

STROUD PARISH COUNCIL
FINANCIAL REGULATIONS

Introduction

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 that facilitates the effective exercise of the Council's functions, including arrangements for management of risk, timely production of accounts, identifying the duties of officers and prevention and detection of inaccuracy and fraud. At least once a year, prior to approval of the annual return, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

A breach of these regulations by an employee is gross misconduct. Members of Council are expected to follow the instructions within these regulations.

Nothing contained or omitted from these regulations supersedes, removes, replaces or reduces any powers, duties, responsibilities and obligations laid down in the several Acts of Parliament and/or Government Orders and Regulations concerning Local Councils and further accounts and audit regulations currently in force.

It is the duty of the Council to review the Financial Regulations of the Council from time to time.

RFO

The Responsible Finance Officer (RFO) holds a statutory office and shall be appointed by the Council. Stroud Parish Council has appointed the Clerk as RFO for this Council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with all Acts, Regulations and proper practices and shall determine accounting control systems and accounting records and ensure they are observed and are up to date. The RFO shall assist the Council to secure economy, efficiency, and effectiveness in the use of its resources and shall produce financial management information as required by the Council. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and comply with the Accounts and Audit Regulations.

Budget and Budgetary Control

On an annual basis, the RFO shall formulate and submit estimates to the Council in respect of income and expenditure including the use of reserves and all sources of funding in the form of a budget. The Council shall review this budget and settle the precept for the following year. The approved annual budget shall form the basis of financial control for the ensuing year. The salary budget is also to be reviewed annually for the following financial year and a hard copy schedule signed by the Clerk and the Chairman of the Council.

The Clerk shall produce for every Council meeting a schedule, forming part of the agenda, of income and expenditure and shall present proposed items of expenditure for approval. Expenditure proposed on provision of goods and services shall be authorised in accordance with the Council's Standing Orders.

Where it is necessary to make a payment before it has/can be approved by the Council such payment shall be certified as to its correctness and urgency by the Clerk/RFO and may then be authorised by the Chairman or in his/her absence by the Vice-Chairman. All payments dealt with under this regulation shall be separately included in the next schedule of payments laid before the Council. In cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out, subject to a limit of £100.

Accounting and Audit

The RFO shall complete all requisite annual financial statements including the annual return that shall then be submitted to the Council for their approval and authorisation, prior to submission.

The Council shall ensure there is an adequate and effective system of internal audit of its accounting records in place. The Internal Auditor shall be competent and independent of the financial operations of the Council. They must demonstrate competence, objectivity and independence and have no involvement in the financial decision making, management or control of the Council.

The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts and shall, without undue delay, bring to the attention of the Councillors any correspondence or report from internal or external auditors.

Banking and Payments

The Council's banking arrangements shall be regularly reviewed for safety and efficiency. All payments shall be made by cheque, direct debit or electronic bank transfer. All payments will be authorised by two signatories and the corresponding invoices initialled. Cheque payments shall require the chequebook stubs to be initialled by the authorising Councillors. The Council will not maintain any form of cash float, but will reimburse the Clerk for office consumable expenses in accordance with the agreed budgeted amounts.

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.

As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation.

The Council must determine and keep under regular review the bank mandate for all Council bank accounts. The Clerk shall be appointed as Service Administrator for internet banking purposes.

At least twice a year, the RFO will present all relevant documentation to a randomly selected Councillor, who will check all payments against invoices and bank statements and then verify the bank reconciliation produced by the RFO.

Assets

The RFO shall maintain an appropriate and accurate Register of Assets. The continued existence of tangible assets shown in the Register should be verified at least annually.

Insurance

The Council shall maintain a proper insurance policy to provide cover for its activities and responsibilities and shall include adequate cover for public liability, employer's liability and fidelity guarantee.

VAT

The RFO shall maintain adequate VAT records, shall submit appropriate returns as required and claim reimbursement of VAT paid on goods and services.

Adopted by Stroud Parish Council

Date

Chairman