

HEYWOOD PARISH COUNCIL

Financial Regulations

These Financial Regulations were adopted by the Council at its Meeting held on 9 April 2018, minute 165.3.

General

1. These financial regulations govern the conduct of financial management by the Parish Council and may only be amended or varied by resolution of the Council. Financial Regulations must be observed in conjunction with the Council's Standing Orders and any individual financial regulations relating to contracts.
2. 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 internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
3. The council's accounting control systems must include measures:
 - 3.1 for the timely production of accounts;
 - 3.2 that provide for the safe and efficient safeguarding of public money;
 - 3.3 to prevent and detect inaccuracy and fraud; and
 - 3.4 identifying the duties of officers.
4. Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
5. The full Council is responsible for:
 - 5.1 Setting the final budget and deciding on the Precept;
 - 5.2 Approval of accounting statements and the Annual Governance statement;
 - 5.3 Determination and regular review of the bank mandate;
 - 5.4 Declaration of eligibility for the General Power of Competence¹;
 - 5.5 Making recommendations about the annual salary of staff member(s).

Responsible Financial Officer (RFO)

1. The Responsible Financial Officer is responsible for the administration of the Council's financial affairs. The Clerk has been appointed as RFO for this Council and these regulations apply accordingly.
2. The RFO acts under the direction of the Council to:
 - 2.1 administer the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - 2.2 determine its accounting records and accounting control systems on behalf of the Council;
 - 2.3 maintain the accounting records up to date and ensure that the accounting control systems are observed;
 - 2.4 produce financial management information as required; and
 - 2.5 assist the Council to use its resources with economy, efficiency and effectiveness.

3. The RFO shall complete the annual statement of accounts, annual report and Annual Return and any related documents as soon as practicable after the end of the financial year. Once certified by the RFO, the accounts must be submitted to the Council for approval and public rights within timescales set in the Accounts and Audit Regulations.
The Public Rights of Inspections period must include the first 10 working days of July.
4. The Clerk and RFO shall have delegated authority to authorise the payment of items necessary for carrying out their duties to the amount of £100.
5. The RFO shall maintain a petty cash float of £20 on an imprest basis for the purpose of paying small operational expenses.
6. The RFO shall promptly complete any VAT Return that is required. Any claim for repayment due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

Internal systems and controls

1. On a regular basis, at least quarterly, and at the end of each financial year, a cheque signatory shall verify bank reconciliations produced by the RFO. The original bank statements shall be signed as evidence of verification and the activity reported to and noted by the Council.
2. All payments must be authorised by the full Council; each cheque must be signed by two Councillors. The Councillors shall also initial the cheque counterfoil.
3. The Council shall ensure that there is an adequate and effective system of internal audit of accounting records and internal control. An independent internal auditor shall be appointed by and carry out the work as required by the Council, at least once during each financial year.

Contracts

1. When the Council decides to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services, the RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the RFO shall strive to obtain 3 estimates.
For the supply of goods or services valued at £25,000 or more, the RFO must follow formal tender procedure.
2. The Council shall not be obliged to accept the lowest of any tender, quote or estimate.

Assets & property

1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council.
The RFO shall maintain a full record of properties.
2. No tangible moveable property shall be acquired or disposed of in any way without the authority of the full Council.
3. The RFO shall maintain a Register of Assets and their continued existence must be verified at least annually.

Insurance

1. Following the annual risk assessment, the Clerk shall confirm the sums to be insured for all risks.
2. All members and employees of the Council shall be included in a Fidelity Insurance in the sum of not less than £25,000 for the purpose of securing the council against the maximum risk exposure to fraud and theft as determined by the Council.
3. The council shall enter into an Insurance Policy to cover the Clerk against accidental personal injury (and personal injury caused by assault and battery) arising from and in the course of his duties.

Risk Management, IT and data protection

1. The Clerk is responsible for making arrangements for the management of risk. The Clerk and RFO shall prepare risk management policy statements regarding all activities of the Council. Policy statements shall be approved by the Council and must be reviewed by the Council at least annually.
2. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
3. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
4. The RFO shall ensure that all account numbers, log in details and passwords are held securely to prevent unauthorised access to Council records and information.
5. All personal data held by the Council or any of its members or staff is subject to Data Protection and must be held and processed securely and in accordance with current law. *See Data Policy*².

Notes

1. A local authority has power to do anything that individuals generally may do.
2. Data Protection Act 1998/GDPR 2018