

FINANCIAL REGULATIONS

1. GENERAL RESPONSIBILITIES

- a) These Financial Regulations govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council. It shall be the duty of the Finance Committee to review the Regulations from time to time and make such recommendations to the Council as are required.
- b) The Parish Clerk is, for the purposes of the Accounts and Audit Regulations in force and any similar enactment or modification thereof, hereby appointed as the Council's "Responsible Financial Officer" (RFO) and as such is responsible for monitoring compliance with the Council's Financial Regulations and to ensure correct financial systems are in place.
- c) The RFO shall be responsible for the production of all financial management information.
- d) The RFO shall report to the Council on any matter affecting current or future Government Grants.
- e) Any Officer who becomes aware of financial irregularities or suspected / potential irregularities or of any circumstances which may suggest the possibility of such irregularities shall immediately notify the RFO.
- f) In any case where financial irregularities are suspected by the RFO, either directly or on information supplied by another Officer, the RFO shall, make whatever investigations she thinks appropriate and if satisfied that irregularity exists she shall immediately inform the Chairman and Vice-Chairman of the Finance Committee and where necessary the County Auditor
- g) Any Officer who proposes making to the Committee a recommendation effecting the finances of the Council shall draw this matter specifically to the attention of the RFO for her information as soon as practicable and in any event not less than three working days before notice of the Meeting of the Committee is circulated to Elected Members.

2. ACCOUNTING AUDIT AND RECORDS

- a) The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Finance Committee. These shall be produced for external audit in accordance with the regulations.

The following principals shall be observed in connection with accounting duties:

- The duty of providing information, calculation, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them.

2.

- Officers charged with the duty of examining and checking the accounts of cash transactions should as far as is practicable not be engaged in any of those transactions.
- b) The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulation in force, any Officer or Member of the Council shall, if the RFO requires, make available such documents to the Council which relate to their accounting and other records as appear to the RFO with such information and explanation as the RFO considers necessary of that purpose.
- c) As the RFO the Parish Clerk shall have authority to determine the relevant accounting systems, the form of accounts and supporting accounting records of the Council in accordance with the Accounts and Audit Regulations in force at that time.
- d) In particular such records shall contain entries from day to day of all sums of money received and expended and the matters to which the income and expenditure or receipts or payments account relate; a record of the assets and liabilities of the Council, and a record of income and expenditure in relation to claims made or to be made for contribution, grant or subsidy from any Government Department or European Community Institution.
- e) The accounting control systems determined by the RFO shall, in accordance with the Accounts and Audit Regulations include:
- Measures to ensure that financial transactions are recorded as soon and accurately as reasonably practicable, measures to enable the prevention of inaccuracies and frauds and the ability to reconstitute any lost records, identification of the duties of Officers dealing with financial transactions and divisions of responsibilities to those officers in relation to significant transactions, and,
 - Procedures for uncollectible amounts, including bad debts, not to be written off except with the approval of the Council. Such approval to be shown in the accounting records.
- f) The RFO shall confer with the Council before introducing any new books, forms or procedures relating to accounting, costs or storage records or the payment or collection of monies and it shall be the duty of the RFO to see that a uniform system is adopted as far as possible. Where the Councils accounts are computerised the RFO will be familiar with the system in place.
- g) The RFO shall appoint an Independent Internal Auditor who is competent and independent of the financial controls and procedures and who will report to council on weaknesses in their day to day financial system and therefore provides a management service to the council.

3.

3. CONTRACTS

- a) Every contract made by the Parish Council or by a Committee to which the power of making contracts shall have been delegated shall comply with these Standing Orders and no exception from any of the following provisions of these Standing Orders shall be made otherwise than by direction of the Council.
- b) Before entering into a contract the Supervising Officer shall prepare an estimate in a suitable manner of the probable expense of executing the work or providing the goods materials and services and of the annual expense of maintaining the same.
- c) No contract for the supply of goods or materials or for the execution of works for the provision of services whether to be supplied or executed at any one time or during a specified period shall be let unless:
- For contracts where the estimated value does not exceed £1,000 it shall be left to the discretion of the RFO (taking into account value for money considerations and Financial Regulations) to decide whether or not quotations shall be sought.
 - For contracts where the estimated value exceeds £1,000 but does not exceed £10,000 there shall be a minimum of two quotations sought, and full details be recorded in a permanent identifiable record which must be maintained for audit purposes containing full information of quotations in a manner approved by the Audit manager. Quotations in this category shall be received by a specific date in a plain, sealed envelope and shall be opened at one time and initialled by the RFO.
 - For contracts where the estimated value exceeds £10,000 the Council has had regard to central government guidance on procurement and the Council's own procurement strategy. The number of persons invited to tender for such contracts is:
 1. Where the estimated value of the work exceeds £10,000 but does not exceed £20,000 to at least three persons.
 2. Where the estimated value of the work exceeds £20,000 but does not exceed £50,000 to at least four persons.
 3. Where the estimated value of the work exceeds £50,000 but does not exceed £100,000 to at least five persons.
 4. Where the estimated value of the work exceeds £100,000 to at least six persons.
- d) In the case of specialist suppliers for goods, services and works, it is recognised that individual circumstances will dictate the number of quotations which can be obtained. Wherever practicable attempts should be made to obtain a minimum of three quotations. If it is not practicable to obtain this the Council must be invited to authorise departure from Standing Orders.

