

CROWMARSH PARISH COUNCIL

FINANCIAL REGULATIONS

These financial Regulations were adopted by the Council at its Meeting held on 3rd April 2003 and amended on 13th December 2007 and subsequently on 1st October 2009, 7th October 2010, 4th October 2012, 4th September 2014 and 1st October 2015, September 2017, 4th April 2019 and 3rd September 2020. Last reviewed September 2020.

1 GENERAL

- 1.1 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.
- 1.2 The Clerk, under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information.
- 1.4 Where the Council appoints a separate Responsible Financial Officer (RFO) in addition to the Clerk, the RFO assumes responsibility for implementation of the regulations. All references to Clerk should read RFO.

2. ANNUAL ESTIMATES

- 2.1 Estimates of all receipts and payments for the year shall be prepared each year by the Clerk
- 2.2 The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.
- 2.3 The annual budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget without the Council's approval.
- 3.3 The Clerk shall provide the Council on request with a statement of receipts and payments to date under each heading of budgets, comparing actual expenditure against that planned.

- 3.4 The Clerk and Chairman 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 urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.5 The Recreation Ground Management Committee 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 urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Chairman of the Recreation Ground Management Committee shall report the action to the Council as soon as practicable thereafter.
- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year without the Council's approval.
- 3.7 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.
- 3.8 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 implemented by the Clerk as required by the Accounts and Audit Regulations 1996 as amended.
- 4.2 The Clerk 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 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 1996 as amended, or set by the Auditor.
- 4.4 The Council 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 1996 as amended. Any officer or member of the Council shall, if the Clerk or Internal Auditor requires, make available such documents of the Council which appear to the Clerk or Internal Auditor to be necessary for the purpose of the internal audit and they shall supply the Clerk or Internal Auditor with such information and explanation as the Clerk or Internal Auditor considers necessary for that purpose.

- 4.5 The Internal Auditor shall carry out the work required by the Clerk, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 4.7 The Clerk 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, CHEQUES AND ONLINE BANKING

- 5.1 The Council's banking arrangements shall be made by the Clerk and approved by the Council. The arrangements shall be regularly reviewed for efficiency.
- 5.2 A schedule of payments required, shall be prepared by the Clerk and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the Minutes of the Meeting.
- 5.3 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 Council.
- 5.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, two Councillors shall each also sign the cheque counterfoil.
- 5.5 If paying online, after authorisation, payments will be entered onto the online banking system by the Clerk. These payments will then be checked against the schedule of payments authorised at the meeting and then authorised online by two approved Councillors.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque, online payment or other order drawn on the Council's bankers. All payments must be authorised by two councillors registered as signatories with the Council's bank. Online payments may be authorised electronically by two registered councillors.

- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Council shall satisfy themselves that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The Clerk shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading.
- 6.4 The Clerk may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payment made shall be forwarded to the Clerk with a claim for reimbursement.
- a) The Clerk may maintain a petty cash float of £50 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1 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 as agreed by Council. The Council shall undertake to review the salaries of its officers annually.
- 7.2 Payment of salaries and payment of deductions from salary 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 dates, provided 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 for a set period in accordance with Council policy.
- 8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- 8.3 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 purposes.

8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

9. INCOME

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

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

9.3 The Council will review all fees and charges annually, following a report from 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. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Clerk considers necessary.

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

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

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

9.9 Where any significant sums of cash are regularly received by the Council, the Clerk shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1 All members and Officers and those delegated to act on the Council's behalf are responsible for obtaining value for money as 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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (1) below

10.2 The Clerk 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 Clerk 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

11.1 Procedures as to contracts are laid down as follows:

- (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to item (i) to (vi) below:
 - (i) for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii) for specialist services such as are 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 to or parts for existing machinery or equipment, plant and property;
 - (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 shall act after consultation with the Chairman and Vice Chairman of Council).
 - (vi) For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b) Where it is intended to enter into a contract exceeding £1000 in value for the supply of goods or materials or for the execution of works specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or Chairman shall invite tenders from at least three firms to be taken from the appropriate approved list.
- (c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d) Such invitation to tender shall state the general nature of the intended Contract and the Clerk or Chairman shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- (e) If less than three tenders are received for contracts above £1000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

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

(g) In the circumstances of an emergency or situation where immediate work is required to safeguard Council property or the safety of its employees or members of the public, the Clerk, Chairman and Vice Chairman together may approve expenditure as appropriate to remedy the immediate danger without recourse to tenders”.

12. 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 upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to an percentage withholding as may be agreed in the particular contract).

12.2 Where contracts provide for payment by instalments the Clerk shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.

12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. PROPERTIES AND ESTATES

13.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk 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 Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.

13.2 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 £100.

14. INSURANCE

14.1 Following an annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the Council’s insurers.

14.2 The Clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations

affecting existing insurances.

- 14.3 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and the Council annually review it.
- 14.4 The Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 14.5 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.

15. CHARITIES

- 15.1 Where the Council is sole trustee of a Charitable body the Clerk shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

16. RISK MANAGEMENT

- 16.1 The Council shall prepare and promote risk management policy statements in respect of all activities of the Council.

When considering any new activity the Council shall prepare a draft Risk Management policy for the activity addressing the legal and financial liabilities and Risk Management issues that arise.

17. REVISION OF FINANCIAL REGULATIONS

- 17.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.

* * * * *

September 2020