

LYNDHURST PARISH COUNCIL

Financial Regulations

(1) General

- 1.1 These financial regulations shall govern the conduct of the financial management by the Council and may only be amended or varied by resolution of the Parish Council.
- 1.2 The responsible financial officer (RFO) is a statutory officer and shall be appointed by the Council. The Clerk has been appointed 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 proper practices. The RFO shall determine the accounting records and accounting control systems on behalf of the Council. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up-to-date in accordance with proper practice.
- 1.3 The RFO shall be responsible for the production of financial management information, as required by the Council.

(2) Annual Estimates (Budgets)

- 2.1 Each Committee shall formulate and submit proposals to the Finance and General Purposes Committee in respect of revenue services and capital projects including the use of reserves and sources of funding, for inclusion in the rolling capital programme not later than the third Tuesday in November each year.
- 2.2 Detailed estimates of income and expenditure shall be prepared each year by the RFO.
- 2.3 The F & GP Committee shall review the budget and submit it to the full Council at their December meeting and shall recommend the Precept to be levied for the ensuing financial year. The Council shall review the budget and shall fix the precept to be levied for the ensuing financial year. The RFO shall issue the Precept to the billing authority (NFDC). The RFO shall supply each member with a copy of the approved budget.
- 2.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

(3) Budgetary Control

- 3.1 Revenue expenditure may be incurred up to the amounts included in each approved policy budget heading for each Committee, although an amount of 5% under or over spend will be allowed.
- 3.2 The RFO will provide the Council with a statement of income and expenditure to date, comparing actual expenditure to planned/estimated expenditure on a monthly basis.
- 3.3 The Clerk may incur expenditure on behalf of the Council, which is necessary to carry out any repair, replacement or other work that 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 £500. The Clerk shall report the action to the appropriate Committee as soon as practicable thereafter. Where this expenditure cannot be met from savings made elsewhere within that Committee's approved budget, it shall be subject to the provisions of a supplementary estimate.

- 3.4 Revenue budget underspending shall not be carried forward to a subsequent year unless placed in an earmarked reserve or provision by resolution of the Council.
- 3.5 Where it is anticipated that capital expenditure will amount to more than £1,000 three tenders will be sought for the work involved and the tender that it is considered gives best value will be accepted.
- 3.6 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations. The RFO shall complete the accounts of the Council, including the Council's Annual Return (as supplied by the Auditor appointed by the Audit Commission), and shall submit them to the Council for approval within the time scales set by the Accounts and Audit Regulations.
- 3.7 The RFO shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices and shall be independent of the operations of the Council.
- 3.8 The RFO shall make arrangements for the inspection of the 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 and shall bring to the attention of Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative nature.

(4) Banking Arrangements and Cheques

- 4.1 Each month the RFO shall present to the Council a schedule of all payments for the immediately preceding month, for authorisation by a resolution.
- 4.2 All cheques shall be signed by two authorised members and the RFO. Authorised members shall consist of the Chairman, Vice Chairman and Committee Chairmen. Invoices relating to these payments will be available for inspection and initialling by signatories.

(5) Payment of Salary

- 5.1 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 Clerk/RFO's salary shall be agreed annually.

(6) Income

- 6.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 6.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the Council.
- 6.3 The Council will review all fees and charges annually. Any sums found to be irrecoverable and any bad debts shall be reported to the Council.
- 6.4 An official Council receipt shall be issued for all sums received. They shall be banked by the RFO who will also determine the frequency of banking.

6.5 The RFO shall make arrangements for the prompt completion of annual VAT returns and will bank subsequent reimbursements.

(7) Orders for Work, Goods and Services

7.1 All Members and the Clerk/RFO are responsible for obtaining value for money at all times.

(8) Contracts

8.1 All work that it is estimated will be valued at over £1,000 will be put out to tender to at least three individuals or firms.

8.2 Invitations to tender shall state the general nature of the intended contact and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. Invitations to tender shall state that tenders must be addressed to the Clerk and the last date by which such tenders should reach the Clerk. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or authorised member. If any tenders are identical or it proves impossible to obtain three tenders the Council may make such arrangements as it thinks fit for execution of the work.

(9) Assets, Properties and Estates

9.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and records of properties owned or leased by the Council.

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

(10) Insurance

10.1 The RFO shall arrange for insurance cover and negotiate all claims on the Council's insurers.

10.2 The Clerk shall make arrangements to ensure that all new risks or properties and any alterations affecting existing insurance are dealt with as soon as it is practicable.

10.3 The Clerk shall be included in the insurance which shall cover the maximum risk exposure as determined by the Council.

(11) Revision of Financial Regulations

11.1 The Finance and General Purposes Committee shall review the financial regulations of the Council from time to time.