Clyffe Pypard & Bushton Parish Council Financial Policy

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Author Clerk to the Council	**Review** Annually
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Financial regulations govern the conduct of the financial transactions of the Council and may only be amended 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 Council's 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.

Finance

Responsible Finance Officer

A Responsible Finance Officer has to be appointed by the Council to manage the Council's financial affairs in accordance with Proper Practices. This is a statutory office which will be taken on by the Clerk of the Council.

Estimates and Precept

The Responsible Finance Officer will compile estimates of income and expenditure annually for the Council's consideration. The Council will review the budget at the November meeting each year in preparation for the annual precept to be set, and submitted to the Collection Authority in January. During the year the budget will be regularly reviewed against actual expenditure and income. Amendments to the budget will be discussed in Council and any changes minuted.

Income and Expenditure

The Responsible Finance Officer will supply regular updates of income and expenditure throughout the year and detail actual figures against the budget estimates. Significant underspends or overspends will be brought to the attention of the Council and action taken to address any discrepancies, as necessary. Underspent revenue will be identified and can be transferred to reserves by a Council resolution.

Accounting and Audit

The Responsible Finance Officer will determine all accounting procedures and financial records of the Council in accordance with the Accounts and Audit Regulations.

1. The Responsible Finance Officer will complete the annual financial statements of the Council including the annual return as soon as practicable after the end of the financial year and will submit an annual report to the Council in a timely manner. The Council will review the annual report each year and ensure that there is an adequate, effective system of internal audit of the Council's accounting, financial and other procedures in line with Proper Practice.

2. An Internal Auditor will be appointed by the Council to carry out the work required to ensure compliance with Proper Practice each year. The person appointed will be competent and independent of the operation of the Council.

3. The Responsible Finance Officer will submit a signed Certificate of Exemption, by the due date. Unless the Council has failed to meet the criteria for exemption, in which case a limited assurance review will be required and the RFO will need to submit a completed Annual Governance and Accountability return to the External Auditor.

4. The Council will consider any changes recommended by the internal and external auditors and implement them as necessary.

Banking arrangements, BACS payments and Cheques

1. The Policy.

1. Banking arrangements and authorisation of payments.

1.1 The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council. Banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

1.2 For each meeting the RFO shall prepare a schedule of payments requiring authorisation, forming part of the agenda for the meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by resolution of the council. A detailed list of all payments shall be disclosed within the minutes of the meeting at which the payment was authorised. Personal payments (wages etc) may be summarised to remove public access to personal information.

1.3 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.

1.4 The RFO shall examine invoices for arithmetical accuracies. The RFO shall take all steps to submit all invoices which are in order for approval at the next available meeting of the council.

1.5 The RFO shall have delegated authority to authorise the payment of items only in the following circumstances: a) if a payment is necessary to avoid a payment penalty before the next meeting and where a majority of councillors have agreed to this payment via email. This will then be reported to the next meeting b) a previously agreed expenditure which arises on a regular basis. The RFO will then ask the 2 signatories to submit and authorise the payment.

2. Instructions for the making of payments.

2.1 The Council will make safe and efficient arrangements for the making of its payments

2.2 Following authorisation under the above regulation the RFO shall give3 instruction to the 2 signatories that payment should be made.

2.3 All payments shall be affected by instruction to the council bankers (or by cheque if internet banking is not available) in accordance with a resolution of the council.

2.4 All payments shall be signed off by two councillors in accordance with a resolution instructing that payment. A councillor who is a bank signatory, having connection by virtue of family or business relationship with the beneficiary of a payment, should not, under normal circumstances be a signatory to the payment in question. In this instance the payment may need to be made by cheque.

2.5 The Council will decide at each meeting how an invoice must be paid. Either by Bacs or internet banking or when that is not possible, by cheque. Evidence of which payment method was used and which signatories signed them off must be retained.

2.6 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the service administrator. Two councillors who are both authorized signatories and registered for internet banking will be able to submit and approve transactions on those accounts.

2.7 Care should be taken with saved password facilities, the Council will only use accounts protected by the use of a Card reader.

2.8 The RFO will provide sufficient bank details to the authorized councillors, for setting up a new payee or changing a payee's account. A hard copy record of this information will be kept by the RFO (usually on the invoice) .

2.9 At this point the council does not need either a debit or credit card and so shall not have either. If this changes then new regulations will need to be added. The Council will nominate and authorize by Resolution at least three members with the delegated authority to sign cheques on behalf of the Council. The cheque stub should also be initialled by the persons signing the cheque. Cheques completed for transactions will be signed by two authorised Councillors. The bank mandate for making changes to the banking arrangements will be any two of the councillors delegated to sign cheques.

2.10 The Clerk, in consultation with the Chair, may authorise ad hoc expenditure up to £100 per item between scheduled meetings where such expenditure is necessary for the efficient and timely running of the Council and cannot reasonably be deferred until the next meeting. All such payments must be reported to the nec Parish Council meeting for retrospective approval.

Loans and Investments; Not currently applicable

Contracts and Purchase Orders

1. An official order or letter will be issued for all work or service paid for by the Council. All Councillors and officers are responsible for obtaining good value for money at all times. An officer placing an order on behalf of the Council will ensure that good value and appropriate terms are obtained for the transaction.

2. Orders for values £500 to £2000 require a minimum of two quotations (unless agreed otherwise and formally minuted) and for values above £2000, three quotations are required. Contracts exceeding £50,000 require additional safeguards and will follow Proper Practice.

3. All quotations for work will be examined by the Council and the work awarded on the basis of value for money, and the reasons for accepting the quotation will be recorded. The Council is not obliged to accept the lowest quotation if it does not represent value for money, but the reasons for not accepting the lowest quotation will be recorded.

Assets

The Responsible Finance Officer will ensure that an appropriate and accurate Register of Assets is maintained by the Council. It will be reviewed at least annually, in conjunction with a health and safety inspection of assets, as appropriate.

VAT

The Responsible Finance Officer will promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1974 section 33 will be made at least annually.

GRANTS AND DONATIONS

Outside the scope of the financial responsibilities for which the Parish Council can make expenditure, the council can donate or grant aid money to organisations or individuals for expenditure that will benefit the residents of the Parish of Clyffe Pypard . The limit is currently £8.82 per person per year of those on the electoral roll.

In order to demonstrate good financial management donations will not normally be made. Instead Organisations or individuals will be invited to apply to the Parish Council for grant aid.

1. Applications should be received by the Parish Council by the 1st November.

2. Retrospective applications will not be funded where the expenditure had been made, the project has been carried out or the event has taken place.

3. All grants will be conditional upon submission of audited accounts and supporting documentation detailing costs of capital expenditure, project or events for which the funding is being sought, and how this will benefit the community.

4. Grants for services or goods in excess of £500 will require two quotes.

5. All grant recipients are required to provide the Parish Council with a brief report, including photographs where appropriate, of how the grant has been utilised, how it has assisted the organisation or group and what it has achieved. This must be submitted within two months of the purchase of the capital equipment or completion of the project.

6. If the grant is put to purposes other than those for which it was awarded without the prior approval of the Parish Council, the recipient organisation or group will be required to repay the grant to the Parish Council.

7. The organisation or group should supply such information as the Parish Council may request regarding the impact of the project on the Parish Council's area.

8. Recognition of the grant from Clyffe Pypard Parish Council must be made in any publicity.