

Sopley Parish Council

Financial Regulations 2017-2018

These regulations shall govern all financial management issues and transactions of the Council. They may only be amended or varied by formal resolution of the full Council.

Responsible Finance Officer

The Council will appoint a responsible finance officer (whose role may be combined with that of Parish Clerk) to take day-to-day responsibility for the management of the Parish's financial affairs. The finance officer / Parish Clerk will be salaried – with payment based on an employment contract of 60hrs per month at an hourly pay rate linked to a fixed local authority spinal column point and subject to an annual review by the finance committee. Payment of salary and out-of-pocket expenses will normally be made on a monthly basis. The Council will be liable for the correct deduction and payment of any income tax and national insurance contributions arising from the finance officer / Parish Clerk's salary.

For the financial year 2017/2018, the agreed gross rate of pay for the Parish Clerk will be based on SCP22 of the national NALC / Local Authority Pay Scales (currently £10.20 per hour).

Finance Committee

A finance committee consisting of 4 elected members (plus the finance officer) shall be appointed on an annual basis at the May meeting of the council. The finance committee will supervise the management of the Council's financial affairs through appropriate budgetary monitoring and control measures in accordance with Audit Commission guidance. The committee will meet as needed during the year and specifically in November to prepare a draft budget and recommend the precept level for the following year. Its principal responsibilities will be:

- i) Assisting the Council in the setting of the annual budget requirement by producing a draft budget based upon realistic estimates of approved and planned expenditure and recommending an appropriate precept level in good time to meet the key dates in the District Council's budget setting timetable.
- ii) Endeavour to ensure that the Council maintains a reserve fund that would be sufficient to meet its average expenditure over a future period not exceeding 18 months duration.
- iii) Advising the Council in respect of its exercise of fund-raising authority under Section 137 of the Local Government Act 1992.
- iv) Advising the Council in respect of other potential sources of revenue including grant applications and statutory borrowing powers.
- v) Monitoring expenditure against the annual budget plan and reporting any significant variance to the full council.
- vi) Ensuring that all financial transactions of the Council are carried out and recorded in accordance with standard accounting practices and Audit Commission guidance.
- vii) Appointing an independent internal auditor.
- viii) Overseeing the preparation of the annual accounts for audit purposes and implementing any recommendations of the internal and external auditors.

All recommendations made by the Finance Committee must be examined and endorsed by the full Parish Council at their next scheduled meeting.

Banking Arrangements

The Council shall maintain current and deposit accounts with a reputable bank or building society. The standards of service and rates of interest offered by the bank or building society will be reviewed by the finance officer on an annual basis and a recommendation made to the finance committee regarding the continuation or alteration of the banking arrangements. A separate savings account will be maintained for charitable income derived from the rents received from the former allotment land at Thatchers Lane, Shirley.

Payments from Council Accounts

Payments from the Council's current account will be made by cheque, with a minimum of two authorised signatures necessary for validation. When possible, the finance officer will present cheques (and supporting invoices) to Council members for signing at the regular Council meetings – but payments that are due between scheduled meetings may be signed-off by authorised members by prior arrangement. Alternatively where available the RFO will be able to use Online banking to make payments by BACS, after approval at the Council meeting and signed by the Chairman at every meeting.

Income

The collection of all income / monies due to the Council will be the responsibility of the finance officer. All income will be receipted and banked in the appropriate account at the earliest convenience. Any outstanding debts will be reported to the Council at the next scheduled meeting.

Maintenance of Accounts

The finance officer will maintain an up-to-date ledger recording all financial transactions and will prepare and submit to the finance committee and Council, quarterly and annual summary reports detailing income, expenditure, outstanding commitments and current balances. The Parish ledger will be regularly balanced against bank statements and a record of the reconciliations shall be retained for audit purposes. The finance officer will also retain all original receipts, invoices, cheque stubs and paying-in books to provide a complete audit trail to support the ledger entries.

Contracts and orders for goods and services

In all financial dealings, the Council and its officers shall endeavour to obtain best value in respect of goods and services purchased. To achieve this aim, the Council will source goods and services of an appropriate quality and standard at the best available price by making reasonable comparisons between alternative suppliers. Purchases / contracts to a value not exceeding £200 may be made on the basis of verbal quotation, those between £200 and £1000 in value shall be made after receipt of a formal written quotation and any potential transactions that exceed £1000 in value may only be agreed after seeking competitive written tenders from at least two alternative suppliers. Wherever possible, the Council will seek to place orders with local businesses and tradesmen. Contracts for the supply of regular services (such as cleaning, grounds maintenance etc) shall be awarded for a maximum term of three years with an annual performance review.

At the end of each three-year term, the contract will be subjected to market-testing / re-tendering as appropriate.

Where the Council contracts with an individual to provide a regular service, it will take steps to ensure that the contractor employed is correctly declaring his earnings to HMRC for tax and national insurance purposes. In the event that the contractor cannot demonstrate that he / she is registered with HMRC as self-employed, the Council will make the necessary deductions of tax and NI at source and pay the contractor net of these deductions.

V.A.T.

The finance officer will be responsible for the accurate recording of any V.A.T. paid in respect of Council transactions and will retain all V.A.T. receipts in order to periodically submit a claim to H.M. Customs and Excise to recover any tax paid – in accordance with current legislative guidance.

Assets

The finance officer will be responsible for maintaining an accurate asset register of all goods and property owned by the Council. In addition to asset description / serial numbers etc, the register shall record the known / estimated date of acquisition, original and current value and suggested dates for maintenance / disposal / replacement. This information will be used to ensure that adequate insurance cover is available for all Council assets and that the annual budget setting process takes account of any planned asset maintenance / replacement costs in the coming year.

Leases

The Parish Clerk will be responsible for the custody of all leases and title deeds. The finance officer will maintain a record of the annual values and expiry dates of any leases entered into by the Council, which will be used to inform the annual budget setting process.

Risk Assessment and Insurance Cover

The Council will conduct an annual risk assessment of all of its principle assets and activities and will ensure that it has appropriate insurance cover in respect of public liabilities, loss of / damage to it's assets and fidelity guarantees. The finance officer / Parish Clerk will be responsible for ensuring that insurance cover is maintained with a reputable public-sector insurance company and that premiums are paid promptly to ensure continuous cover. The Parish Clerk will immediately notify the Council Chairman and the insurance company of any losses incurred / claims made against the Council and full details will provided to the Council at their next scheduled meeting.

The above regulations were formally reviewed and agreed by a meeting of the Parish Council Finance Sub-Committee on 23rd November and subsequently endorsed and approved at the meeting of the full Council of Sopley Parish held on 23rd November 2017

It has been noted in the minute book that they are next due to be formally reviewed at the meeting of the finance committee in November 2017.

Signed Council Chairman

Signed Parish Clerk

Date