

NASH MILLS PARISH COUNCIL

FINANCIAL REGULATIONS

**Reviewed and Amended by Full Council – March
2018 V.10.0 replaces any earlier editions by Nash
Mills Parish Council.**

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1. 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
2. The Responsible Financial Officer (RFO) shall be responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its income and expenditure.
3. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
4. The Parish Clerk/Responsible Financial Officer (RFO) is required to keep proper accounting records, which disclose; with reasonable accuracy the financial position of the Parish Council.
5. Four of the eight members of the parish council are to be designated authorisees/signatories. The group should be made up of two councillors from the finance committee and two from the full council committee. Two of the four designated signatories/authorisees from the parish council plus the Parish Clerk shall sign every cheque or order or authorise online payments.

The approval of payments and financial papers are made at the monthly finance committee meeting (or an authorised subcommittee). The parish clerk logs onto the Lloyds bank website through secure means using an encrypted password and by using a card and card reader supplied by the bank.

During the month of August (when no meetings are held) or if a meeting has been cancelled or there is no quorum, the Parish Clerk will email the financial schedule, expenditure sheets, copies of all bank statements and the reserve letter for that period along with a copy of the pre-authorized payments (this is printed directly from the Lloyds online banking system) to all Parish Councillors for their approval. Hard copies of the financial schedule, expenditure sheets and bank statements will be signed/initialled at the September or next available meeting. Once payments are approved the Finance Chair and one other signatory will authorise payments within a 24 hours period and send a text updating the other authorisee and the Parish Clerk. If one of the signatories fails to authorise payments within 24 hours another designated signatory will be alerted by text by either of the original authorisees.

The signatories/authorisees are rotated on a regular basis. The Chair, Finance Chair and two other signatories/authorisees from both the finance committee and full council will have details of all the Parish Council's banking details. Authorisation of payments will be minuted in both finance and fpcm minutes.

6. Any two members of the Parish Council, plus the Parish Clerk, may seal, on behalf of the Council, any document required by law to be issued under seal.
7. Three members or one third, whichever is the greater shall constitute a quorum at meetings of the Finance Committee of the Parish Council.
8. The Chair of the Finance Committee shall in the case of an equality of votes have a second or casting vote.

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9. The Finance meeting will carry out any business required by statute.
10. The person presiding at a meeting may exercise all the powers and duties of the Chair in relation to the conduct of the meeting.
11. Both the Chair and Vice Chair of the Parish Council must be members of the Finance Committee.
12. Any contract for the supply of goods or services between £1000 and £4,999 must have two competitive quotes. Goods or services valued over £5000 would require three competitive quotes. The Parish Council can award goods or services valued under £1000 at the discretion of the Finance Committee subject to unanimous agreement. In the event of an emergency, an amount being required for non-contractual services, the Clerk may approve up to £500. Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chair. This is subject to approval with two representatives from Council being Chair and Finance Chair, in either of their absences the Vice Chair of the relevant position may approve. The Parish Council advocate the practice of Value For Money (VFM) economy, efficiency and effectiveness. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
13. At least once during the financial year, the Finance Committee will institute a review of internal control procedures at a full Parish Council Meeting to ensure that financial internal controls are satisfactory. This is included under the Risk Assessment Schedule, which includes the Review of the Effectiveness of the Internal Auditor. All audit and accounting information will be published on the parish council's website and be available for public inspection.
14. Each month on a rotational basis the Chair of the Finance Committee and Committee members will inspect sign each page of expenditure, and initial copies of bank statements and the Treasury Account Letter. They will also inspect the year to date budget as part of the budgetary control process.
15. At a Finance Committee meeting, both the Finance Chair and the RFO must sign the approved bank reconciliation.
16. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
17. 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.
18. 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.

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19. Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

20. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

21. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by [two of] the Clerk [the RFO][a member]. A programme of regular checks of standing data with suppliers will be followed.

22. The Parish Council shall annually resolve that it delegates full power to the Finance Committee to pay all creditors, subject to proven evidence, and to prepare all accounts and budgets for the approval of the full Council. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

23. The RFO shall keep a record of all related insurances by the council and the property and risks covered thereby and annually review it. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers [in consultation with the Clerk]. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.

24. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk [or RFO] (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

25. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

26. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.