

Ashby St Mary Parish Council

Financial Regulations

Financial Regulations

1) General

These regulations govern how the Council conducts its financial affairs. They set out how all money matters are dealt with (with reference to Governance & Accountability 'proper practices') and should be complied with at all times. They are approved by full council and can only be amended by full council as an agenda item with proper notice

2) The Budget

The Budget is constructed referring to the last completed year, the present year and plans for the next year. This will be approved by full council in time to submit the precept request to the District Council. The RFO (Responsible Finance Officer – which in the case of Ashby St Mary is the Clerk) reports quarterly to Council on actual spending against budget highlighting significant variances. Unspent balances at the year-end are transferred into reserves.

3) Urgent expenditure

The Clerk may incur expenditure, subject to a limit of £500, which is of 'extreme urgency'. Such spending will be reported to the Council at its next meeting.

4) Accounting and Audit

Accounting procedures and financial records shall be determined by the RFO. The RFO shall be responsible for preparing the Council's financial statements, completing the relevant sections of the Annual Governance and Accountability Return required by 'proper practices', and submitting them to the Council in accordance with the statutory time limits. The RFO will advertise Electors Rights, the Annual Governance and Accountability Return and other financial documents as required by 'proper practices'. A suitably competent and independent person shall be appointed by the Council as its Internal Auditor, to undertake an annual review of the Council's internal control systems and report thereon to the Council. The appointed person shall complete the relevant section of the Annual Governance and Accountability Return. All reports by the Internal Auditor shall be considered by Council. Any recommendations shall be implemented or reasons why they are not, recorded in the minutes. The Council shall review the effectiveness of its internal audit arrangements and internal control (as set out in its Internal Control Policy) on an annual basis. The use of any form of corporate credit card is not permitted. The Clerk may make payments on their personal credit/debit card, with prior approval of the Council, and this will be reimbursed.

5) Banking

Monies received shall be banked on a regular basis by the RFO. Wherever possible arrangements for handling large quantities of cash shall involve at least two people. Bank reconciliations of all accounts shall be presented to the Council quarterly. Invoices for payment shall be checked by the Clerk and entered onto a schedule, forming part of the agenda, for approval by the Council.

Payments shall be made by cheque signed by two authorised members. Payments may be made between council meetings subject to prior Council approval (unless within the Clerk's delegated authority). These must be reported at the next meeting, with appropriate explanations. Direct debit or standing order payments may be permitted, with the approval of the Council. Amounts so paid shall be reported to the Council along with the normal payment schedule.

6) Salaries

The RFO must ensure that all salary and other relevant payments comply with PAYE and other rules issued by HMRC and are approved by the Council.

7) Payments and Receipts

The RFO shall issue invoices promptly and institute efficient collection arrangements. Irrecoverable amounts shall be written off by the Council, following a report from the RFO. VAT claims and returns shall be completed promptly by the RFO. Before committing to expenditure, the RFO shall check that funds are available within the budget and that the Council has the necessary power to incur the expenditure. Before placing an order, the clerk shall strive to obtain three estimates for items costing in excess of £500, for items in excess of £3,000 three quotes shall be obtained. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time). When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition, the reason shall be embodied in a recommendation to the Council. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.

8) Assets

Assets shall be recorded on an asset register, which shall be reviewed annually by the Council. Where appropriate, assets shall be inspected annually and properly maintained and sufficient funds shall be included in the budget to enable this to happen.

9) Risk Management

The Council needs to be aware of the significant risks that it faces and decide how to manage them. The risks will be assessed, and action taken to minimise the risk. This will be recorded in a Risk Management Document. Risk can be managed through Insurance, risk assessments and policies all of which must be reviewed.

Reviewed March 2023

Next Review Date March 2024