4.

4. LOANS AND INVESTMENTS

- a) All loans and investments shall be negotiated by the RFO in the name of the Council, and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Finance Committee at the earliest opportunity.
- b) All investments of money under the control of the Council shall be in the name of the Council.
- c) All borrowing shall be effected in the name of the Council.
- d) All investments certificates and other documents relating thereto shall be retained in the custody of the RFO.

5. INCOME

- a) The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO, who will ensure all money due to the Council is billed and collected promptly.
- b) Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- c) The Council will review all fees and charges annually.
- d) Any bad debts shall be reported to the Finance Committee.
- e) All sums received on behalf of the Council shall be paid to the RFO for banking. In all cases all receipts shall be deposited with the Council's bankers on a weekly basis (if needed) .
- f) Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.
- g) Personal cheques shall not be cashed out of money held on behalf of the Council.

6. ORDERS FOR WORKS, GOODS AND SERVICES

- a) An official order or letter shall be issued for all works, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be maintained.
- b) Order books shall be controlled by the RFO.

5.

- c) All officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

7. ANNUAL ESTIMATES

- a) In order to form the basis of financial control for the ensuing year, annual estimates of both revenue and capital as well as income and expenditure shall be prepared by the Clerk before the end of November.
- b) The annual estimates shall be forwarded to the Finance Committee, who shall consider their aggregate affect upon the total finances of the Council and if in their opinion any estimates need to be reconsidered, there shall be a further period of consultation before the estimates are reported and approved by the Council.
- c) Annual estimates shall be considered by the Finance Committee sufficiently early to enable the Council to declare their precept appearing at the latest at the January Council Meeting. The RFO to submit the precept to the County Council and supply any breakdown requested.
- d) Situations may occur where it appears essential that the Council incur expenditure of an unforeseen nature. In order to cover such unpredictable eventualities it is appropriate for the Clerk to include in annual estimates a contingency sum. Where it becomes essential to incur expenditure not specifically provided for in the annual estimates the Clerk shall submit a written report with suitable explanation and an estimate of the costs involved to the appropriate committee for approval of the expenditure.
- e) A copy of the Annual Estimates of Income and Expenditure as approved by the Finance Committee shall be supplied to each Member of the Council at least three days prior to the appropriate meeting of the Council. When finally approved a copy of the approved estimates shall be subsequently supplied to every Elected Member.
- f) All amendments involving substantial variations proposed to works, scheme or commitments already approved must be reported to the relevant Service committee.

8. BUDGETARY CONTROL

- a) Expenditure on the revenue account may be incurred up to the amounts included in each approved service budget.
- c) No expenditure may be incurred which cannot be met from the amount provided in the appropriate service revenue budget unless a virement has been approved by the appropriate Committee or the Council.

6.

- c) The RFO shall maintain a current record of the movement of all such monies and report thereon at quarterly intervals through the quarterly budgetary review statement to the Finance Committee.
- d) The Parish Clerk may incur or authorise expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2000, further £3000 may be expended with sanction of the Chairman. The Parish Clerk shall report the action to the appropriate committee as soon as practicable.
- e) Where expenditure is occurred under such emergency powers and the sum required cannot be met from savings made elsewhere within that Service Approval Budget, it shall be subject to the provisions of a supplementary estimate approved by the Finance Committee or the Council.
- f) Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- g) No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on a capital account unless the Committee concerned are satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- h) All capital works shall be administered in accordance with the Council standing orders and financial regulations to contracts.

9. INCOME

- a) All records, books and forms relating to the collection of income (including receipt books, account forms etc) shall be issued only by the RFO.
- b) Accounts for sums due to the Council shall be rendered by the RFO.
- c) Where claims for Government Grants are prepared by Chief Officers they shall be submitted to the RFO before being forwarded to the Government Department concerned.

10. EXPENDITURE

- a) No expenditure shall be incurred or a reduction in revenue authorised by any Committee unless such expenditure or reduction in revenue is in accordance with the expressed policy, Standing Orders and Financial Regulations of the Council and is approved on the annual or any supplementary estimates approved.

7.

