

METFIELD PARISH COUNCIL

Financial Regulations

1. General

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

1.2 The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the council. The RFO acting under the policy direction of the council shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its recording records and accounting control systems. The RFO shall ensure that the accounting control systems are observed, and the accounting records of the council are maintained and kept up to date in accordance with proper practices.

1.3 The RFO shall produce financial management information as required by the council.

1.4 At least once a year, prior to approving the annual return, the council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

2 Annual Estimates (budget)

2.1 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the council.

2.2 The Council shall review the budget not later than January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

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

3. Budgetary Control

3.1 The RFO shall monitor the spend against budget on an ongoing basis and shall ensure that any material deviations from budget are brought to the attention of the members at the next available meeting.

3.2 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 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 to the council as soon as practicable thereafter.

3.3 No expenditure shall be incurred in relation to any capital project and no contract entered 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 shall be determined by the RFO in accordance with the Accounts and Audit regulations.

4.2 The RFO shall complete the annual financial statements of the council, including the council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the council.

4.3 The RFO shall complete 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 shall submit the Annual Return for approval and authorization by the Council within the timescales set by the Accounts and Audit Regulations.

4.4 The Internal Auditor shall be appointed by and shall carry out the work required by the council in accordance with proper practices. The Internal Auditor who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the council.

4.5 The RFO shall make arrangements for the opportunity for inspection of 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 RFO shall, as soon as practicable, bring to the attention of all councilors 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 Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required, forming part of the agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to the Council. This shall be authorised by a resolution of the council and the detail shown in the minutes.

5.3 All payments will be made via online payment, approved by the Council and authorized by two approved signatories via the secure online banking approval system.

5.4 Online banking using BACS shall be authorised in advance at meetings, or via email where payment is required between meetings. Online payments will be raised by the Clerk and notification sent to all signatories for the Council, one of whom needs to approve online to complete the payment process. Details of the payment will be recorded on an online bank reconciliation form. Payments made between meetings must be included in the minutes of the next meeting and a record of email approval maintained.

6. Payments of Accounts

6.1 All payments shall be effected by BACS or drawn order drawn on the Council's bankers.

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy themselves that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The clerk shall take all steps to settle invoices submitted and which are in order at the next available Council meeting.

6.4 If a payment is necessary to avoid a charge to interest and the due date is before the next scheduled meeting, where the Clerk/RFO certify there is dispute the Clerk may take all steps necessary to settle such invoices providing a list of such payments shall be submitted to the next appropriate meeting.

6.5 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 (e.g. stamps or minor stationary items) shall be refunded on a regular basis.

6.6 If thought appropriate by the council, payment for utility supplies (energy, telephone and water) may be made by standing order or variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. These arrangements shall be reviewed at least every two years.

7. Loans and Investments

7.1 The Council shall consider the need for an Investment Policy which if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any policy shall be reviewed at least annually.

7.2 All investments of money under control of the council shall be in the name of the Council.

7.3 All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the council as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.

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

8. Income

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

8.2 All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers.

8.3 The origin of each receipt shall be entered on the paying in slip.

8.4 Personal cheques shall not be cashed out of money held on behalf of the Council.

8.5 The RFO shall promptly complete any VAT return that is required. And repayment reclaimed regularly.

9. Orders for Work, Goods and Services

9.1 An official order, letter or email shall be issued for all work, goods or services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

9.2 All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers.

10. Assets, Properties and Estates

10.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council. The RFO shall ensure a record is maintained of all properties owned by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted rents payable and purpose for which held in accordance with Accounts and Audit regulations.

10.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

10.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

11. Insurance

11.1 Following the annual risk assessment the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

11.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

11.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to the Council at the next available meeting.

112. Risk Management

The Council is responsible for putting in place arrangements for the management of risk. Risk policy and consequential risk management arrangements in respect of all activities of the council, shall be reviewed by the council at least annually

13. Revision of Financial Regulations

These shall be reviewed by the council from time to time and the Clerk shall monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.

Adopted- 2 March 2020
Reviewed – 13 May 2024
Reviewed – 9 March 2026