

SLYNE WITH HEST PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on Monday 17 March 2008 (minute ref. 1071) , are reviewed annually and have been revised as deemed appropriate.

1. GENERAL

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. 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 financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.

1.2. The Responsible Financial Officer (RFO) is a statutory office and the Clerk has been appointed the RFO for this council. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices.

The RFO shall determine on behalf of the Council its accounting records and accounting control systems. The RFO shall ensure that the accounting systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.

1.3. The RFO shall produce financial management information at each monthly meeting.

1.4 At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of section 27 of the Audit Commission Act 1998 and then in force and the Audit (Amendment) Regulations 2006 (SI 2006/54).

6. In these financial regulations the term 'proper practice' or 'proper practices' shall refer to

Guidance issued in Governance and Accountability in Local Councils in England and Wales- A Practitioner's Guide which is published jointly by NALC and SLCC and updated from time to time.

2. ANNUAL ESTIMATES (BUDGET)

2.1 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the council.

2. The Council shall review the budget not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

3. The annual budgets shall form the basis of financial controls for the ensuing year.

4. The Council shall consider the need for and have regard to a three year forecast for Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual Budget.

3. BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget.

3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure. During the budget year and with the approval of the council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.

3. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.

4. The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any

repair replacement or other work which is of such extreme emergency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £200. The Clerk shall report the action to the Council as soon as practicable thereafter.

5. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year

unless placed in an earmarked reserve by resolution of the council. By resolution of the Council reserves may be allowed to accrue for special named projects.

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, or the requisite borrowing approval has been obtained.

7. All capital works shall be administered in accordance with the Council's standing orders and

financial regulations relating to contracts.

4. ACCOUNTING AND AUDIT

4.1. All accounting procedures and financial records of the Council shall be determined by the

RFO in accordance with the Accounts and Audit Regulations.

4.2 The RFO shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.

4.3 The RFO shall complete 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 shall

submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.

4. The RFO shall ensure that there is an adequate and effective system of internal audit of the

Council's accounting, financial and other operations in accordance with the proper practices. Any member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

5. The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor shall be competent and independent of the operations of the Council, shall report in writing or in person on a regular basis with a minimum of one annual written report in respect of each financial

year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.

6. The RFO shall make arrangements for the opportunity for the inspection of the accounts, books and vouchers and for the display or publication of any notices and statements of account required by the Audit Commission Act 1998 and the Accounts and Audit Regulations.

7. The 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. BANKING ARRANGEMENTS AND CHEQUES

5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.

2. A schedule of the payments required, forming part of the agenda for the Meeting, shall be prepared by the RFO and, together with the relevant invoices be presented to the Council. If the schedule is in order it shall be authorised by resolution of the Council and shall be initialled by the Chairman of the Meeting. The detail will be shown in the minutes of the meeting. Furthermore, as the minutes are posted on the parish website, the details of payments will be accessible on the website.

3. Cheques drawn on the Bank Account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4 shall be signed by two members of the Council.

4. To indicate agreement of the details shown on the cheque and the invoice or similar Documentation, the signatories shall each also initial the cheque counterfoil.

6. PAYMENT OF ACCOUNTS

6.1. Apart from petty cash payments, all payments shall be effected by cheque or other order drawn on the Council's bankers. In urgent or special circumstances payment may be made using the debit card, held in the name of Cllr June Cohen Kingsley on behalf of the Council, by agreement of at least two account signatories. Any such transaction must be recorded and minuted at the next full parish council meeting.

6.2. All invoices for payment shall be examined, verified and certified by the RFO. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The 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.

4. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of Council, where the Clerk/RFO certifies there is no dispute or other reason to delay payment, the Clerk may (not withstanding para. 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.

5. The RFO shall maintain a petty cash float of £100 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment. Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations. Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 2. above.

6.6 If thought appropriate by the Council, payment for utility supplies and regular contractors may be made by variable direct debit provided that the instructions are signed by two members of the Council and any payments are reported to Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.

