# ORTON PARISH COUNCIL

# Financial Regulations 2019

1.1 These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council.

1.2 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.

1.3 The council’s accounting control systems must include measures for the timely production of accounts; the safe and efficient safeguarding of public money; the prevention and detection of fraud and identifying the duties of officers.

1.4 The Responsible Financial Officer (RFO) holds a statutory office and the clerk has been appointed RFO for this council.

1.5 The RFO acts under the policy direction of the council and administers the council’s financial affairs in accordance with all Acts, Regulations and proper practices. The RFO determines on behalf of the council its accounting records and practices, maintains the accounting records of the council up to date and assists the council to secure economy, efficiency and effectiveness in the use of its resources.

1.6 The accounting records shall show and explain the council’s transactions and that these transactions comply with all Accounts and Audit Regulations.

1.7 The accounting records shall contain entries from day to day of all sums of money received and expended by the Council and a record of the assets and liabilities of the Council.

1.8 The accounting control systems determined by the RFO shall include procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable. These procedures should enable the prevention and detection of fraud and the ability to reconstruct any lost records. Measures should be in place to ensure that risk is properly managed.

**Accounting and Audit**

2.1 All accounting records and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return as soon as practicable after the end of the financial year.

2.3 The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.

2.4 The internal auditor appointed by the Council shall be competent and independent of the Council in all respects.

2.5 The RFO shall make arrangements for the exercise of elector’s rights in relation to the accounts including the opportunity to inspect the accounts, books and records and display or publish any notices and statements of account as required by law.

2.6 The RFO shall, without any undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

**Annual Estimates (budget)**

3.1 The RFO must each year, by no later than 31st December, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Council.

3.2 The Council shall fix the precept not later than by the end of January each year.

**Banking Arrangements and Authorisation of Payments**

4.1 The Council’s banking arrangements shall be approved by the Council and shall regularly be reviewed for safety and efficiency. The Council will make safe and efficient arrangements for the making of its payments. Cheques shall be signed by the RFO and two other authorised councillors and the signatories shall also initial the cheque counterfoil. Cheques shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.

4.2 Payments for utility supplies (energy and water for example) may be made by variable direct debit or standing order provided that the payments are reported to the council as and when made.

4.3 The Council will not maintain any cash float and all cash received must be banked intact.

**Payment of Salaries**

5.1 The Council shall pay all salaries in accordance with the rules relating to PAYE and National Insurance and salary rates must be agreed by the Council.

**Income**

6.1 The collection of all sums due to the Council shall be the responsibility of the RFO.

6.2 The RFO shall obtain any refund of VAT that may be due to the Council each year.

6.4 All Councillors and the RFO are responsible for obtaining value for money at all times and three estimates for major items of expenditure should be obtained.

**Contracts**

7.1 Every contract shall comply with these Financial Regulations.

7.2 The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

**Assets and Property**

8. The clerk shall make appropriate arrangements for the safe custody of all title deeds and securities and shall keep an up to date Asset Register. The Asset Register shall be reviewed each year by the Council.

**Insurance**

9. The RFO shall ensure that proper and adequate insurance policies are in place and shall carry out an appropriate risk assessment each year.

**Revision of Financial Regulations**

10.1 It shall be the duty of the Council to review the Financial Regulations from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for amendment to the Regulations.

10.2 The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of the Council.

November 2019

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