**Great Bradley Parish Council**

February 2017

**Financial Regulations**

1. **GENERAL**
   1. These financial regulations govern the conduct of financial management by the Council. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of financial control which facilitates the effective exercise of the 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 demonstrate how the council meets these responsibilities.
   2. The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the council. The Clerk has been appointed as RFO for this council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices and with reference to the latest Accounts & Audit Regulations.
   3. The RFO shall produce financial management information as required by the council.
2. **BANK ACCOUNTS**
   1. Bank accounts will not be set up or closed without the authority of the council which will be recorded in the minutes.
   2. Interest bearing accounts will be used if practical or where may give financial advantage.
   3. Cheques will be signed by two signatories and will be used in sequential order where practical.
   4. Bank statements will be obtained monthly. The RFO will reconcile these against the Receipts and Payments Account each month.
3. **INCOME**
   1. The RFO is responsible for collecting all moneys due to the council and banking these promptly.
   2. Bank paying-in slips will show details of the origin of payments received.
   3. The council will annually review all charges made for services, etc.
   4. The RFO will report to the council on all bad debts in excess of three months.
4. **ANNUAL BUDGETS**
   1. In the November meeting an agenda item will ask for ideas and opinions from council members and others for council activities in the following financial year.
   2. The RFO will then prepare an overall draft budget with at least 3 Precept/Expenditure options
   3. All council members will be supplied with a copy of the draft budget and of any subsequently amended version.
   4. The council will discuss and approve the budget as the basis for setting the precept and for the regular monitoring of the council’s finances. This will be done at the January meeting each year.
   5. The RFO shall issue the Precept demand to St Edmundsbury BC in due time (currently end of January) and to ensure the receipt of all due Precept grants.
5. **CONTROLLING EXPENDITURE AND REPORTING TO COUNCIL**
   1. At each meeting the RFO will provide the council with an up-to-date Receipts and Payments Account, a comparison of expenditure against budget, and a list of any anticipated major transactions, and will draw the council's attention to any risk of financial problems. The RFO will circulate these reports to councillors before the meeting. Copies of the reports will be retained on file by the RFO.
   2. The potential of raising a loan will require prior agreement of the full council. Current Government legislation requires all loans to have prior "loan sanction approval" unless they are to be repaid within the current financial year.
6. **ACCOUNTING & AUDIT**
   1. Accounting procedures shall be in accordance with the current Accounts & Audit regulations. The RFO shall complete the Council's Annual Return including all necessary financial statements as soon as practicable after the end of the financial year and submit them to the Council for preliminary approval before sending them to the Internal Auditor. The Internal Auditor shall be competent and independent of the Council but approved by the Council. The Internal Auditor shall report their findings on the Annual Return and associated papers to the Council in sufficient time in order that the Council shall approve the accounts by the due legal date of 30th June after which the RFO shall forward the accounts to the External Auditor by their due date.
   2. The RFO shall make arrangements for the notification and then the opportunity for inspection by the public of the accounts by all due dates set by the External Auditor
7. **PAYMENT OF ACCOUNTS - EXPENDITURE APPROVAL**
   1. The RFO will, before presenting bills for payment, satisfy himself that the bill is correct, relates to the supply of goods or services that have been received, and where relevant that VAT has been shown. If the RFO is uncertain as to the standard of work etc. the invoice will be referred directly to the council for verification before presentation for payment.
   2. 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 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 £200. The Clerk shall report the action to the Council as soon as practicable thereafter.
   3. All cheques for signature will be accompanied by the relevant verified invoice. The cheque signatories will initial the invoice and cheque stub to confirm that it agrees with the cheque details.
   4. The cheque number will be added to the paid copy invoice for audit trail purposes.
   5. Where payments are approved and made without an invoice, a receipt will be obtained where possible, marked with the cheque number and filed for audit trail purposes.
   6. All Direct Debits set up for the Council must be approved by full Council and all payments made included in the Receipts and Payments account as set out in 5.1
   7. The RFO will prepare a list of all payments made since the last meeting and present this at the next council meeting for approval. The RFO will circulate the list to councillors before the meeting. Council's approval will be minuted and the list attached to the minutes.
8. **PAYMENT OF SALARIES**
   1. As an employer the Council shall make arrangements to meet the statutory requirements of PAYE and N.I. legislation.
9. **EXPENSES**
   1. No Basic Allowances for Chairman or councillors will be paid.
   2. Councillors and the RFO may claim authorised travel outside the parish, attending training or on other authorised council work. Council members who use their own cars for journeys wholly and necessarily on council business outside the parish will be reimbursed at a rate of 45p per mile (the maximum currently allowed before NIC becomes payable)
   3. Council members and the RFO travelling wholly and necessarily on council business outside the parish may claim subsistence expenses. The Council will reimburse expenses actually incurred to the levels pertaining at the time recommended by SALC.
   4. All claims (including a VAT receipt where applicable) will be made promptly in writing by the person claiming and will be signed. Expense claims should normally be submitted at the first council meeting following the expenditure.
   5. The RFO will keep a record of all such payments so as to be able to satisfy Inland Revenue inquiries.
   6. Councillors may purchase small items (e.g. stamps, stationery) for their own Council use. The invoice for such small items should be submitted to the Clerk who will reimburse the Councillor. The items will be included under Clerk’s expenses in the accounts. This procedure must not be used to circumvent expenditure approval rules.
10. **PETTY CASH**
    1. The council does not normally hold petty cash. Any cash obtained will be banked promptly.
11. **ORDERS**
    1. All orders for goods or services will be confirmed in writing on council headed paper or an order form. Where suppliers' order forms are used a copy will be taken.
    2. Copies of all orders will be retained for audit purposes.
12. **CONTRACTS, TENDERS AND QUOTATIONS**
    1. Contracts covering a period of more than one year will be approved by full council.
    2. Grass cutting contractors to be reviewed annually and given a written contract/specification on approval
    3. For all contracts over £500 the RFO will attempt to seek a minimum of three quotations and

