



## **NETTLESTONE AND SEAVIEW PARISH COUNCIL FINANCIAL REGULATIONS**

### **1. GENERAL**

- 1.1 These financial regulations shall govern the conduct of the financial transactions of the Council and shall only be amended by resolution of the Council.
- 1.2 The RFO will be responsible for the proper administration of the Parish Council's affairs under the policy direction of the Council
- 1.3 The RFO will be responsible for the production of financial management information.

### **2. ANNUAL ESTIMATES**

- 2.1 Detailed estimates of expenditure on services will be prepared by the RFO for the forthcoming year, and submitted to each Councillor in time for a decision at the January Parish Council Meeting.
- 2.2 The Parish Council will review its estimated expenditure at the January meeting, and will recommend the precept to be levied for the ensuing financial year at that meeting.

### **3. BUDGETARY CONTROL**

- 3.1 Expenditure must always be incurred in accordance with the annual estimated budget and precept levied.
- 3.2 All expenditure incurred on behalf of the Parish council must be resolved at a full Parish Council meeting.
- 3.3 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 urgency that, in the opinion of the Clerk, it must be done at once, whether or not there is budgetary provision, subject to a financial limit of £1500.00. The Clerk shall report the action taken to the Council as soon as practicable thereafter.
- 3.4 All capital works shall be administered in accordance with the Parish Council's Standing Orders and Financial Regulations relating to contracts.

### **4. ACCOUNTING AND AUDIT**

- 4.1 All accounting procedures and financial records of the Parish Council shall be determined by the RFO, as required by the Accounts and Audit Regulations 2003.

- 4.2 The RFO will be responsible for completing the annual accounts of the Parish Council as soon as practicable after the end of the financial year and will submit them, and report thereon, to the Parish Council.
- 4.3 The RFO will be responsible for maintaining an adequate and effective system of internal audit of the Parish Council's accounting, financial and other operations in accordance with regulation (6) of the Accounts and Audit Regulations 2003.
- 4.4 The RFO will be authorised to have made available any documents that are required for accounting purposes and financial record keeping.
- 4.5 A Finance Working Party shall be formed to conduct an Annual review of the effectiveness of the Parish Council's system of internal audit and report thereon to the Parish Council in accordance with Section 6 the Accounts and Audit Regulations 2003 as amended in 2006.
- 4.6 The Internal Auditor shall carry out the work required by the RFO and 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 Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.7 The RFO will be responsible for submitting a monthly update of itemised income/expenditure from June each year.
- 4.8 On a monthly basis and at financial year end, two members shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The members shall sign the reconciliations, the original bank statements (or similar document) and payment schedule as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

## **5. BANKING ARRANGEMENTS AND CHEQUES.**

- 5.1 The Parish Council's banking arrangements will be made by the RFO, as approved by the Parish Council. Two accounts will be maintained: a current account and a deposit account.
- 5.2 A schedule of the payment of money will be prepared by the RFO, together with any relevant invoices etc., and presented to the Parish Council at each full meeting. If the schedule of payments is in order, it will be authorised for payment by resolution of the Parish Council.
- 5.3 The RFO shall be a signatory for the Council's banking arrangements and the authorised person to undertake payments by electronic transfer. Cheques and withdrawal forms for the two accounts will be signed by the RFO, together with any other two authorised signatories.

## **6. PAYMENT OF ACCOUNTS.**

- 6.1 All payments shall be effected by electronic payment, cheque or other instructions to the council's bankers.
- 6.2 The main source of payment is through electronic payments. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in

respect of which the payment is being, that Councillor shall be required to consider standing orders, and thereby determine whether it is appropriate and/or permissible to be a signatory to the transaction in question.

- 6.3 All invoices will be examined, verified and certified by the RFO. Before certifying an invoice, the RFO will satisfy himself/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.4 The RFO, when satisfied as to validity of the invoice, will take all possible steps to settle invoices received within the time allowed by the contractor, or within 30 days of receipt if at all practicable.
- 6.5 All certified invoices will be kept for auditing purposes with the accounts.
- 6.6 Income received must be banked into one of the Parish Council's accounts.

## **7. PAYMENT OF SALARIES AND WAGES**

- 7.1 The Clerk's salary will be paid monthly in accordance with the terms agreed in the contract with the Parish Council, this payment being authorised at each Parish Council meeting. In the event of the Parish Council not meeting in any one month, the Clerk is authorised to ensure salary is paid in accordance with 5.3 of these regulations, and confirmed at the next available meeting.
- 7.2 The Clerk's salary details will be entered in the administration section of the general accounts by the RFO.

## **8. LOANS AND INVESTMENTS**

- 8.1 All loans and investments will be negotiated by the RFO in the name of the Parish Council. Changes to loans and investments must be reported to the Parish Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Parish Council will be in the name of the Parish Council.
- 8.3 All borrowings will be effected in the name of the Parish Council
- 8.4 All investment certificates and other documents relating thereto will be retained in the custody of the RFO.

## **9. INCOME**

- 9.1 The collection of all sums due to the Parish Council will be the responsibility of the RFO.
- 9.2 The RFO will be responsible for the collection of any accounts due to the Parish Council.
- 9.3 Any bad debts will be reported to the parish Council by the RFO.
- 9.4 All sums received on behalf of the Parish Council will be banked by the RFO as soon as is possible. Payments made in March for renewal of Dinghy Park permits for the following financial year to be banked on 1<sup>st</sup> April or as soon as possible thereafter

## **10. INSURANCE**

- 10.1 The RFO will effect all insurance matters and negotiate all claims with the Parish Council's insurers.
- 10.2 The RFO will ensure that all new risks are brought to the attention of the Parish

Council.

- 10.3 The RFO will ensure that all Parish Council property, effects and risks are covered by policy, and annually review the situation.
- 10.4 The RFO will inform the Parish Council in the event of any loss liability or any other situation, which may lead to a claim.
- 10.5 The RFO will be included in a suitable fidelity guarantee.

## **11. CONTRACTS.**

- 11.1 All Contracts entered into by the Parish Council will be passed by a resolution made by the Parish Council at a full Parish Council meeting.
- 11.2 At least two tenders will be sought for each contract unless the contract is for less than £250.00.
- 11.3 The Parish Council should always consider best value principles when deciding upon a contractor, but it is not bound to select the lowest, or any, tender.

## **12. REVISION OF FINANCIAL REGULATIONS.**

- 12.1 The RFO has the responsibility for ensuring that these regulations are reviewed annually, and to make such recommendations to the Parish Council as circumstances may require.

## **13. EMERGENCY PROVISION**

- 13.1 In the event of an emergency which falls within the Parish Council's remit to exercise due care to its employees and/or the public, the Chairman, or in his absence, the Vice-Chairman is empowered to authorise expenditure to a maximum of £2000.00 (Two-Thousand Pounds). This expenditure is in addition to that amount the Clerk can authorise. Any such expenditure is to be approved by the Parish at the next available meeting.

Last updated and agreed 17th May 2022 (Minute No 22/87/02)