East Dean & Friston Parish Council

Date: 5 March 2020

Title: Report Item 8a – Updated Financial Regulations

By: Kevin Godden – Lead Member for Finance

Purpose: Approve the Council's updated Financial Regulations.

Recommendations: Members are asked to approve the amendments to the standard Financial Regulations provided by NALC in July 2019 for adoption by the Council.

Introduction

1. This report sets out the amendments of the model financial regulations provided by the National Association of Local Councils (NALC) I July 2019.

Financial Regulations

2. Financial Regulations are put in place and to ensure that there are a number of rules that safeguard the Council's resources and protect it from risk. We have set out a summary of the recommended Financial Requirements in Appendix A and have highlighted our amendments through tracked changes from the NALC model regulations.

3. Members are reminded that the Council is a relatively small authority and has only a Clerk and an Admin Officer with no separate Responsible Finance Officer (RFO) which is referenced in the model document. For the avoidance of doubt, the RFO for the Council is the Clerk. Where there is a conflict, we have substituted the RFO for the Chairman of the Council.

Key Changes from Model Form

4. The Financial Regulations adopted in June 2018 were a summary of the model documents which had 5 pages compared to the current model of 19 pages.

5. Although perhaps easier to comprehend, we have decided that the new model regulations should be used as it provides more detail and clarification on processes and procedures and greater coverage to protect the Council, its Clerk and Members.

6. A summary of the key changes to be highlighted to you on recommended changes from the model are shown in Appendix B. Members are invited to review these amendments and the other textual changes to the model Regulations and propose changes as they see fit.

Appendix B – Summary of Changes to Model Financial Regulations

4.1 – all items of budgeted expenditure require Council approval

4.3 – unspent budgets will be returned to cash reserves

4.5 – urgent expenditure of no more than £500 at any one time may be made by the Clerk with the agreement of the Chairman and reported to the next council meeting

5.1 - Banking arrangements will not be delegated to any committee or individual other than the Clerk

5.2 - Invoices are not required to be checked by Members prior to authorising expenditure and a written list of cash movements for the purpose of authorising payments before they are paid is sufficient.

5.6 – no automatic payments that will be the same throughout the year will be paid each month without the authority of the Council in accordance with 5.2 above

6.4 – Cheques or Orders will need to be signed by the Clerk and an authorised Member.

6.7 – Payments by direct debits or standing orders will not be paid without the monthly approval of council.

6.10 – Payments made by internet banking will record the Officer and Member that approved the actual payment.

6.22 – no petty cash will be held by the Clerk or other Officers

7.6 – An effective system of personal performance management should be maintained for all officers not just senior officers

9.10 – There are no payments, income or property relating to a charitable trust so this is deleted

11.1.h – table has replaced text on financial thresholds and is subject to a separate report on the agenda

13 – Stores and Equipment – not required.

16. Charities – not relevant and deleted