Lyddington Parish Council (The Council)

Financial Regulations

These Financial Regulations were adopted by the Council at its Meeting held on 9 March 2015.

**1. GENERAL**

1.1 These financial regulations govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council. These regulations shall be reviewed periodically to ensure they are effective.

1.2 The Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs and for the production of financial management information.

* 1. The Council shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk. The Council shall review these controls annually and produce a statement on its internal controls with its statement of accounts.

**2. ANNUAL ESTIMATES**

2.1 The Council shall formulate proposals in respect of revenue and capital costs for the following financial year by December each year.

2.2 Estimates of all receipts and payments for the year shall be prepared by the RFO.

2.3 The Council shall review the estimates not later than the end of January each year and shall determine the Precept request for the forthcoming financial year. The RFO shall supply each member with a copy of the approved estimates.

**3. BUDGETARY CONTROL**

3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget. Any expenditure in excess of the approved budget must be referred back to the Council prior to it being incurred.

3.2 The RFO shall regularly provide the Council with a statement of receipts and payments to date, comparing actual expenditure against that planned.

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 required immediately, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.4 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.

3.5 No expenditure shall be incurred in relation to any project and no contract entered into, or tender accepted, unless the Council is satisfied that the necessary funds are available.

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

**4. ACCOUNTING AND AUDIT**

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them to the Council.

4.3 The RFO shall be responsible for completing 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 for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.

4.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.5 The Council shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

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 complied annually by the Audit Commission. The Internal Auditor should be competent and independent of the operations of the Council.

4.7 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

4.8 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**

* 1. The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
  2. A schedule of the payments made will be presented to the Council at each Meeting, together with the relevant invoices. 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. Due to the infrequency of Parish Council Meetings (bi-monthly) payments are likely to be made prior to being presented at a meeting. Where this is necessary the Clerk/RFO shall certify that there is no dispute or other reason to delay payment, and the Clerk will take all steps necessary to settle such invoices. A list of such payments shall be submitted to the next appropriate meeting of Council.
  3. Cheques drawn on the bank account shall be signed by two members of Council. The Councillors signing the cheques must satisfy themselves that the work, goods or services to which the invoice relates has been received/carried out, examined and approved.

**6. PAYMENT OF ACCOUNTS**

6.1 All payments shall be made by cheque or other order drawn on the Council's bankers.

6.2 All invoices for payment shall be checked by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates has been received/carried out, examined and approved.

6.3 The Clerk shall settle all invoices submitted, and which are in order, in a timely manner to comply with the terms of the invoice and to avoid any late payment fees.

6.4 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 or minor stationery items) shall be refunded on a regular basis, at least quarterly.

**7. PAYMENT OF SALARIES**

7.1 The Clerks hours worked and subsequent salary payment shall be presented at each Council meeting for approval. If the document is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. Any salary payments shall be administered by Rutland County Council Payroll Department and shall be in accordance with payroll records and the rules of PAYE and National Insurance currently operating.

**8. INCOME**

8.1 The collection of all sums due to the Council shall be the responsibility of the RFO.

8.3 The Council will review all fees and charges (cemetery and allotments) annually, following a report from the Clerk.

8.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

8.5 All sums received on behalf of the Council shall be banked intact within a reasonable timescale.

8.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

**9. ORDERS FOR WORK, GOODS AND SERVICES**

9.1 An official order or letter shall be issued for all work, goods and services and copies of orders shall be retained.

9.2 Order books shall be controlled by the RFO and the RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

9.3 The Clerk and Councillors are responsible for obtaining value for money at all times. A Councillor issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers or in accordance with the **Standing Orders Relating to Contracts.**

**10. CONTRACTS**

10.1 Procedures for contracts are detailed in Appendix One of this document **Standing Orders Relating to Contracts** adopted by the Council in May 2008.

**11. PROPERTIES AND ESTATES**

11.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties and land owned by the Council and shall ensure a record is maintained of all properties and land owned by the Council.

11.2 No property or land shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

**12. INSURANCE**

12.1 Following an annual risk assessment, the RFO shall implement all insurances and negotiate all claims on the Council's insurers

12.2 The RFO shall inform the Council of all new risks which need to be insured and of any alterations affecting existing insurances.

12.3 The RFO shall keep a record of all insurances held by the Council and review it annually.

12.4 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 Council at the next available meeting.

12.5 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. CHARITIES**

13.1 Where the Council is sole trustee of a Charitable body the Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk/RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

**14. RISK MANAGEMENT**

14.1 When considering any new activity the Clerk/RFO shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

14.3 The Council shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

**Approved by Lyddington Parish Council at its Parish Meeting on 9 March 2015.**

SIGNED

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Cllr Ian Canadine (Chairman)**Appendix One.**

**LYDDINGTON PARISH COUNCIL**

Standing Orders Relating to Contracts

1. For contracts for the supply of goods or services or for the execution of works, which are estimated **not to exceed £500** there shall be no formal procedure.
2. Where the contract is estimated **to exceed £500 but not £3,000** in value, the clerk shall obtain at least three quotations. These quotations shall be reported to the Council which shall not be bound to accept the lowest quotation.
3. Where it is intended to enter in to a contract estimated **to exceed £3,000 but not £15,000** in value, the Clerk shall give at least three weeks public notice of such intention in the same manner as public notice of meetings of the Council is given. The Council shall invite no less than three quotations in writing and shall state the last date and time when quotations will be received. The quotations shall be reported to the Council which shall not be bound to accept the lowest quotation.
4. Where the value of the intended contract is expected **to exceed £15,000** in value, notice shall be given as in 3. above, and in addition notice shall be given to firms on the list of approved contractors maintained by the County Council or, in the absence of such a list, in a newspaper circulating in the district, as the Council shall decide.

The notice of a contract exceeding £15,000 shall state the general nature of the intended contract, the name and address of the person to whom tenders are to be delivered, and the last time and date by which tenders should reach that person.

Tenders for contracts over £15,000 shall be opened by the Chairman (or in his absence the Vice-Chairman), in the presence of the Clerk, as soon as practicable after the date specified for the receipt of tenders and shall be reported to the Council. The Council is not bound to accept the lowest quotation or tender.

1. If no quotations or tenders are received or if all are identical, the Council may make such arrangements for procuring the goods materials or services as it thinks fit.
2. These Standing Orders may be suspended in whole or in part in respect of any particular matter by resolution of the Council.
3. A motion to add to, vary, or revoke any part of these Standing Orders shall when moved and seconded stand adjourned without discussion to the next meeting of the Council.

Amendments proposed at a meeting of Lyddington Parish Council on 5 March 2008

**Approved by Lyddington Parish Council at its Annual Meeting on 7 May 2008**

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Cllr Harriet Tassell (Chairman)