

Warslow and Elkstones Parish Council

Financial Regulations

Effective from January 2017

These Regulations were adopted by Warslow and Elkstones Parish Council at a Meeting on 16th January 2017.

1.GENERAL

1.1 These financial regulations govern the conduct of financial management by Warslow and Elkstones Parish Council and may only be amended or varied by a resolution of Warslow and Elkstones Parish Council. Warslow and Elkstones Parish Council is responsible in law for ensuring that its financial management is adequate and effective and that Warslow and Elkstones Parish Council has a sound system of financial control which facilitates the effective exercise of Warslow and Elkstones Parish Council’s functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to control and demonstrate how Warslow and Elkstones Parish Council meets these responsibilities.

1.2 The Responsible Financial Officer (RFO) is a statutory office, appointed by Warslow and Elkstones Parish Council. The Clerk has been appointed as RFO for Warslow and Elkstones Parish Council and these regulations will apply accordingly. The RFO, acting under the policy direction of Warslow and Elkstones Parish Council, shall administer Warslow and Elkstones Parish Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of Warslow and Elkstones Parish Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of Warslow and Elkstones Parish Council are maintained and kept up to date in accordance with proper practices.

1.3The RFO shall produce financial management information as required by Warslow and Elkstones Parish Council.

1.4 At least once a year, prior to approving the annual return, Warslow and Elkstones Parish Council

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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 then in force.

1.6 In these financial regulations the term ‘proper practice’ or ‘proper practices’ shall refer to guidance issued in Governance and Accountability in local Parish Councils in England and Wales – a Practitioners’ 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 Warslow and Elkstones Parish Council.

2.2 Warslow and Elkstones Parish Council shall review the budget not later than the end of January each year or any earlier date so as to meet the timescales set by High Peak Borough Council, 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 budgets shall form the basis of financial control for the ensuing year.

2.4 Warslow and Elkstones Parish Council shall consider the need for and shall have regard to a three year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual Budget.

3 BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget.

3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure. During the budget year and with the approval of Warslow and Elkstones Parish Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.

3.3 The RFO shall regularly provide Warslow and Elkstones Parish Council with a statement of receipts and payments to date under each head of the budgets, comparing actual payments and

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receipts to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter or for consideration at the next appropriate Warslow and Elkstones Parish Council meeting.

3.4 The Clerk may incur expenditure on behalf of Warslow and Elkstones Parish 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 £100. The Clerk shall report the action to Warslow and Elkstones Parish Council as soon as practicable thereafter.

3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of Warslow and Elkstones Parish Council.

3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless Warslow and Elkstones Parish Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

3.7 All capital works shall be administered in accordance with Warslow and Elkstones Parish Council's standing orders and financial regulations relating to contracts. UK Government approved Project Management practices such as Prince 2 should be used for all projects where expenditure is greater than £1,000.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of Warslow and Elkstones Parish 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 Warslow and Elkstones Parish Council, including Warslow and Elkstones Parish Council's Annual Return, as soon as practicable after the end of the financial year and shall submit them and report thereon to Warslow and Elkstones Parish Council.

4.3 The RFO shall complete the Accounts of Warslow and Elkstones Parish 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 Warslow and Elkstones Parish Council within the timescales set by the Accounts and Audit Regulations.

4.4 The RFO shall ensure that there is adequate and effective system of internal audit of Warslow and Elkstones Parish Council's accounting, financial and other operations in accordance with proper

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practices. Any officer or member of Warslow and Elkstones Parish Council shall, if the RFO or Internal Auditor requires, make available such documents of Warslow and Elkstones Parish 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 Internal Auditor shall be appointed by and shall carry out the work required by Warslow and Elkstones Parish Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of Warslow and Elkstones Parish Council, shall report to Warslow and Elkstones Parish Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of Warslow and Elkstones Parish Council.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for the display or publication of any Notices and Statements of Account required by 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 Warslow and Elkstones Parish 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 Warslow and Elkstones Parish Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by Warslow and Elkstones Parish Council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required [ie not yet made], forming part of the Agenda for the Meeting, shall be prepared by the RFO and, together with the relevant invoices, be presented to Warslow and Elkstones Parish Council. If the schedule is in order it shall be authorised by a resolution of Warslow and Elkstones Parish Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the Minutes of the Meeting.

