

## **FINANCIAL REGULATIONS**

**THESE FINANCIAL REGULATIONS WERE ADOPTED BY**

**STANHOPE PARISH COUNCIL ON 5<sup>th</sup> DECEMBER 2018**

### **1. GENERAL**

- 1.1** These regulations govern how Stanhope Parish Council conducts its financial affairs. They set out how all money matters are dealt with and should be complied with at all times. They are approved by full council and can only be amended by full council as an agenda item with proper notice.
- 1.2** They form part of the arrangements by which Stanhope Parish Council discharges its responsibility under The Accounts and Audit Regulations 2015 to ensure: a) that the financial management of the council is adequate and effective and that it is a sound system of internal control, and b) that its accounts comply with proper practices as set out in Sections 1 and 2 of "Governance and Accountability for Smaller Authorities in England.
- 1.3** The regulations should be reviewed annually as part of Stanhope Parish Councils assessment of its internal control arrangements and amended where necessary to ensure that they remain effective and up to date

### **2 THE BUDGETARY PROCESS**

- 2.1** By the end of November draft spending plans and income proposals for the forthcoming year should be submitted to the councillors
- 2.2** Stanhope Parish Council will consider the detailed budget in December for approval. It shall review the resources, including reserves, and set the precept for the next year

### **3 BUDGETARY CONTROL**

- 3.1** Where essential spending would otherwise exceed the approved budget, amounts can be transferred from other budget heads or from reserves with the approval of the councillors
- 3.2** The clerk shall report regularly to the councillors on actual spending and income against budget, highlighting significant variances

### **4 ACCOUNTING AND AUDIT**

- 4.1** Accounting procedures and financial records shall be determined by the clerk, who shall issue such accounting instructions as are considered necessary
- 4.2** The clerk shall be responsible for preparing the councils financial statements, and completing the relevant section of the Annual Return required by proper practices, and submitting to the council in accordance with the statutory time limits
- 4.3** The clerk shall ensure that all statutory requirements to publish accounting statements and facilitate public access and inspection are complied with and that the requirements of the External Auditor are met
- 4.4** A suitably competent and independent person shall be appointed by the council as its Internal auditor, to undertake regular reviews of the councils internal control systems and

report thereon to the Council. The appointed person should complete the relevant section of the Annual Return

**4.5** All reports by the Internal or External Auditor shall be considered by the councillors. Any recommendations should be implemented or reasons why they are not, recorded in the minutes

**4.6** Members and officers shall co-operate with auditors and provide such information and records as they or the clerk requires

## **5 SAFEGUARDING MONEY**

**5.1** The council shall ensure that the clerk has responsibility for the proper administration of its financial affairs. In the absence of the clerk, the person designated by her/him shall act as the Responsible Financial Officer, Cllr Mrs Alison Humble.

**5.2** The clerk is responsible for setting up banking arrangements but these and any changes to them, must be approved by the councillors

**5.3** Each bank mandate, list of authorised signatures and amendments to any of these, must be approved by the councillors

**5.4** Monies received should be banked on a regular basis by the clerk. Cash should be banked at the earliest opportunity.

**5.5** Invoices for payment should be checked by the clerk and entered onto a schedule for approval by council. Payments should be made by cheque signed by two authorised members. Urgent payments may be made by the clerk in consultation with the Chairman. These should be reported to the next meeting, with appropriate explanations.

**5.6** Once approved, signed cheques should be issued or other forms of payment initiated promptly by the clerk

**5.7** Direct Debit or standing orders payments may be permitted, with the approval of council, for regular items such as utility bills or payroll. The clerk must ensure that all salary and other relevant payments comply with PAYE and other rules issued by HMRC

## **6 INVESTMENTS**

**6.1** Surplus balances should be invested in a High Interest Account

## **7 INCOME**

**7.1** VAT Return should be completed promptly at least once a year

**7.2** The collection of all sums due to the council shall be the responsibility of and under the Supervision of the clerk

## **8 ORDERS FOR GOODS AND SERVICES**

**8.1** Before placing an order or making a purchase steps should be taken to ensure that the council is paying a competitive price and achieving good value for money. Wherever possible quotes should be obtained from three sources. Where the estimated cost exceeds £3000, formal written quotes should be sought.

**8.2** All members are responsible for obtaining value for money at all times. To ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction

**8.3** Orders should be placed by the clerk as the appropriate budget holder. Before committing the council the clerk should check that funds are available within the budget and that the Council has the necessary power to incur the expenditure

**8.4** Orders should only be placed for goods and services that will be used by Stanhope Parish Council for its own purposes

**9. ASSETS**

**9.1** Items of equipment should be recorded on an inventory list, which should be checked periodically by the clerk.

**9.2** Capital assets should be recorded in the councils Asset Register at original cost. Where appropriate assets should be properly maintained and sufficient funds should be included in the revenue budget to enable this to happen

**10 RISK MANAGEMENT**

**10.1** The council should conduct a risk assessment of its activities at least annually. This should involve identifying significant risks and agreeing how they should be managed, taking into account the potential consequences and the likelihood of the event happening. New ventures should be subject to a risk assessment before they are approved and the resultant management actions implemented