

## **STOKE ST GREGORY PARISH COUNCIL FINANCIAL REGULATIONS**

### **1. GENERAL**

1.1 These financial regulations shall govern the conduct of financial management by Stoke St Gregory Parish Council and may only be amended by resolution of the Council. (See also 11.2)

1.2 The Parish Council shall from time to time, as necessary, conduct a review of the effectiveness of its system of internal control, which shall be in accordance with proper practices.

1.3 The Responsible Financial Officer (RFO) is a statutory office. The Parish Clerk shall be the RFO for Stoke St Gregory Parish Council.

### **2. ANNUAL ESTIMATES**

2.1 Detailed estimates of all receipts and payments, including use of reserves and all sources of funding for the year, shall be prepared each year by the Chairman, or nominated councillor, and Parish Clerk, in the form of a budget to be considered by the November Parish Council Meeting.

2.2 The Parish Council shall review and agree the budget not later than the end of January each year and fix the precept to be levied for the ensuing financial year. The Parish Clerk shall issue the precept to Taunton Deane Borough Council on or before the notified date.

### **3. BUDGETARY CONTROL**

3.1 The Parish Clerk shall provide a statement of receipts and payments to each normal meeting of the Parish Council, along with the most recent balance and bank reconciliation. Transactions will be checked by one member prior to the meeting, to verify that the bank reconciliation provided by the Clerk is correct. The member checking the bank reconciliation will not have signed any cheques during that period.

3.2 Expenditure shall be reviewed and authorised at each Parish Council meeting. The Parish Clerk shall at the end of each financial quarter (as soon as is practicable with bank statements received) provide the Parish Council with a statement of receipts and payments to date, comparing actual expenditure to that shown in the budget.

3.3 The Parish Clerk, with the agreement of the Chairman (or in his absence, the vice-Chairman), may incur expenditure on behalf of the Parish Council in urgent circumstances. The Clerk shall report such action to the next meeting of the Parish Council.

### **4. ACCOUNTING AND AUDIT**

4.1 All accounting procedures and financial records of the Parish Council shall be kept by the Parish Clerk in accordance with the Accounts and Audit Regulations.

4.2 The Parish Clerk shall complete the annual financial statements of the Parish Council, including the Parish Council's annual return, as soon as practicable after the end of the financial year and shall submit them to the Parish Council before the annual return is posted. Any internal auditors' comments shall also be submitted to the Parish Council.

4.3 Monthly, and at each financial year end, a member other than the Chairman or member who has signed a cheque or approved a payment in the period under review, shall be appointed to verify bank reconciliations produced by the RFO. The member shall sign the reconciliations, any cheque stubs, invoices and bank statements (or similar document) as

evidence of verification. On conclusion, this activity, including any exceptions, shall be reported to the council and noted by them.

4.4 The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

4.4 An Internal Auditor shall be appointed by and shall carry out the work required by the Parish Council in accordance with proper practices.

4.5 The Parish Clerk 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 the Audit Commission Act 1998 and the Accounts and Audit Regulations.

4.6 The Parish Clerk shall, as soon as practicable, bring to the attention of the Parish Council any correspondence or report from the internal or external auditor, unless the correspondence is of a purely administrative matter.

## **5. BANKING ARRANGEMENTS**

5.1 The Parish Council's banking arrangements, including the Bank Mandate, and Bankers Standing Orders, shall be made by the Parish Clerk and shall be approved by the Parish Council. These arrangements shall be reviewed annually at the first proper meeting of the Parish Council.

5.2 All payments must be for items that have been previously approved by the Parish Council, except for urgent matters as covered by paragraph 3.3

5.3 Cheques drawn on the bank account shall be signed by any two of the approved signatories. Online bank transfers initiated by the Parish Clerk shall be authorised by two approved signatories.

5.4 To indicate agreement of the details shown on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

## **6. PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque, by online transfer or other order drawn on the Parish Council's bankers.

6.2 The Parish Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash (for example for postage or minor stationery items) shall be refunded on a regular basis against receipts.

## **7. CONTRACTS AND PURCHASES**

7.1 Contracts for ongoing services e.g. insurance and Health and Safety Inspections, shall be reviewed against value for money criteria at least once during each Council's period of office. At least two (or as otherwise agreed by the Parish Council) quotations shall be obtained for the service required. The resultant contract shall be let on the basis of the most economically advantageous quotation, or as otherwise agreed by the Parish Council.

7.2 One-off purchases above a value of £500 shall strive to obtain at least two quotations for the item(s) required. For one-off purchases above a value of £3,000, at least two quotations shall be required. All items shall be procured on the basis of the most economically advantageous price, or as otherwise agreed by the Parish Council.

## **8. ASSETS**

8.1 The Parish Council shall maintain a register of all assets held and their values.

8.2 The Parish Council shall undertake a review ~~of the value~~ of all assets in the Register in March of each year, including a Health and Safety review where appropriate.

## **9. RISK MANAGEMENT**

9.1 The Parish Council is responsible for putting in place arrangements for the management of risk and as such shall review its risk policies and any consequential arrangements from time to time, as necessary. The Parish Clerk shall prepare risk management policy statements in respect of the Council's activities.

9.2 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

## **10. INSURANCE**

10.1 Following risk assessment (per Financial Regulation 9) or as otherwise determined by the Parish Council, the Parish Clerk shall effect all insurances and negotiate all claims on the Parish Council's insurers.

## **11. REVISION OF FINANCIAL REGULATIONS**

11.1 It shall be the duty of the Parish Council to review the Financial Regulations of the Parish Council annually. The Parish Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Parish Council of any requirement for a consequential amendment to these financial regulations.

11.2 Any member of the Parish Council may ask that a review of existing Financial Regulations or Risk Management arrangements be added to the agenda of the next meeting.

## **12. INTERPRETATION**

In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Smaller Authorities in England - a Practitioners' Guide*, March 2016