

CHEW STOKE PARISH COUNCIL

FINANCIAL REGULATIONS

1. General

- a These Financial Regulations shall govern the conduct of the financial transactions of Chew Stoke Parish Council and may only be amended or varied by resolution of the Council.
- b The Responsible Financial Officer (RFO) under the policy and direction of the Council shall be responsible for the proper administration of the Council's financial affairs. Unless otherwise determined by the Parish Council, the Clerk to the Council will be appointed as the RFO.
- c The RFO shall be responsible for the production of financial management information.

2. Annual Estimates.

- a Each Committee of the Council may formulate a budget and shall submit any such budget proposals to the Finance Committee for inclusion not later than the end of October each year.
- b The Finance Committee shall review, and amend as necessary the estimates and submit them for approval to the full Council in November of each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the proposed estimates.
- c The approved budget shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- a No payment may be made unless sufficient funds are available in the current account.
- b No expenditure may be incurred which cannot be met from the amount provided in the appropriate budget unless a virement has been approved by the Council.
- c The RFO shall ensure that a statement of receipts and payments to date is available at each monthly meeting of the Council.
- d The Finance Committee may incur expenditure in accordance with Standing Order 18 g.
- e The Clerk to the Council may incur expenditure subject to the provisions of Standing Order 18 v.
- g No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless the Council is satisfied that it is contained in its capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.

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4. Accounting and Audit

- a The RFO shall ensure that the annual accounts of the Council are completed on a receipts and payments basis as soon as practicable after 31st March each year. The accounts shall be submitted to the Finance Committee for scrutiny, then signed by the Chairman and RFO and placed before the full Council as unaudited, for adoption.
- b Following the annual external audit of the accounts, the RFO shall present the report of that audit to the Council and publicise the accounts as required by statute.
- c The Council shall be responsible for maintaining an adequate and effective system of internal control of the Council's accounting, financial and other operations.

5. Payment of Accounts, Banking Arrangements and Cheques.

- a The Council's banking arrangements shall be made by the RFO and approved by the Council. Two accounts will be held, a Current Account and a Savings Account.
- b The administrator for the bank accounts will be the RFO and all statements and correspondence will be received by the RFO.
- c All invoices for payment shall be examined, verified and checked for arithmetical accuracy by the RFO.
- d A Schedule of the payments to be made shall be prepared by the RFO and together with the relevant invoices etc. presented to the Council. After any or all agreed amendments, the Schedule shall be authorised by a resolution of the Council.
- e All payments shall be affected by cheque or via online banking process with the RFO raising the payment and dual authorisation by 2 councillors.
- f Cheques or online transactions drawn on the bank account in accordance with the Schedule referred to in the previous paragraph shall be signed or authorised electronically and cheque stubs will be initialled by two authorised Councillors.
- g No cheque shall be signed or online transaction authorised by the second Councillor unless all details have been fully completed.
- h Cheques or online transactions may be authorised by any two councillors between monthly meetings in cases of urgency. Any urgent payments for which cheques or online transactions have been drawn and signed between meetings will be presented at the next available monthly meeting for confirmation.
- i In the absence of the RFO, his functions as set out in these Regulations shall be discharged by the internal controls Councillor.

7. Payment of Salaries and Wages

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- a The RFO shall ensure that salaries and wages are calculated in accordance with the rates in force and arrange for payment to be made. The payment of all salaries shall be made by standing order.
- b The Council shall ensure that all necessary statutory deductions from pay are made and forwarded to the appropriate authority.
- c Rates of pay are to be reviewed annually (see Standing Order 18 h).

8. Loans, Grants and Investments (Receivable)

- a All loans, grants and investments shall be negotiated in the name of the Council and only with the approval of the Council. Any changes to loans and investments should be reported to the Council at the earliest opportunity.
- b All loans and investments of money under the control of the Council shall be made in the name of the Council.
- c All borrowings shall be effected in the name of the Council.
- d All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- e All loans shall be regularly reviewed by the Finance Committee.

