

# INSTOW PARISH COUNCIL

## FINANCIAL REGULATIONS

*(Reviewed and amended by IPC –minute 14b 18.4.2024)*

**1. Book Keeping and Accountancy:** The Clerk will be responsible for carefully accounting for, and recording, all receipts and payments of the Council, will retain all vouchers and receipts and will ensure payment of all monies authorised by the Council and receipt of all monies due to the Council. The Clerk will not incur expenditure not authorised by the Council.

*(Origin: Clerk's Contract of Employment)*

**2. Responsible Financial Officer (RFO) and Internal Auditor (IA):**

a) Instow Parish Council will appoint a RFO and IA, who *cannot* be one and the same person. The Clerk will be the RFO and the IA will work closely with the Clerk and vice versa.

b) The RFO/IA will work in accordance with his/her terms of reference as laid down by The Audit Commission.

c) Instow Parish Council will reimburse the IA at a rate of up to £100 per hour to a maximum of £300 per annum plus VAT.

d) The IA will work to the Audit Commission's suggested approach to IA testing.

e) The IA is directly responsible to the Council and not the public – he/she is a consultant and is not employed by the Council.

*(Origin: Standing Order 19, Audit and Accountancy Regulations 1995 & The Audit Commission)*

**3. Audit:** The RFO/Clerk and IA will work together in the preparation of the appropriate audit paperwork, liaise with the District Auditor as necessary and have the obligatory notices exhibited throughout the Parish in accordance with regulations.

*(Origin: Audit etc Regulations/District Audit)*

**4. Expenditure:** Orders for the payment of money shall be authorised by resolution of the Council and signed by two members except that, when authorised by the Council, payments may be made by debit card by the Clerk.

*(Origin: Standing Order 51)*

**5. Accounts and Financial Statements: -**

a) Except as provided in paragraph (b) below, or by statute, all accounts for payment and claims upon the Council shall be laid before the Council by the Clerk at the first meeting following receipt.

b) Where it is necessary to make a payment before it has been authorised by the Council, the Clerk shall certify such payment as to its correctness and urgency. Payments will include HMRC/VAT and South West Water, plus items payable by Direct Debit, including Booker Wholesale, NEST pension., Worldpay and AIBMS.

Unless it has been authorised by the Council, payment shall be authorised by the committee, if any, having charge of the business to which it relates or by the Chairman or Vice Chairman of the Council.

c) All payments authorised under sub paragraph (b) above, or made without prior authority of the Council, shall be separately included in the next schedule of payments laid before the Council.

d) The Clerk will provide, and present at the Annual Parish Meeting, a Draft Statement of Accounts for the preceding financial year for the information and attention of Councillors and interested parishioners.

e) The Clerk will supply to each member at the ordinary meeting next after the end of each six months in a Financial Year a statement of receipts and payments during the six months and cumulatively.

*(Origin: Standing Order 51, 53 and 54 and Working Practices)*

#### **6. Council Finance Working Party:**

a) The Council will appoint a Finance Working Party (normally 4 Councillors) to consider all major or complex financial issues and to make recommendations to the Council thereon.

b) The Finance Working Party will prepare an annual budget to be submitted to the Council for approval before the start of the year to which the budget relates.

b) The Finance Working Party members will normally be the cheque signatories, two of whom will be required to sign every cheque and initial the stub of each cheque so signed.

*Origin: Standing Order 64*

#### **7. Council Internal Audit Control:**

a) The Clerk will carry out a bank statement reconciliation on a quarterly basis which will be checked by a member of the Finance Working Party who will report his/her findings at the next Parish Council meeting.

b) The Draft Statement of Accounts referred to in paragraph 5(e) will be passed to the IA for audit.

*(Origin: As advocated by The Audit Commission)*

#### **8. Risk Assessment/Insurance:**

a) Council should appoint a Councillor as a “Risk Assessment” responsible Councillor who shall advise the Council at all times on matters of risk particularly when financial/insurance implications are of concern.

b) He/she will also, in liaison with The Clerk, advise Council annually (when the Public Liability Insurance is due for renewal) so as to ensure Council is adequately covered for all perceived eventualities.

*(Origin: Audit etc Regulations/Audit Commission etc)*

**9. Marine Car Park – Monies:** The Clerk will attend, at least once per week throughout the year, the Marine Car Park and empty the meter and make a record of the money taken since the previous visit.

*(Origin: Clerk’s Contract of Employment)*

#### **10. Contract Procedure: -**

a) Contracts made by Council (or one of its committees) must be made in accordance with Standing Orders. The contract procedure must, in the case of contracts for the supply of goods or materials or for the execution of works, provide for securing competition and for regulating the way in which tenders are invited but may exempt small contracts from such rules or permit the Council to make an exemption in a particular case.

b) As a general rule two members of Council, under authority of a resolution, should sign contracts of a substantial nature.

*(Origin: - Local Government Administration (6th Edition) by Charles Arnold-Baker and Standing Order 86)*

#### **11. Contractors**

The Clerk is able to engage contractors to undertake agreed work, up to the value of £500.

The nature of the work and the cost should be agreed in advance with two authorised signatories.

#### **12. On- line banking/payments**

The Clerk is authorised to make payments by BACS. The new payee should be confirmed by one other authorised signatory. BACS payments can only be made after the expenditure has been agreed by the Parish Council.

**13. Financial Regulations:** Council will review these Regulations annually.

*Reviewed and amended by Instow Parish Council –minute 14b 18.4.2024.*