the RFO will present the quotations to the council with his recommendations. The council will select the most appropriate, and a summary of the reasons for selection will be minuted. The council will not be obliged to choose the lowest or any tender/quotation. Failure to obtain three tenders/quotations, where there is evidence of at least three potential suppliers being sought, will not make the process invalid.

1. **VAT**
   1. The RFO will keep records of VAT paid on council purchases and expense claims.
   2. Each year the RFO will claim back VAT for the previous financial year as permitted by the VAT regulations.
   3. In the event of major expenditure including VAT the RFO will make an intermediate reclaim of VAT paid.
2. **INSURANCE**
   1. The RFO is responsible for ensuring the council has adequate insurance to include cover for property, third party liability, fidelity guarantee, employer's liability and other areas as directed by council.
   2. The RFO will notify the council of any new risks arising.
   3. The level of cover will be reported annually to full council for approval.
   4. The RFO is responsible for processing all insurance claims and informing council.
3. **RISK ASSESSMENT & MANAGEMENT**
   1. The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, a risk management policy in respect of all activities of the council which will be reviewed at least annually.
4. **ASSET REGISTER**
   1. The RFO will maintain a register of council assets with values as directed by the External Auditor. The register will be reviewed annually by council.
   2. No property will be sold or otherwise disposed of without the consent of council.
5. **RECORDS ON COMPUTER**
   1. Back-ups of all Council records will be taken regularly at least every three months and also maintained in a separate location.
6. **FILING**

The RFO will maintain the following information:

* 1. Minutes of each council meeting, which must contain the list of cheques approved at that meeting and the power under which the expenditure was made, must be signed by the chairman, and each page must be initialed by the chairman and sequentially page-numbered. To be retained indefinitely.
  2. Bank statements for each of the council's bank accounts, together with reconciliation reports. A copy of these statements are to be included with each full Council meeting's accompanying agenda papers. To be retained for at least 6 years.
  3. Receipts, invoices and expenses claims, each showing the relevant cheque number and the initials of the councillors who signed the cheque. To be retained for at least 6 years.
  4. Current insurance policies. The annual insurance certificates and pertaining cover must be retained for 40 years or otherwise as current legislation demands.

1. **REVISION OF FINANCIAL STANDING ORDERS**
   1. No amendments to these orders can be made without approval by the council.

Signed: ……………………………………………………..Chairman Date: ……………………………..