

HILDALE PARISH COUNCIL

FINANCIAL REGULATIONS

2007

Amended May 2009

Amended May 2012

Reviewed July 2015

Amended September 2016

1. GENERAL

- 1.1 These Financial Regulations govern the conduct of the financial transactions of Hilldale Parish Council and may only be amended or varied by resolution of the Council.
- 1.2 The Responsible Finance Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 The Parish Council shall formulate proposals in respect of revenue costs for the following financial year not later than the end of **December** each year.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.3 The Council shall review the estimates not later than the end of **December** each year and shall fix the Precept to be levied for the

ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.

- 2.4 The annual budget 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 that will exceed the amount provided in the revenue budget items unless a virement has been approved by Council.
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date.
- 3.4 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work that is of such extreme urgency that it must be done at once, whether or not there is 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 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.

- 3.6 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 as required by the Accounts and Audit Regulations 1996 as amended.
- 4.2 The 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 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 1996 as amended, or set by the Auditor.
- 4.4 The Internal Auditor shall carry out the work required by the RFO or by the Council with a view to satisfactory completion and independent of the operations of the Council, shall report to the Council in writing in respect of each financial year.
- 4.5 The RFO 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.

- 4.6 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. INTERNAL CHECK

- 5.1 The Chairman or a designated Councillor shall perform the following internal check on a half yearly basis, selecting one sample month for examination:
- a) Follow the audit trail of expenditure approved by the Council and contained in the Minutes.
 - b) Check the level of monies held in the Current Account at the Bank.
 - c) Check that the cheque book does not contain any signed blank cheques.

6. BANKING ARRANGEMENTS AND CHEQUES

- 6.1 The banking arrangements shall be made by the RFO and approved by the Council. They shall regularly be reviewed for efficiency.
- 6.2 A Schedule of the Payments required, forming part of the Agenda for the Meeting shall be prepared by the RFO and be presented to the 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. The detail may also be shown in the Minutes of the Meeting.

- 6.3 Cheques drawn on the bank account in accordance with the Schedule referred to in paragraph 6.2 or in accordance with paragraph 7.4 shall be signed by any two members of the Council or the Clerk and one member of the Council
- 6.4 To indicate agreement of the details shown on the cheque with the counterfoil and the invoice, the signatories shall each initial the cheque counterfoil.
- 6.5 Payments to be made via internet banking arrangements shall be included in the schedule of payments presented to the council for authorisation.
- 6.6 Payments made by use of bank debit card must be shown in the schedule of payments presented to the council for authorisation.
- 6.7 Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone..
- 6.8 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.9 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard

copy notification by the supplier and supported by hard copy authority for change signed by [two of] the Clerk [the RFO][a member]. A programme of regular checks of standing data with suppliers will be followed.

6.10 Any Debit Card issued for use will be specifically restricted to the Clerk [and the RFO] and will also be restricted to a single transaction maximum value of [£100] unless authorised by council or finance committee in writing before any order is placed.

7. PAYMENT OF ACCOUNTS.

7.1 All payments shall be effected by cheque, Bankers Standing Order, Direct Debit, electronic bank payment or debit card transaction.

7.2 All invoices for payment shall be examined, verified and certified by the Clerk. 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.

7.3 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.

7.4 If a payment is necessary to avoid a charge of interest under the Late Payment Commercial Debts (interest) Act 1998 and the due date for payment is before the next scheduled Meeting of

the Council, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may, notwithstanding paragraph 7.3 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.

8. PAYMENT OF SALARIES

- 8.1 The payment of all salaries shall be made in accordance with the payroll records and as agreed by Council and the rules of P.A.Y.E and National Insurance currently operating, as appropriate.
- 8.2 Payment of salaries and payment of deductions from salary such as may be made for tax, National Insurance and pension contributions, as appropriate, may be made in accordance with the payroll records and on the appropriate dates, providing that each payment is reported to and ratified by the next available Council Meeting.

9. INCOME

- 9.1 The collection of all sums due to the Council shall be the responsibility of the RFO.
- 9.2 All sums received shall be deposited with the Council's Bankers as soon as possible after receipt.
- 9.3 The origin of each receipt shall be entered on the paying-in slip.

- 9.4 Any repayment claim due in accordance with VAT Act 1994, Section 33 shall be made at least annually coinciding with the financial year end.
- 9.5 Any Grants received will be recorded as a separate entry in the Receipts and Payments ledger.

10. ORDER 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 shall be retained.
- 10.2 All Members and Officers are responsible for obtaining value for money at all times. The Clerk 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 two or more quotations or estimates from appropriate suppliers.

11. CONTRACTS

- 11.1 Procedures as to contracts are laid down as follows:
 - a) An 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.

- b) 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.
- c) When it is to enter into a contract less than £10,000 in value for the supply of goods or materials or for the execution of works or specialised services, the Clerk shall obtain three quotations; where the value is below £1,000 and above £500, the Clerk shall strive to obtain three estimates, otherwise Regulation 10.2 shall apply.
- d) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- e) 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.

12. PROPERTY AND ESTATES

- 12.1 The RFO shall ensure a record is maintained of all property owned by the Council, recording the location, extent, plan, reference, purchase details and nature of interests.
- 12.2 No property shall be sold or otherwise disposed of without the authority of the Council.

13. INSURANCE/RISK ASSESSMENT

- 13.1 An annual risk assessment shall be undertaken with particular focus on completing the annual Statement of Assurance.

- 13.2 Following the annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the Council's insurance.
- 13.3 The Clerk shall give prompt notification to the Council of all new risks which require to be insured and of any alterations affecting existing insurances.
- 13.4 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 13.5 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.
- 13.6 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.

14. REVISION OF FINANCIAL REGULATIONS

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

These Financial Regulations were adopted by Hilldale Parish Council on
6th July 2007.

Reviewed and amended May 2009 /May 2012/July 2015/Sept 2016.