges annually following a report from the Parish Clerk.
3. All Sums received on behalf of the Council shall be banked by the Parish Clerk with the Council's bankers.

### **Contracts**

1. Estimates should be obtained for any proposed contract for the supply of goods, materials, services and the execution of work.
2. Should there be any formal tender process shall comprise the following steps:
  - a) a public notice of intention to place a contract to be placed in a local newspaper and on local notice boards;
  - b) a specification of the goods, material, services and the execution of works shall be drawn up;
  - c) tenders are to be sent to the Clerk by a stated date and time;

- d) tenders submitted are to be opened, after the stated closing date and time, by the Clerk and the Chair of the Council's Finance Working Group (or other Working Group member if the Chair is unavailable);
  - e) tenders are then to be assessed and reported to the appropriate meeting of Council or Committee.
4. The Council or a committee, is not bound to accept the lowest tender, estimate or quote. Any tender notice shall contain a reference to the Standing orders 60 & 62 regarding improper activity.

### **Best Value**

**The Parish Clerk is responsible for obtaining value for money at all times. The Parish Clerk issuing an official order is to ensure as far as reasonable and practicable that the best available terms and prices are obtained in respect of each transaction.**

### **Risk management**

1. The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.
2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

### **Insurance**

1. Following the annual risk assessment, the Parish Clerk shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Council.
2. The Parish Clerk shall give prompt notification to the Council of any alterations affecting existing insurance.
3. The Parish Clerk shall keep a record of all insurances effected by the Council and the risks covered thereby, and annually review it with the Council.
4. The Parish Clerk shall be notified of any event likely to lead to a claim.
5. All members of the Council shall be included in suitable indemnity insurance.

### **Revision of Financial regulations**

It shall be the duty of the Council to submit the Financial Regulations to regular review by the Council, at least once every four years, and to determine any changes which they feel may be necessary or beneficial.

## REVIEWS & REVISIONS TO FINANCIAL REGULATIONS

<b>Date Reviewed</b> (from v. Apr 2006)	<b>Date Revised</b>	<b>Details</b>
Sept 2011	Sep 2011	Under Contracts: <ul style="list-style-type: none"> <li>- 2(c) Deleted 'in a sealed marked envelope'</li> <li>- 2(d) Deleted 'at least one member of the Council'. Added 'the Chair of the Council's Finance Working Group (or other Working Group member if the Chair is unavailable)'</li> </ul>