

Arkendale, Coneythorpe & Clareton Parish Council

FINANCIAL REGULATIONS

1. GENERAL

- 1.1. These financial regulations shall 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 shall be the responsible financial officer (RFO).
- 1.3. The responsible financial officer (RFO) under the policy direction of the council shall be responsible for the proper administration of the council's financial affairs.
- 1.4. The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1. The Council shall formulate proposals in respect of revenue and capital costs for the following financial year not later than the end of November each year.
- 2.2. Detailed estimates of receipts and payments shall be prepared each year by the RFO.
- 2.3. The Council shall review the estimates and recommend the precept to be levied for the ensuing financial year, not later than the end of December in each 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 the revenue account may be incurred up to the amounts included in the approved budget heading.
- 3.2. No expenditure may be incurred which cannot be met from the amount provided in the budget (but see Financial Regulation 3.4 below).
- 3.3. The RFO shall periodically provide the council with a statement of receipts and payments to date under each head of the approved annual budget.
- 3.4. 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 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 thereafter.
- 3.5. Where expenditure is incurred in accordance with Financial Regulation 3.4 above and the sum required cannot be met from savings made elsewhere within the council's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.
- 3.6. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.7. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure unless the council is satisfied that the necessary capital funds are available, or the requisite borrowing approval can be 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 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 to 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 External 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 External Auditor.
- 4.4. The RFO shall be responsible for maintaining 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. Any officer or member of the council shall, if the RFO or internal auditor requires, make available such documents of the council which relate to their accounting and other records, as appear to the RFO or internal auditor to be necessary for the purpose of the 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, 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's External Auditor. The Internal Auditor, who shall be competent and independent of the operations of the council, shall report to the council in writing each financial year.
- 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. 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 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. The detail is to be shown in the minutes of the meeting.
- 5.3. Cheques drawn on the bank account in accordance with the schedule referred to Financial Regulation 5.2 shall be signed by two members of the council.
- 5.4. The signatories shall each 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 examined, verified and certified by the RFO, who shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3. The RFO who shall examine invoices in relation to arithmetical accuracy and shall allocate them to the appropriate expenditure heading. The RFO shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4. The council will not maintain any form of cash float. All cash received must be banked intact.

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 operation, and salaries shall be agreed by the council.
- 7.2. The payment of all salaries shall be made by cheque using the schedule of the payment of money and presented to the council in the normal way.

8. LOANS AND INVESTMENTS

- 8.1. All loans and investments shall be negotiated by the RFO in the name of the council, and shall be for a set period of time in accordance with council policy.
- 8.2. All investments of money under the control of the council shall be in the name of the council.
- 8.3. All borrowings shall be effected in the name of the council.
- 8.4. 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. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately 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 of the clerk.
- 9.4. Any bad debts shall be reported to the council.
- 9.5. All sums received on behalf of the council shall be banked by the RFO.
- 9.6. A reference to the related debt, or otherwise, indicating the origin of each cheque, 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.

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 e.g. petty cash purchases. Copies of orders issued shall be maintained.
- 10.2. 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 is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of cash transaction.

11. CONTRACTS

11.1. Procedures as to contracts are laid down in the council's Standing Order number 33

12. INSURANCE

12.1. The RFO shall effect all insurance and negotiate all claims on the council's insurer.

12.2. The RFO shall insure that all new risks, properties or vehicles which require to be insured are added to existing insurance.

12.3. The RFO shall keep a record of all insurance effected by the council and the property and risks covered thereby and annually review it.

12.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.

12.5. All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

13. RISK MANAGEMENT

13.1. The RFO shall prepare and maintain risk management policy statements in respect of all activities of 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 from time to time and to make such changes as the council considers are required.