2021

Deddington Parish Council

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FINANCIAL REGULATIONS

Version:	V10 Cllr Oldfield/Clerk (October 2020)
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1. GENERAL

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

1.2. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.3. The Responsible Financial Officer (RFO), under the direction of the Council, is responsible for the proper administration of the Council's affairs. Council members remain accountable for ensuring the financial viability of the Council.

1.4 The RFO is responsible for the production of financial management information and to ensure that risk is properly managed.

1.5 Each month the RFO will send a list of any payments over £500 to the Parish Council web site updater for posting on the web site (Transparency Rules).

2. ANNUAL ESTIMATES

2.1. Each working group will submit proposals to the Council in respect of revenue and capital costs for the following financial year in time for the proposals to be considered as part of the precept calculation. Agreed figures will form the basis for the budget.

2.2. The Council will agree the precept for the ensuing financial year to meet Cherwell District Council timetable.

2.3. The approved annual budget shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

3.1. Expenditure on revenue items may be incurred up to the amounts included in the approved budget for specified items.

3.2 Expenditure above the amount provided in the revenue budget can be

incurred only with the agreement of the Council.

3.3 The RFO will provide the Council with a monthly statement of receipts and payments under each head of the budget, making possible a comparison of actual expenditure against budget.

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

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council will be determined by the RFO as required by the Accounts and Audit Regulations 2003 as amended or superseded.

4.2 The RFO will, with guidance from the Finance and General Purposes Working Group, complete the annual financial statements of the Council as soon as practicable after the end of the financial year and will submit them and report on them to the Council.

4.3 The RFO, with guidance from the Finance and General Purposes Working Group, will 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 timescales agreed with the Auditor.

4.4 The RFO will work with the Finance and General Purposes Working Group to ensure that there is an 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.

4.5 A register will be maintained detailing assets acquired, or disposed of. The accounting treatment of these assets will be through the Capital Account.

4.6 No asset will be treated as a capital asset with a lower value than £1,000.

5. BANKING ARRANGEMENTS

5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council.

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, the schedule shall be presented to Council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council.

5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

5.4. The RFO shall have delegated authority to transfer funds within the council's banking arrangements provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

6. PAYMENT OF ACCOUNTS

6.1 All payments shall be made by cheque or other instructions to the Council's bankers in accordance with a resolution of Council.

6.2 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council shall be signed by two members of Council in accordance with a resolution instructing that payment.

6.3 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 cheque counterfoil.

6.4 Cheques or orders for payment shall not normally be presented for signature other than at Council.

6.5 If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made.

6.6 If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made.

6.7 If thought appropriate by the Council, payment for certain items may be made by internet banking transfer by the RFO provided evidence is retained showing which two members authorised the online payment.

6.8 Where a computer requires use of a personal identification number (PIN) or other password(s) held by the RFO, for access to the Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chair of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported formally to the next available meeting. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

6.9 The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.10 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the Service Administrator with a stated number of approvals.

6.11 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work.

6.12 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier.

6.13 Any Debit Card issued for use will be specifically restricted to the RFO and will also be restricted to a maximum value of £500 for any single transaction with a monthly maximum of £600 unless authorised by Council before any order is placed.

6.14 Any corporate credit card opened by the Council will be specifically restricted to use by the RFO and shall be subject to automatic payment in full at each month-end.

6.15 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/RFO shall be refunded on a regular basis, at least quarterly.

7. PAYMENT OF SALARIES

7.1. The payments of all salaries and wages will be made in accordance with payroll records and the rules of PAYE and National Insurance legislation.

8. LOANS AND INVESTMENTS

8.1. All loans and investments shall be negotiated in the name of the Council and approved by the Council. Once an investment has been approved in principle by the Council, the detailed negotiation of the investment can be delegated to two councillors or the RFO.

8.2 The Council's Annual Investment Strategy, will be in accordance with current legislative guidelines, and reviewed at least annually.

8.3 All investments of money under the control of the Council will be in the name of the Council.

8.4 All borrowings will be in the name of the Council, after obtaining Council approval.

8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

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

9.2 Any bad debts should be reported to the Council and shall be written off in the year.

9.3 The Council will review all fees and charges annually, following a report of the Clerk.

9.4 All sums received on behalf of the Council shall be banked intact as directed by the RFO as soon as convenient.

9.5 The RFO will complete any required VAT return, and make repayment claims at least 6 monthly.

10. CONTRACTS

10.1 An invitation to quote will detail the intended work or service to be provided.

10.2 The Council will decide from time to time a financial limit for work to be carried out or service to be provided above which three quotations would normally be sought. The present limit is £1,000.

10.3 The Council is not obliged to accept the lowest quotation.

10.4 Orders and contracts between £1000 and £60,000 shall, whenever possible, be made on the basis of three quotes.

The Public Contracts Regulations 2015 require that, for contracts at £25,000 or more, councils use the Contracts Finder website to advertise contract opportunities and publicise the award of new contracts.

10.5 If and when a contract over £60,000 is approached, appropriate tender procedures will be drafted and agreed by the Council.

10.6 Before entering into contracts with companies or other bodies the Council will carry out due diligence to safeguard public funds. All, or as many as deemed necessary, of the following measures will be taken:

- A check at Companies House
- The lowest deposit possible to be negotiated.
- A suitable retention to be negotiated.
- The Council to require terms and conditions, depending on the contract value, as deemed appropriate.
- If appropriate the Council to buy goods and materials directly from the suppliers.
- Materials to be delivered to where the Council specifies and at an agreed time to suit the Clerk

11. INSURANCE

11.1 The RFO is responsible for effecting all insurances and negotiating all claims on the Council's insurers.

11.2 The Clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

11.3 All appropriate members and employees of the Council shall be included in a suitable fidelity guarantee.

11.4. Suitable Fidelity cover is also sourced for all investments.

12. RISK MANAGEMENT

12.1 The risk management analysis will be prepared and reviewed annually, or when appropriate.

13 REVISION OF FINANCIAL REGULATIONS

13.1 It is the duty of the Council to review these Financial Regulations annually.

Document history

Version 1	BW / DA January 2013
Version 2	BW January 2015
Version 3	Revised June 2015 and approved by DPC 17/06/15
Version 4	LW March 2017
Version 5	May 2018
Version 6	July 2019
Version 7	October 2019
Version 8	February 2020
Version 9	June 2020
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