

CHURCH KNOWLE PARISH COUNCIL

FINANCIAL REGULATIONS

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 to the Parish Council will also be the Responsible financial Officer (RFO) and, under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.

2. ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 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 RFO shall supply each member with a copy of the approved estimates.
- 2.3 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 The RFO shall provide the Council with a statement of receipts and payments at the Year End under each head of the budget, comparing expenditure against that planned.
- 3.3 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 urgency 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.
- 3.4 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.
- 3.5 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

ACCOUNTING AND AUDIT

- 4.1 All accounting 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 Accounts of the Council contained in the Annual Return 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.
- 4.3 The RFO shall be responsible for ensuring there is an 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. These arrangements shall be formally approved by the Council.

- 4.4 The Internal Auditor shall carry out the work required by the RFO with a view to satisfactory completion of 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 operation of the Council, shall report to the Council in writing in an annual report 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 the Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 4.6 The RFO shall 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 nature.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of payments required shall be prepared by the RFO, supported by the relevant invoices and shall be presented at a Council Meeting. Payments shall be authorised by a resolution of the Council and shown in the Minutes of the meeting.
- 5.3 Cheques drawn in accordance with 5.2 and 6.4 shall be signed by two members of the Council who shall also initial the cheque counterfoil.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be verified by the Clerk, who shall satisfy himself/herself that the work, goods or services to which the invoice relates have been received, carried out and approved.
- 6.3 The RFO shall check invoices for arithmetic accuracy and analyse them to the appropriate expenditure heading and shall make every effort to settle payment at the next available Council meeting.
- 6.4 If a payments is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date is before the next scheduled meeting of the Council, the RFO may make arrangements to settle such invoices provided that this is reported at the next meeting of the Council.
- 6.5 The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO shall be recorded and refunded on a quarterly basis and checked by the Chairman.

7. PAYMENT OF SALARIES

- 7.1 The payment of 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 the Council. Where paid gross of tax and National Insurance contributions, the employee is responsible for the proper declaration of income received from the Council.

8. LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.2 All 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 The council will review all fees and charges annually, following a report of the Clerk.
- 9.3 The origin of each receipt shall be entered on the paying-in slip.
- 9.4 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.5 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 contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of such orders shall be retained and controlled by the RFO.
- 10.2 The Council is responsible for ensuring value for money at all times.

11. CONTRACTS

- 11.1 Where it is intended to enter into a contract exceeding £300 in value for the supply of goods or for the execution of works or specialist services, the RFO shall invite tenders from at least two firms.
- 11.2 If less than three tenders are received for contracts above £300 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or executing the works.
- 11.3 When it is to enter into a contract less than £300 the RFO shall strive to obtain three estimates. Otherwise regulation 10.2 above shall apply.
- 11.4 Any variation to a contract or addition to or omission from a contract must be approved by the Council, the Council being informed where the final cost is likely to exceed the financial provision.

12. PROPERTIES AND ESTATES

- 12.1 The RFO shall make appropriate arrangements for the custody of title deeds of properties owned by the Council and shall ensure a record is maintained of all properties, recording the location, extent, 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,
- 12.2 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 moveable property does not exceed £50.

13. INSURANCE

- 13.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers, if applicable, keeping a record of all insurances effected by the Council.
- 13.2 The RFO shall promptly notify the insurers of all new risks, properties and items which require to be insured and of any alterations affecting existing insurances.
- 13.3 Any loss liability or damage or any event likely to lead to a claim, shall be reported to the Council at the next available meeting.

14. RISK MANAGEMENT

- 14.1 The RFO, in conjunction with the Chairman, shall prepare and promote risk management policy statements in respect of all activities of the Council. When considering any new purchase or activity the RFO shall assess any risk management issues that may arise and bring these to the Council for consideration.

15. REVISION OF FINANCIAL REGULATIONS

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