7. PAYMENT OF SALARIES

7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be agreed by Council.

2. Payment of salaries and payment of deductions from salaries such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate day stipulated in employment contracts, provided that each

payment is reported to and ratified by the next available Council meeting.

8. LOANS AND INVESTMENTS

8.1 All loans and investments shall be negotiated in the name of the Council and shall be set for a period in accordance with Council policy.

2. The Council shall consider the need for an investment policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any policy shall be reviewed at least annually.

3. All investments of money under the control of the Council shall be in the name of the Council

8.4 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.

5. Any investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

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

9.2. Particulars of all charges for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for all accounts due to the Council.

9.3. The Council will review all fees and charges annually, following a report of the Clerk.

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year

9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In

all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6 The origin of each receipts shall be entered on the paying-in slip.

9.7 Personal cheques shall not be cashed out of money held by the Council.

8. The RFO shall promptly complete any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

10. 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 or an official order would be inappropriate. Copies of orders or letters shall be retained for three years.

2. Order books shall be controlled by the RFO

10.3 All members and officers are responsible for obtaining value for money at all times. An officer 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 by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 below.

4. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

1. Procedures as to contracts are laid down as follows:

- (a) Every contract shall comply with these regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
 - (i) for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii) for specialist services such as provided by solicitors, accountants, surveyors and planning consultants;
 - (iii) for work to be executed or goods or materials to be supplied which consist of repairs for existing machinery or equipment;
 - (iv) for work to be executed or goods or materials to be supplied which constitute an

- extension of an existing contract by the Council;
 - (v) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk/RFO shall act after consultation with the Chairman and Vice Chairman of the Council);
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or only sold at a fixed price.
- (b) Where it is intended to enter into a contract exceeding £50,000 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 as are excepted as set out in para. (a), the Clerk shall invite tenders from at least three firms
- (c) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. The tender shall be returned in a marked sealed envelope which shall remain sealed until the prescribed date for opening tenders for that contract.
- (d) All sealed tenders shall be opened at the time of the prescribed date by the Clerk in the presence of at least one council member
- (e) If less than three tenders are received for contracts above £50,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring goods or materials or executing the works
- (f) An invitation to tender under this regulation shall contain reference to the Standing Orders relating to canvassing and recommendations by members
- (g) When it is to enter into a contract of less than £50,000 in value for the supply of goods, materials, works or specialist services other than goods, materials, works or specialist services as are excepted as set out in para.(a) the Clerk/RFO shall obtain three quotations; where the value is below £1000 and above £100 the Clerk/RFO shall strive to obtain three estimates. Otherwise Regulation 10(3) above shall apply.

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

12. ASSETS AND PROPERTIES

1. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a full record is maintained of all properties owned by the Council.
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, save where the estimated value of

any one item of tangible movable property does not exceed £50

3. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

13. INSURANCE

1. Following the annual risk assessment the RFO shall effect all insurances and negotiate all claims to the Council's insurers
 2. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it
- 13.3 The RFO 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 Council at the next available meeting
4. All appropriate employees of the Council shall be included in a suitable fidelity insurance which shall cover the maximum risk exposure as determined by the Council.

14. RISK MANAGEMENT

1. The Council is responsible for putting in place arrangements for the management of risk.
The Clerk/RFO shall prepare, for the approval of the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by Council at last annually
2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

15. REVISION OF FINANCIAL REGULATIONS

- 15.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time and at least every three years. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.

Reviewed February 2016 (minute ref. 2270)

Reviewed February 2017 (minute ref. 2408) no changes made

Reviewed February 2018 (minute ref. 2543) no changes made

Reviewed February 2019 (minute ref 2684) no changes made

Reviewed February 2020 (minute ref 2830) no changes made

Reviewed February 2021 (minute ref 2958) no changes made

Reviewed February 2022 (minute ref 3104) amendments adopted

