



LOGGERHEADS PARISH COUNCIL

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FINANCIAL REGULATIONS

1. GENERAL

1.1 These regulations, including the attached Schedules, govern the conduct of the financial management of the Council. They can only be amended or varied by a resolution of the whole Council.

1.2 In these Regulations the term “best practice” shall refer to the Quality Council requirements and/or NALC guide lines.

1.3 The Council Clerk will be the Responsible Financial Officer (RFO) undertaking statutory duties as required by law and acting under the policy direction of the Council. These duties shall include, but not be limited to:-

- Administering the Councils financial affairs in accordance with best practice.**
- Keeping accurate financial records to comply with audit standards.**
- Ensuring accounting control systems are observed, including these regulations, and reporting to the council any discrepancy.**
- Producing financial management information as required.**
- Ensuring all statutory requirements are observed and bringing to the Councils attention any actual or anticipated failure to observe such regulations.**
- Complete the financial statements and annual returns required by law.**
- Make available all accounting documents as required by the appropriate legislation.**
- Ensuring any income due to the Council is invoiced and collected.**
- Adopt best practice to comply with Quality Council standards.**

2 FINANCE AND GENERAL PURPOSES COMMITTEE

- 2.1 The Council shall appoint a Finance and General Purposes Committee to undertake a regular scrutiny of financial affairs. In addition, the Committee shall have delegated powers as specified in Schedule A attached.**
- 2.2 The Committee will consist of five members of the Council including a Chairman who shall be appointed by the Council.**
- 2.3 The Committee will meet on a specified day each month.**
- 2.4 In addition to its financial responsibilities the committee will act on behalf of the council as the employer of the Council Clerk. This will include, but not be limited to, responsibility for contract of employment, job description, payroll administration, training and development, performance review, grievance and disciplinary procedures and other human resource functions as appropriate.**
- 2.5 The committee will undertake other general responsibilities as delegated by the Council from time to time, usually those with a significant financial outcome**
- 2.6 All meetings of the committee will be attended by the RFO.**
- 2.7 All key decisions will be minuted, including but not limited to, a summary of monthly expenditure, year to date expenditure against budget and a summary of all invoices approved or recommended for approval as required by schedule A.**
- 2.8 The Committee will review the annual accounts and all statutory returns and budgets prepared by the RFO prior to submission to the Council. A recommendation for the annual precept will also be made in conjunction with the RFO.**
- 2.9 In monitoring expenditure a report shall be made to the Council of any overspend against budgets or contracted amounts which a greater then 10% or which exceed £100.**
- 2.10 The committee will ensure the council is in receipt of value for money by supporting the Clerk in exploring means of reducing expenditure by improved efficiency.**
- 2.11 The committee may appoint a sub-committee on a short or long term basis to assist in its work, but may only delegate decision making powers with the approval of the Council.**
- 2.12 Each year the RFO and the Committee will select a suitable independent and competent internal auditor for approval at the AGM.**

2.13 Before recommending grants to charities or external bodies the Committee will conduct a scrutiny that should include, but not limited to, inspection of annual accounts or other financial details that the Finance Committee deem appropriate, ensuring that the broad public interest is being served, that access to services provided is available to all parishioners, that the purposes for which a grant/donation are made are fulfilled.

3. ANNUAL BUDGETS AND FINANCIAL CONTROL

3.1 The annual budget will be prepared by the RFO for review by the Finance Committee prior to submission for Council approval at the November meeting or earlier. The proposed precept will also be submitted to the same meeting.

3.2 The budget shall form the basis of financial control for the following year.

3.3 All expenditure must be approved by the Council in accordance with these regulations.

3.4 The Parish Clerk is the only individual who can communicate expenditure decisions No other Councillor or person may commit the Council to any expenditure, or any action that will incur expenditure, either directly or by inference. If such an action occurs the Council will hold the person concerned personally responsible for the resulting expenditure and issue a claim accordingly.

3.5 No expenditure may be incurred that exceeds the budgeted amounts for the year. The Council may vary the budget to cover emergencies but only out of reserves and contingency funds.

3.6 A quarterly summary will be prepared for the Council by the RFO comparing actual expenditure against plan. A report will be submitted on any future significant expenditure that will cause a budget shortfall or exceed authorised amounts.

