

# **DARRINGTON PARISH COUNCIL FINANCIAL REGULATIONS**

**These Financial Regulations take into account regulations adopted under the 1972 Local Government Act and later statutes together with the Audit Regulations as adopted by Audit Commission.**

## **GENERAL**

- 1 These regulations govern the conduct of all financial transactions of the council and may be amended or varied by resolution of the council so long as any variation does not conflict with statutory requirements as contained above.
- 2 The council shall appoint a Responsible Financial Officer (RFO) who must not be the clerk who will manage and direct all financial administration.

## **ANNUAL PROVISIONS**

- 3 The RFO shall be responsible for the production of the annual financial report, the audit report and the annual budget report.
- 4 The RFO shall prepare regular long term financial plans and present them to the council.
- 5 The council may transfer amounts from one budget heading to another during the year as required for the proper conduct of business.
- 6 The clerk may incur expenditure on behalf of the council which is of an emergency to repair or replace equipment subject to a limit of £1000.
- 7 All claims for travel expenses which are mileage claims should have a vat invoice attached for the petrol element of the claim. This can be used to reclaim vat for the fuel element. All claims must have a mileage form attached.
- 8 If the council or appropriate delegated committee duly resolves that a purchase be made using the internet, the RFO is authorised to use his personal card and a single cheque of the council be drawn to recompense. The particular transaction should be authorised in a minute of the council. This payment method should only be used for

specific internet purchases that cannot be undertaken by other means. The supplier shall be asked to supply a full vat invoice addressed to the Council but failing this, the minuted authority shall be accepted by HM Customs and Revenue as evidence of VAT to reclaim.

- 9 No expenditure shall be incurred in relation to capital and no contract entered into or tender accepted unless the council are satisfied that funds are available or borrowing has been secured or grant funding has been confirmed.
- 10 All projects shall be under the direct responsibility of the clerk unless the council specifically nominates another council member to have that responsibility.

### **ACCOUNTING AND AUDIT**

- 11 All accounting procedures shall be carried out in accordance with Audit and Accounts Regulations 1996 and as amended by statutes.
- 12 The RFO shall be responsible for submitting the annual audit return.
- 13 The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit.
- 14 The internal auditor shall carry out the work required of the RFO or council as required to complete the Audit Report in the Annual Return.
- 15 The RFO and clerk shall make arrangements for the inspection of accounts and books as required by Audit Commission Act 1998 s 15 and Accounts and Audit Regulations 1996 as amended.

### **BANKING AND PAYMENTS**

- 16 The council's banking arrangements shall be managed by the RFO and approved by the council.
- 17 A monthly payments sheet shall be prepared by the RFO for each meeting of the council together with invoices. The payments must be approved by resolution.
- 18 All payments shall be made by cheque, standing order, direct debit as decided and approved by council.
- 19 All invoices for payment shall be checked by the RFO and settled at the next available meeting of the council.

- 20 Payment of salaries shall be made in accordance with national terms and conditions of NALC and SLCC as amended and within NI and PAYE rules.
- 21 All loans and investments shall be negotiated in the name of the council and be for a set period.
- 22 Any investment policy of the council shall be reviewed on a regular basis in accordance with the Trustee Act 2000.
- 23 All borrowings shall be in the name of the council.
- 24 The collection of all sums due to the council shall be the responsibility of the RFO.
- 25 The council will review all fees and charges annually.
- 26 The RFO shall complete the annual VAT return.

### **ORDERS FOR WORK SERVICES AND GOODS**

- 27 An official order or letter shall be issued for all work, goods and services authorised by the council.
- 28 All members and officers are responsible for obtaining best value for money at all times.
- 29 The clerk shall verify the lawful nature of all expenditure and all proposed purchases.

### **CONTRACTS**

- 30 Where it is intended to enter into a contract for work exceeding £5,000 in value for the supply of goods or materials or specialist services the clerk shall invite three tenders from three firms.
- 31 All sealed tenders for work shall be opened at the time specified in the notice to tender in the presence of two members of the council.
- 32 All decisions must include reference to “Best Value” except in circumstances as required by grant funding bodies specifying only the lowest tender being acceptable.
- 33 If less than three tenders are received for contracts above £5,000 the council shall make such arrangements as necessary for executing the works but taking into account best value at all times.

- 34 The council will not be obliged to accept the lowest tender, estimate or quotation for any work, services or goods required excepting arrangements with grant funding bodies but the council will take into account best value at all times.
- 35 All payments for capital work supplied shall be made after satisfactory inspection of the said work and after satisfactory written guaranteed from the said supplier.

### **PROPERTIES AND RESOURCES**

- 36 The clerk shall make proper arrangements for the archive of materials and documents and safe custody of all title deeds of land properties and goods owned by the council.
- 37 The clerk shall ensure that all other resources of the council are stored safely and properly maintained.

### **RISK MANAGEMENT**

- 38 The RFO shall draw up an annual asset register and risk assessment of all assets and liabilities. The clerk shall maintain all insurances for the council.
- 39 All insurances of the council will take into account fidelity, and public liabilities.
- 40 The council shall nominate a council member *to* be responsible for preparing and promoting risk management policies.
- 41 When considering any new activity the appropriate council member shall prepare draft risk management policies including legal and financial risks and bring this to the attention of the council.
- 42 It shall be the duty of the council to review its financial regulations on a regular basis.