

HORNINGLOW AND ETON PARISH COUNCIL

FINANCIAL REGULATIONS

(Reviewed May 2015)

1.0 GENERAL

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. The clerk/responsible financial officer (RFO), under the policy direction of the council shall be responsible for the proper administration of the councils financial affairs. The clerk/RFO shall be responsible for the production of financial management information.

2.0 ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the clerk/RFO.
- 2.2 The council shall confirm the estimates not later than the end of October each year and shall fix the precept to be levied for the ensuing financial year.
- 2.3 The annual budget shall form the basis of financial control for the ensuing year.

3.00 BUDGETARY CONTROL

- 3.1 The clerk/RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.2 The clerk may incur expenditure on behalf of the council, for the supply of goods and services within budgetary provisions subject to a limit of £500.
- 3.3 The clerk in consultation with the chairman may incur expenditure on behalf of the council, for the supply of goods and services whether or not there is any budgetary provision for the expenditure, subject to a limit of £1000 in an emergency involving danger to community life, health or property.
- 3.4 The clerk shall report expenditure in 3.2 and 3.3 as soon as practicable.
- 3.5 Unspent provisions shall be carried over to the following year.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available.
- 3.7 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.00 ACCOUNTING AND AUDIT

- 4.1 All accounting and procedures and financial records of the council shall be determined by the clerk/RFO as required by the Accounts and Audit Regulations.
- 4.2 The clerk/RFO shall be responsible for completing the annual financial statements of the council as soon as practicable after the end of the financial year and shall submit them and report thereon to the council.
- 4.3 The clerk/RFO shall be responsible for completing the accounts of the council contained in the annual return (as supplied by the auditor appointed from time to time by the Audit Commission) and for submitting the annual return for approval and authorisation by the council within the timescales set by the Accounts and Audit Regulations as amended or set by the Auditor.
- 4.4 The clerk/RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations as amended.
- 4.5 The internal auditor shall carry out the work required by the clerk/RFO, or by the council, with a view to satisfactory completion of the internal auditor's report section of the annual return as complicated annually by the Audit Commission. The internal auditor, who shall be competent and independent of the operations of the council, shall report to the council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The clerk/RFO shall make arrangements for the opportunity for inspection of the accounts required by the Audit Commission Act and the Accounts and Audit Regulations.
- 4.7 The clerk/RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the internal or external auditor, unless the correspondence is of a purely administrative matter.

5.00 BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The council's banking arrangements shall be made by the clerk/RFO and approved by the council. They shall be periodically reviewed for efficiency.
- 5.2 The payments required, shall form part of the agenda for the meeting and are presented by the clerk/RFO, together with the relevant invoices to the council.
- 5.3 Cheques drawn on the bank account shall be signed by two members of the council.
- 5.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil, the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

6.00 PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or direct debit drawn on the council's bankers. Direct debts/standing order payments will be approved at the next available council meeting.
- 6.2 All invoices for payment shall be examined, verified and certified by the clerk/RFO. The clerk shall satisfy herself that the work, goods and services, to which the invoice relates, shall have been received, carried out, examined and approved.
- 6.3 The clerk/RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The clerk shall take all steps to settle all invoices submitted and which are in order at the next available council meeting.

6.4 If payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts, and the due date of payment is before the next scheduled meeting of the council, the clerk/RFO may take all steps necessary to settle such invoices provided that such payments are reported to the next appropriate meeting of the council.

6.5 The council will not maintain any form of cash float. All payments made in cash by the clerk/RFO shall be refunded on a regular basis, at least quarterly via an expense claim form.

7.0 PAYMENT OF SALARIES AND EXPENSES

7.1 The Payment of all salaries and expenses shall be made in accordance with payroll and expenses records under the rules of PAYE and National insurance currently operating, salaries and expenses shall be agreed by the council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for Tax, National Insurance, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available council meeting.

8.00 LOANS AND INVESTMENTS

8.1 All loans and investments of money under the control of the council shall be in the name of the council.

8.2 All borrowing shall be in the name of the council, after obtaining any necessary borrowing approval.

9.00 INCOME

9.1 The collection of all sums due to the council shall be the responsibility of and under the supervision of the clerk/RFO.

9.2 The clerk/RFO shall be responsible for the collection of all accounts due to the council.

9.3 The council will review fees and charges annually.

9.4 All sums received on behalf of the council shall be banked intact. In all cases, all receipts shall be deposited promptly. The origin of each receipt shall be entered in the paying in slip.

9.5 The clerk/RFO shall complete any VAT return that is required at least annually coinciding with the financial year end.

10.00 ORDERS FOR WORK, GOODS AND SERVICES

10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared .

10.2 All members and officers are responsible for obtaining value for money, at all times. The clerk when issuing an official order shall ensure as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction, usually be obtaining three quotations or estimates from appropriate suppliers. These quotations can be verbal in the first instance.

11.00 CONTRACTS

- 11.0 Where is intended to enter into a contract exceeding £10000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services, the clerk shall invite tenders from at least three firms.
- 11.1 Where the value of any contract is over £10000 the clerk/RFO shall publicise the intention to enter into the contract and a parish council meeting. The clerk/RFO will also display a public notice.

12.0 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the clerk/RFO upon authorised certificates that the work has been completed.
- 12.2 Any variations to a contract must be approved by the council and the clerk to the contractor in writing.

13.00 STORES AND EQUIPMENT

- 13.1 The clerk shall be responsible for the storage of equipment
- 13.2 Delivery notes shall be obtained in respect of all goods received and goods must be checked as to order and quality at the time delivery is made
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements
- 13.4 The clerk/RFO shall be responsible for periodic checks of stocks

14.00 PROPERTIES AND ESTATES

- 14.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council, recording the location, purchase details, rents payable etc
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law

15.0 INSURANCE

- 15.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council. The clerk/RFO shall affect all insurances and negotiate all claims on the councils insurers.
- 15.2 The clerk shall give prompt notification to the council of all new risks, properties and equipment that is required to be insured and of any alterations affecting existing insurances.
- 15.3 The clerk/RFO shall keep a record of all insurances affected by the council and the property and risks covered thereby and annually review it.
- 15.4 The council shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the next available meeting.
- 15.5 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance, which shall cover the maximum risk exposure as determined by the council

16.00 RISK MANAGEMENT

16.1 The clerk/RFO shall prepare risk assessments.

16.2 When considering any new activity the clerk/RFO shall rise any risk management issues for the council to consider

17.00 REVISION OF FINANCIAL REGULATIONS

17.1 It shall be the duty of the full council to review the financial regulations of the council from time to time.