

# WEST DOWN PARISH COUNCIL



## Financial Regulations

Date of Annual Review	Notes and comments	Change Description	Minutes Number
6 April 2022		Annual Review	4638
5 April 2023		Annual Review	4922
7 June 2023	Change of Review Date to June, take out Petty Cash & Quarterly Bank Reconciliation	Amended Annual Review	4971
5 June 2024	Change to payments at monthly meetings	Amended Annual Review	5272

### **1.0 General:**

These financial regulations govern the conduct of financial management by the Council and shall only be amended or varied by the Council.

The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the Council. The Parish Clerk has been appointed as RFO for this Council.

The RFO shall administer the Council's financial affairs in accordance with proper practices as referred to in the guidance issued in "Governance and Accountability for Local Councils – A Practitioners' Guide (England) 2010" which is published by NALC and SLCC. The RFO is to ensure that all payments made are legal and within the powers of the council to undertake and that expenditure is properly authorized and documented.

### **2.0 Banking Arrangements and Cheques etc:**

The Council's banking arrangements shall be made by the RFO and approved by the Council.

Payments are agreed and paid at the monthly Parish Council meetings, following the payment list sent to Councillors prior to the meeting confirming if payments are by cheque or BACS.

Monies received and balances of all Parish Council accounts are to be noted at each monthly Council meeting.

The Council shall approve a list of Councillors authorized to sign cheques and other orders for the payment of money. The list, which is to exclude the Parish Council Auditor, must be

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confirmed and approved annually at the June Parish Council Meeting. The number of signatories shall be sufficient in number to ensure the smooth running of the Council. Cheques, cheque stubs and other orders for the payment of money shall be signed by any two Councillors from the approved list, (Note- the RFO shall be an authorized signatory for administrative purposes only i.e. not to sign cheques or other orders for the payment of money). Online payments will be set up by the Clerk and authorized by one of the authorized signatories for online banking and print outs will be given to the Clerk.

### **3.0 Annual Estimates (Budget):**

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. Due consideration shall be given as to the level of balances held, in particular, the amounts set aside for specific projects.

The Council shall consider the budget at the December meeting each year and shall fix the Precept to be levied for the ensuing financial year. The approved Precept shall be the subject of a separate minute. The RFO shall issue the Precept to the billing authority and shall supply each Councillor with a copy of the approved budget.

The annual budget shall form the basis of financial and budgetary control for the ensuing year.

### **4.0 Section 137 Local Government Act 1972 (The "Free Resource")**

The council may spend up to a prescribed limit for any purpose which in its opinion is in the interests of or will directly benefit the West Down Parish Area or any part of it or all or some of its inhabitants. The Council shall only exercise this power subject to the following safeguards:

A separate account must be kept and open to public inspection.

The Council cannot use this power to do something which it is already empowered to do under some other enactment or to circumvent some condition or restriction under which such another power may be exercised.

The amount spent must be commensurate with the purpose to be achieved.

No expenditure under it may be incurred unless specifically authorized by resolution of the Council.

### **5.0 Income:**

The RFO shall be responsible for the collection of all sums due to the Council.

### **6.0 Budgetary Control:**

Expenditure on revenue items shall be incurred up to the amounts included in the approved budget. No expenditure shall be incurred that will exceed the amount provided in the budget without prior approval of the Council.

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The RFO shall provide the Council with a progress report as at 30 September each year, detailing spending and income to date against the approved budget.

The RFO shall prepare a year end out-turn statement comparing income for the year against the approved budget, together with an explanation of any significant variations.

## **7.0 Value Added Tax:**

VAT shall be reclaimed, from H.M. Revenue and Customs, at regular intervals with a minimum of one claim per annum.

## **8.0 Petty Cash:**

Petty Cash is not currently applicable.

## **9.0 Contracts and Ordering Procedures:**

All purchase requests for goods, works and services, apart from formal contracts and petty cash items, shall be made on WDPC official headed notepaper and shall be signed by the RFO. Copies shall be retained on file.

All Parish Council contractors (including P3 contractors) shall have adequate Public Liability insurance and the relevant documents shall be inspected annually by the RFO.

All major works or contracts likely to exceed **£500** (exclusive of VAT) shall be advertised and tenders invited.

## **10.0 Insurances:**

The RFO shall effect all insurances and negotiate all claims on the Council's insurers.

The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and arrange for an annual review to be carried out by the Council.

## **11.0 Legal Documents:**

The RFO shall make appropriate arrangements for the custody of any title deeds, together with any other legal documents in the possession of the Council and shall maintain a record of such documents.

## **12.0 Assets:**

The RFO shall ensure that an appropriate and accurate Register of Assets and investments is kept up to date. The continued existence of tangible assets as shown on the Register shall be verified annually.

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Assets of £2000 or more shall be included in the supporting statement for the District Auditor.

## **13.0 Bank Reconciliation Statements:**

A bank reconciliation with the Council's records shall be carried out each time the bank statement is received, the results of which shall be reported to the Council. A record of each reconciliation shall be maintained. Quarterly bank reconciliations to be carried out by the Parish Council Internal Auditor.

## **14.0 Parish Council Auditor (PCA):**

A PCA shall be elected annually at the Annual General Meeting. The PCA shall carry out an internal audit of the Council's accounts in accordance with the terms of reference set by the Council. Quarterly bank reconciliations to be carried out by the PCA.

## **15.0 Internal Auditor (IA):**

The IA shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The IA, who shall be competent and independent of the operations of the Council, shall report to 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 IA shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.

## **16.0 Annual Return:**

Sections 1 to 3 of the Annual Return are to be displayed in the Public Noticeboard for at least 14 days following the return of the District Auditor Certificate.

## **17.0 Revision of Financial Regulations:**

The Council shall review financial regulations annually at the April Parish Council Meeting.

Sign .....  
Chairman of the Council

Date.....