9. Income

- a The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- b Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- c The Council shall review all fees and charges annually
- d Any overdue accounts and bad debts shall be reported by the RFO to the Finance Committee.
- e All sums received on behalf of the Council shall be handed to the RFO for banking. In all cases all receipts shall be deposited with the Council's bankers within seven days.
- f A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.

10. Orders for Work, Goods and Services

- a All Councillors and staff are responsible for obtaining value for money at all times.
- b The procurement of work, goods and services shall be in accordance with Standing Order 18 and in addition, regulation 11 of these Regulations.

11. Contracts

- a The requirements in these Regulations are in addition to those set out in Standing Order 18

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- b Where it is intended to enter into a contract exceeding £1,000 but not exceeding £25,000 in value for the supply of goods or materials or for the execution of works, 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. Where the value of the intended contract exceeds £25,000 then notice shall also be given in such newspapers circulating in the district as the Council shall direct.
- c Notice of a contract shall state the general nature of the intended contract and state the name and address of the person to whom the tenders are to be addressed and the last date by which those tenders should reach that person in the ordinary course of post.
- d Tenders shall be opened by the Clerk, or person to whom tenders are required to be addressed in the presence of at least one Councillor. In addition, the Council may appoint an independent scrutineer. On the date specified, the tenders shall be reported by the person who opened them to the Council or, where tenders have been sought by a Committee to that Committee.
- e Neither the Council nor any Committee is bound to accept the lowest tender.
- f If no tenders are received or if all tenders are identical the Council may make such arrangements for procuring the goods or materials or executing the work as it thinks fit.

12. Payments Under Contracts for Building or Other Construction Works

- a Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract.
- b Where contracts provide for payments by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of the work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- c Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing. The approval of the Parish Council must be obtained before any change is made.

13. Management of Risk

- a The RFO, following the good practice guidance provided by appropriate authorities, shall prepare and document the Council's financial and management risk assessment and identify what arrangements are in place to manage all identified risks.
- b The Council shall carry out an annual review of the financial risks facing the Council, using as a basis the document prepared by the RFO. The review shall include the Council's insurance cover, including specifically the Fidelity Guarantee cover to ensure that it is adequate and consistent with the Council's risk assessment as described in regulation 13 (a).

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- c The Council must ensure that appropriate arrangements are in place to manage the risks identified, including the introduction of internal controls and/or external insurance cover where required. The Council shall appoint an Internal Controls Councillor from amongst its members. This appointment must be reviewed and confirmed annually.

14. Insurance

- a The RFO shall effect all insurances and keep a record of all current insurances and the property and risks covered thereby. The RFO shall ensure that all new risks, properties or vehicles which require to be insured are added to existing insurance.
- b The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and review it annually.
- c Any loss, liability or damage or any event likely to lead to a claim must be notified to the RFO at the earliest opportunity. The RFO shall negotiate all claims on the Council's insurers.
- d The RFO will ensure that insurance policies held by the Council are reviewed annually.

15. Grants and Loans by the Parish Council to other Organisations.

- a A grant or loan may only be made with the approval of the Council.
- b The Council will prepare and review annually rules and procedures for the making of grants under the provisions of section 137 of the Local Government Act 1972 (LGA).
- c Applications for grants / loans not within the scope of s 137 of LGA 1972 must be supported by:
 - i a statement of the applicant's current financial position
 - ii a statement of the previous year's income and expenditure
 - iii the projected expenditure for the next year
- d Any loan made will be subject of a loan agreement. The loan agreement will specify:
 - i the amount of the loan
 - ii the interest payable, if any
 - iii the repayment period.
 - iv the due date for repayment(s) to be made.
- e Loans made and the status of repayments are to be the subject of a quarterly report to the Finance Committee.

16. Revision of Financial Regulations

- a The Financial Regulations of the Council shall be subject to regular review in accordance with Standing Order 18b

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