

BISHOP'S HULL PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on (9th December 2009).

1. GENERAL

- 1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control.
- 1.2 The Clerk has been appointed Responsible Financial Officer (RFO) for this Council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices.
- 1.3 The RFO shall produce financial management information as required by the Council.
- 1.4 At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of Section 27 of the Audit Commission Act 1998 and then in force.
- 1.6 In these Financial Regulations, the term 'proper practices' shall refer to guidance issued in 'Governance and Accountability in Local Councils in England and Wales – a Practitioner's Guide', which is published jointly by NALC and SLCC and updated from time to time.

2. ANNUAL ESTIMATES (BUDGET)

- 2.1 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.2 The Council shall review the budget not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The 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. BUDGETARY CONTROL

- 3.1 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budget, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared no less frequently than twice a year.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall complete the annual financial statements of the Council, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO 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.
- 4.4 The RFO shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices.
- 4.5 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing or in person on a regular basis with a minimum of one annual written report in respect of each financial year.
- 4.6 The RFO shall make arrangements for the inspection of the accounts, books and vouchers and for the display or publication of any notices and statements of account required by the Audit Commission Act 1998 and the Accounts and Audit Regulations.
- 4.7 The RFO shall, as soon as 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.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of payments required, forming part of the Agenda for the meeting, shall be prepared by the 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 shall be initialled by the Chairman of the meeting. Such payments shall also be listed in the Minutes.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in para 5.2, shall be signed by two members of the Council.
- 5.4 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 each 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 RFO, who shall satisfy him/herself that the work, goods or services have been received carried out, examined and approved. Invoices shall be apportioned against the appropriate budget head. Invoices shall be apportioned against the appropriate budget head.
- 6.3 The Council will not maintain any form of cash float. Any cash received must be banked intact. Any payments made in cash by the RFO (for example on postage or minor stationery items) shall be refunded on a regular basis.

7. PAYMENT OF SALARIES

- 7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Council.
- 7.2 Payment of salaries and deductions for tax, national insurance or pension contributions, may be made in accordance with payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified by the next Council meeting.

8. INCOME

- 8.1 The collection of all sums due to the Council shall be responsibility of and under the supervision of the RFO.
- 8.2 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 8.3 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 8.4 The origin of each receipt shall be entered on the paying-in slip.
- 8.5 The 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 annually coinciding with the end of the financial year.

9. ORDERS FOR WORK, GOODS AND SERVICES

- 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 orders/letters shall be retained.
- 9.2 All members and officers are responsible for obtaining value for money at all times. An officer issuing an order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining quotations or estimates from appropriate suppliers.
- 9.3 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

10. CONTRACTS

- 10.1 In the event of the Council needing to enter into a contract for the supply of goods and materials, or for the execution of works or specialist services, appropriate regulations will need to be adopted.

11. ASSETS, PROPERTIES AND ESTATES

- 11.1 The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date and verified annually.

12. INSURANCE

- 12.1 Following the annual risk assessment (per Financial Regulation 13), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 12.2 The 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 RFO shall be notified of any loss, liability or damage or of any event likely to lead to a 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.

13. RISK MANAGEMENT

- 13.1 The Council is responsible for putting in place arrangements for the management of risk. The RFO 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.
- 13.2 When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

14. REVIEW OF FINANCIAL REGULATIONS

- 14.1 It shall be the duty of the Council to review these Financial Regulations from time to time.