5.3 Cheques drawn by the Clerk on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Warslow and Elkstones Parish 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

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cheque counterfoil.

6 PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by cheque or other order drawn on Warslow and Elkstones Parish Council's bankers.

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved [ie payments in advance are not permitted.]

6.3 The RFO shall examine invoices in relation to arithmetical accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Warslow and Elkstones Parish Council Meeting.

6.4 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Warslow and Elkstones Parish Council, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Warslow and Elkstones Parish Council.

6.5 Warslow and Elkstones Parish 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.

6.6 If thought appropriate by Warslow and Elkstones Parish Council, payment for utility supplies (energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to Warslow and Elkstones Parish Council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of Warslow and Elkstones Parish Council at least every two years.

7 PAYMENT OF SALARIES

7.1 As an employer, Warslow and Elkstones Parish Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The

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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 Warslow and Elkstones Parish Council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified by the next available Warslow and Elkstones Parish Council Meeting.

8 LOANS AND INVESTMENTS

8.1 Warslow and Elkstones Parish Council will not raise any loans nor undertake any investments, except for funds held in the name of Warslow and Elkstones Parish Council by its bank.

9 INCOME

9.1 The collection of all sums due to Warslow and Elkstones Parish Council shall be the responsibility of the RFO.

10 ORDERS FOR WORK, GOODS AND SERVICES

10.1 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 shall be retained.

10.2 Order books, if held by Warslow and Elkstones Parish Council, shall be controlled by the RFO.

10.3 All members and the RFO are responsible for obtaining value for money at all times. A member or the RFO issuing an official order shall 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, subject to any de minimis provisions set by Warslow and Elkstones Parish Council from time to time. Currently £500.

10.4 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11 ASSETS

11.1 The RFO shall ensure a record is maintained of all assets owned by Warslow and Elkstones Parish Council, recording the location, extent, plan, reference, purchase details, and current value in accordance with Accounts and Audit Regulations.

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11.2 No asset shall be sold, leased or otherwise disposed of without the authority of Warslow and Elkstones Parish Council, together with any other consents required by law.

11.3 The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

12 INSURANCE

12.1 Following the annual risk assessment (per Financial Regulation 13), the Clerk shall effect all insurances and negotiate all claims on Warslow and Elkstones Parish Council's insurers.

12.2 The Clerk shall take prompt action with regards all new risks which require to be insured and of any alterations affecting existing insurances.

12.3 The Clerk shall keep a record of all insurances effected by Warslow and Elkstones Parish Council and the risks covered thereby and annually review it.

12.4 The Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Warslow and Elkstones Parish Council at the next meeting.

12.5 All appropriate employees of Warslow and Elkstones Parish Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by Warslow and Elkstones Parish Council.

13 RISK MANAGEMENT

13.1 Warslow and Elkstones Parish Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, where considered necessary and appropriate by Warslow and Elkstones Parish Council, for its approval, risk management policy statements in respect of all activities of Warslow and Elkstones Parish Council. Risk policy statements and consequential risk management arrangements shall be reviewed by Warslow and Elkstones Parish Council at least annually.

13.2 When considering any new activity, the Clerk, shall prepare a draft risk assessment including risk management proposals for consideration and adoption by Warslow and Elkstones Parish Council.

14 REVISION OF FINANCIAL REGULATIONS

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14.1 In accordance with Standing Order 2(k), it shall be the duty of Warslow and Elkstones Parish Council to have reviewed prior to the Annual Parish Meeting and adopt the Financial Regulations at the Annual Parish Meeting of Warslow and Elkstones Parish Council.

14.2 The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise Warslow and Elkstones Parish Council of any requirement for a consequential amendment to these financial regulations.