3.7 In an emergency the Clerk may incur expenditure outside these regulations on behalf of the Council up to the value of £300 after consultation, and with written confirmation of Chair of Parish Council or Chair of Finance Committee or Vice Chair of Parish Council, whomsoever is firstly contactable. The facts and justification shall be reported to the next Council meeting.

- 3.8 Amounts may be transferred between budgets during the financial year if approved by the Council.**
- 3.9 Capital items over the limits defined in Schedule A are not to be purchased without Council approval.**
- 3.10 The RFO will report to the Council any correspondence or report regarding financial matters as soon as practicable including, but not limited to, internal or external auditor reports, legislation changes, legal notices etc.**
- 3.11 A cash float of up to £200 may be held by the clerk for incidental expenses with all transactions recorded in a day book to satisfy audit requirements.**

4. BANKING ARRANGEMENTS AND CHEQUES

- 4.1 The Council's banking arrangements are as detailed in Schedule B. No change may be made without Council approval.**
- 4.2 All monies received by the Council must be paid into one of the listed accounts and no other.**
- 4.3 At the AGM the banking arrangements should be reviewed for efficiency and value for money. This particularly applies to interest bearing accounts.**
- 4.4 All invoices shall be verified by the Clerk as to accuracy, confirmation that the goods/services described have been received and that they comply with the Purchase Order/Contract.**
- 4.5 Once approved by the Council, or as delegated in accordance with schedule A, invoices shall be paid by cheque signed by two authorised Councillors.**
- 4.6 Payment for utilities may be made by direct debit if approved by the Council. Approval for direct debit shall be renewed by resolution of the Council every two years.**
- 4.7 Any income due, e.g. allotment income, shall be invoiced and collected each month or as it becomes due.**
- 4.8 Payments to charities or organisations supported by the Council will only be paid by cheque and into the named bank account of the**

organisation concerned. No cheques to “cash” or to a private individual are permitted.

4.9 Where a small society has no bank or building society account an alternative and acceptable method is that the Council contracts to pay for certain items or services. Invoices or receipts are then submitted to the Council for direct payment. This arrangement may also be used in other circumstances with the approval to the Finance Committee.

5. PURCHASE ORDERS AND CONTRACTS

5.1 Purchase Orders and Contracts for goods or services shall only be initiated by the Clerk and communicated in writing by letter, e-mail or fax. Where verbal orders are given these must be confirmed by the above means as soon as practicable. (It should be noted that the law does not differentiate between verbal and written orders. They are equally binding provided there is a process of offer and acceptance as legally defined.) The Council will endeavour in all cases to support local businesses.

5.2 All Orders shall be sequentially numbered and quoted as an LPC Order Number in every communication, including verbal. The Clerk will control the issue of Order Numbers.

5.3 Copies of all orders and contracts shall be kept in the Parish Office and must not be removed in any circumstances. Where the need arises for out of office access copies shall be made for this purpose or transmitted by electronic means.

5.4 At all times Orders shall be placed to achieve best value for the Council. The mandatory requirements for competitive bidding are stated in Schedule A. When not mandatory continuous efforts must be made to do business with the most competitive suppliers.

5.5 As the Council has limited resources it is accepted that normal public sector competitive bidding processes are inappropriate. The following process shall be adopted.

- A description of goods or services required shall be specified in terms of the end result or performance required.**
- Bids shall be requested by a specific date and kept sealed until all are obtained.**
- Bids should be opened in the presence of the Clerk and at least one member of the Finance Committee.**

- **The bids should be evaluated on the basis of price and best value for money.**
- **For small items and where appropriate an annual contract should be considered.**

6 ASSETS AND PROPERTY

- 6.1 The Clerk shall keep safe custody of all title deeds and property, the clerk may lodge the documents at the bank. The RFO shall ensure an accurate record and that the Council complies with Accounts and Audit regulations.**
- 6.2 No property may be sold or leased without the Councils approval.**
- 6.3 The RFO shall ensure an accurate Register of Assets and investments is kept up to date and reviewed annually.**

7 INSURANCE AND RISK ASSESSMENT

- 7.1 An annual risk assessment shall be made and the Council acquainted with any not covered by existing Insurance Policies together with a recommendation for any change.**
- 7.3 Every three years Insurance requirements should be reviewed and subject to a competitive bid procedure.**