

## **TEMPLE GUITING PARISH COUNCIL**

### **FINANCIAL REGULATIONS**

These Financial Regulations were adopted by the Council at its Meeting held on 4th May 2016

#### **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 Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.

1.3 Temple Guiting Parish Council has appointed the Clerk to complete all responsibilities expected of the RFO.

1.4 The RFO shall be responsible for the production of financial management information.

1.5 The Council shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.

#### **2 ANNUAL BUDGET**

2.1 Each year, the RFO shall prepare a detailed estimate of receipts and payments in advance of the precept being decided by the Council

2.2 The Council shall review the estimates not later than the end of November each year and shall recommend to Council for approval 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.

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 for that class of expenditure in the approved budget.

3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget unless specifically agreed by resolution of Council. During the budget year and with the approval of Council having considered the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.

3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each budget head, comparing actual expenditure against that planned.

3.4 Subject to consultation with any two available Councillors, 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 £500. The Clerk shall report such actions to the Council as soon as practicable thereafter.

3.5 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.

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, or the requisite borrowing approval has been obtained.

3.7 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 as required by the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

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 by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.

4.4 The 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 2003 and 2006, and any subsequent amendments thereto. Any officer or 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.

4.5 The Internal Auditor shall carry out the work required by the RFO and 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.

4.7 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 2003 and 2006, and any subsequent amendments thereto.

4.8 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**

5.2 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.

5.3 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 Council. If the schedule is in order it shall be authorised and this be shown in the Minutes of the Meeting.

5.4 Cheques drawn on the bank account in accordance with the schedule referred above shall be signed by two members of Council.

5.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil, the signatories shall each also initial the cheque counterfoil.

5.5 The Council will nominate two members to authorise on-line banking transactions.

## **6 PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque drawn on the Council's bank account unless through an on-line banking transaction (see 5.5 above).

6.2. All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.

6.3 Where payment of invoices included in the budget fall due before the next Meeting, the RFO, subject to consultation with any two available Councillors, may authorise payments to a cumulative total of no more than £500 in any period between Meetings. Retrospective approval of any such payments must be given at the following Meeting.

6.4 The Council will not maintain any form of cash float. Any payments made in cash by the Clerk or RFO (for example for postage or minor stationery items) shall be refunded on a regular basis.

## **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.

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 that each payment is reported to and ratified by the next available Council Meeting.

7.3. Any expenses incurred by employees shall be supported by paid invoices and reimbursed as 7.2

## **8. INCOME**

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

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

8.3 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 .

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

8.5 The RFO 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, subject to de minimis claim limits imposed by VAT regulations.

## **9. ORDERS FOR WORK, GOODS AND SERVICES**

9.1 All members are responsible for ensuring that value for money is obtained in respect of each transaction at all times, usually by obtaining quotations on accordance with Financial Regulations 10.1 – 10.3 below.

9.2 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 for two years.

9.3 Purchase orders shall be controlled by the RFO and all expenditure is approved at the next Council Meeting. Minutes can record such decisions.

## **10. CONTRACTS**

10.1 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 this regulation need 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 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 or plant;
- 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 £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
- VI. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

10.2 Where a contract for the supply of goods, materials and services has an estimated value of less than £250, the Clerk shall consult with at least one Council member and, where possible, one quotation obtained.

10.3 Any proposed contract for the supply of goods, materials and services has an estimated value of more than £250 but less than £2,000, no less than three quotations shall be obtained for consideration by the Council.

10.4 Any proposed contract for the supply of goods, materials and services has an estimated value of more than £2,000, shall be procured on the basis of formal tender as follows:

- a) A public notice of intention to place a contract on notice boards and in a local newspaper
- b) A specification of the goods, materials, services and the execution of works be drawn up.
- c) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of Council.
- d) Tenders are then to be assessed and reported by the appropriate meeting of the Council.
- e) If less than three tenders are received for contracts above £2,000 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) This Council does not accept any costs incurred in the preparation and submission of any tender.

10.5 All members and Officers are responsible for obtaining value for money at 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.

10.6 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. ASSETS**

11.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held 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 Accounts and Audit Regulations.

11.2 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

11.3 No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate). 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.

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## **12. INSURANCE**

12.1 Following the annual risk assessment by the RFO, The Council will review the range and value of the insurance cover each year.

12.2 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 council at the next available meeting.

12.3 All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council.

## **13. RISK MANAGEMENT**

13.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by 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 the council at least annually.

13.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

## **14. REVISION OF FINANCIAL REGULATIONS**

14.1 It shall be the duty of the Council to review the financial regulations of the Council as required.

14.2 The Clerk shall make arrangements to monitor any change in Legislation or good practice and advice the Council of any necessary requirement for a consequential amendment to these Financial Regulations.

APPROVED 4<sup>TH</sup> MAY 2016