- b)** No expenditure which is subject to the approval of a Government Department shall be incurred until such approval has been received in writing and if the expenditure is to be funded out of borrowed/loan sanctioned monies until the necessary authorisation has been received for the loan from the sanctioning authority.
- c)** Orders for goods and services shall be in writing, on the official order form and signed by the duly authorised person. Orders by telephone must be confirmed no later than the next working day by the official written order.
- d)** All accounts and claims are to be checked as follows:
 - That goods have been received or work has been executed.
 - That it is in accordance with quality and price as ordered.
 - That the invoice adds up correctly, and
 - After such checks have been duly endorsed by the parish clerk, it is then paid.
- e)** Proper authorisation/certification and the appropriate allocation or coding of expenditure in such format as required by the RFO shall be included on all accounts before they paid.
- f)** The RFO shall scrutinise the accounts to test the payments are duly authorised and shall call the attention of the appropriate person and, if necessary the Committee concerned to any accounts which do not appear to be in order.
- g)** The RFO shall have authority to pay all accounts and claims as they become due providing these are in order and that the expenditure has been incurred in accordance with Standing Orders and Financial Regulations and duly authorised by the Committee concerned.
- h)** Payments, together with all accounts and claims paid by the RFO shall be submitted to the following Meeting of the Council.
- i)** The RFO shall report upon any account as may be required by the Council.
- j)** Immediately upon payment each invoice shall be cancelled by means of entering the cheque number, and duly initialled by the clerk dealing with the payment.
- k)** The RFO shall keep records of employees absences, holidays, overtime, appointment , resignations and dismissals and be responsible for calculations and payments of salaries and wages including bonus, superannuation, national insurance and income tax.
- l)** The RFO shall ensure the safe custody of all cheques.

8.

11. **LAND AND PROPERTY**

- a) The Parish Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. She shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations in force.
- b) No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

12. **INSURANCES**

- a) The RFO on the directions of the Finance Committee, shall effect from time to time all necessary insurance against fire and other risks. These are risks which need to be covered by insurance and property/vehicles acquired, rented or leased under their control which should be similarly insured against fire or such other special perils or risks as may be required and also advise of the amount of cover which is needed for new insurances or for any alterations required to existing insurances.
- b) The RFO shall make all claims arising out of insurance and the appropriate officer must furnish the RFO immediately with full particulars of any occurrence involving actual or potential loss to the Council or arising out of which a claim may be made against the Council which is covered by insurance and shall furnish as soon as possible an estimate of the cost in making good any damage and such further particulars as necessary.
- c) The RFO shall review annually the scope of cover under existing policies in force relating to services under the Council's control and shall then subsequently report through the Finance Committee with any suggestions for additional or modifications for the existing insurance cover.
- d) The RFO shall be notified immediately any loss, liability, damage or any event likely to lead to a claim either for or against the Council.

13. **BANKING ARRANGEMENTS AND CHEQUES**

- a) The Council's banking arrangements shall be made by the RFO and approved by the Finance Committee. Such accounts as are deemed appropriate shall be maintained at the bank. All monies received and expended by the Council shall be banked regularly (daily if necessary).

9.

- b)** A schedule and such other books/records of the payment of money shall be prepared by the RFO and together with the relevant invoices etc. presented to the Finance Committee. If the schedule is in order it shall be authorised by a resolution of the Finance Committee and signed by the Chair or Vice Chairman.

14. PAYMENT OF ACCOUNTS

- a)** Apart from petty cash payments all cheque payments must be authorised by a minimum of two members, in accordance with the Bank Signatory Mandate .Following resolution of the Council certain payments may be made by internet banking transfer providing evidence is retained showing who approved payment.
- b)** No employee or Councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by Council or duly delegated committee.
- c)** Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question. (DCC back-up).
- d)** The Council, and any members using computers for the Council's financial business shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security is used.
- e)** Where internet banking arrangements are made with any bank, the Clerk(RFO) shall be appointed as Service Administrator. Access to any internet banking accounts will be directly to the access page (saved under favourites) and not through a search engine or email link. Saved passwords facilities must not be used on any computer used for council banking work.
- f)** Any corporate credit card or trade card account opened by the council will be specifically restricted to use by Clerk and other Council employees as directed by Clerk subject to payment in full each month
- g)** All invoices for payment shall be examined, verified and certified. Before certifying an invoice the officer shall satisfy herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

h)Duly certified invoices shall be passed to the Clerk who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure account. They shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt. All duly certified invoices will then be entered on the schedule. The Clerk prior to submission to the Council shall authorise the schedule and certify accordingly.

10.

- i) The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses, Vouchers for payments shall be forwarded to the RFO with a claim for reimbursement.
- The RFO shall maintain a reasonable level of petty cash floats, respectively at the Glebe Office for the purpose of defraying operational and other expenses. Vouchers for petty cash payments shall be kept to substantiate the payment.
 - Income received must not be paid into the petty cash float but must be separately banked.
 - Payments to maintain the petty cash shall be shown separately on the schedule of the payment of money presented to the Finance Committee.

15. PAYMENT OF SALARIES AND WAGES

- a) The payment of all salaries and wages shall be through an approved agent on behalf of the appropriate RFO in accordance with payroll records.
- b) All time-sheets shall be certified as to accuracy by or on behalf of the appropriate Section Heads.
- c) Payments for salaries and wages shall be shown separately on the schedule of the 'payment of money' presented to the Council.