

# FREATHERNE WITH SAUL

## FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its meeting held on  
- minute number .

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

### 2. ANNUAL ESTIMATES

- 2.1 There shall be a Budget meeting no later than the end of November to prepare in conjunction with the **RFO** the precept forecast for the forthcoming financial year.

### 3. BUDGETARY CONTROL

- 3.1 Approval for any item of expenditure will only be made at a meeting of the Council (with the exception of 3.2) all cheques will be signed by three members of the Council, one being the acting Chairman.
- 3.2 The Clerk may incur expenses for administration related items of up to £30.00 per month, subject to claiming reimbursement at the next Council meeting.
- 3.3 The **RFO** shall provide the Council with a statement of receipts, payments to date and bank balances, comparing actual expenditure against that planned. This information is to be presented at the Council meeting held in APRIL.
- 3.4 Unspent provisions in the revenue budget shall be carried forward to a subsequent year.
- 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, or grant approval has been obtained.
- 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 Accounts and Audit regulations 1996 as amended, or set by the Auditor.

- 4.4 The **RFO** shall be responsible for ensuring that 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. Any 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**, or by the Council, with a view to satisfactory completion of the internal Auditor's Report section of the Annual Return as required annually by the Audit Commission. The internal Auditor, who shall be competent and independent of the operations of the council, shall report to the Council in writing.
- 4.6 The council shall arrange its own internal Audit to be carried out in JULY, OCTOBER AND JANUARY
- 4.7 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.
- 4.8 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**

- 5.1 The Council's banking arrangements shall be made by the **RFO** and approved by the Council. They shall be reviewed from time to time 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 where appropriate, be presented to the Council. Authorisation for any payments shall be by a resolution of the Council and recorded in the Minutes of the Meeting.
- 5.3 Cheques drawn on the Council's bank account in accordance with the schedule referred to in paragraph 5.2 shall be signed by three members of the Council, one being the acting Chairman.
- 5.4 To indicate agreement of the details shown on the cheque the signatories shall each also initial the cheque counterfoil.

## 6. **PAYMENT OF ACCOUNTS**

- 6.1 All payments shall be effected by cheque drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the **RFO**. The **RFO** shall be satisfied that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The **RFO** shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The **RFO** shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of the Council, where the **RFO** certifies that there is no dispute or other reason to delay payment of an invoice for goods or services which the Council have authorised expenditure on, the **RFO** may (notwithstanding paragraphs 6.2 and 6.3) take all steps to settle such invoices provided that the requirements of paragraph 5.2 and 5.3 are observed, and report action 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 Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis as approved at Council meetings. (Due regard being had to paragraph 3.2).

## 7. PAYMENT OF SALARIES

- 7.1 The payment of salaries shall be made in accordance with current rules relating to PAYE, National Insurance and Pensions.
- 7.2 Salaries shall be as agreed by the Council and will be reviewed each year following the Annual Salary Review by the National Joint Council, with increments agreed by a Meeting of the Council.

## 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 Councils 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 purpose.
- 8.5 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 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and written off in the year.
- 9.3 All sums received on behalf of the Council shall be banked by the **RFO**. In all cases, all receipts shall be deposited with the Councils bankers with such frequency as the **RFO** considers necessary.
- 9.4 The origin of each receipt shall be entered on the paying in slip.
- 9.5 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.6 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 letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official letter would be inappropriate. Copies of any official letters must be retained.
- 10.2 All members of the Council are responsible for obtaining value for money at all times. The Council is to ensure that as far as reasonable and practicable that the best available terms are obtained in respect of each transaction over £300, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in paragraph 11.1

- 10.3 The **RFO** shall verify the lawful nature of any proposed purchase before the purchase of any goods or services, and in the case of any new or infrequent purchases or payments, the **RFO** shall ensure that the statutory authority shall be reported to the Meeting at which the purchase is approved so that the Minutes can record the power being used.

## 11. **CONTRACTS**

- 11.1 Where it is intended that the Council enter into a contract exceeding £5,000 in value for the supply of goods or materials or for the execution of works or specialist services, the Clerk shall invite tenders from at least three firms approved at a Meeting of the Council.
- 11.2 Such 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. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remained sealed until the prescribed date for opening tenders for that contract.
- 11.3 All sealed tenders shall be opened at the same time on the date prescribed by the Clerk and in the presence of at least two members of the Council.
- 11.4 If less than three tenders are received for contracts above £5,000 or if the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods, materials or the works or specialist services.
- 11.5 Any invitation to tender under this regulation shall contain a statement to the effect of Standing Orders that relate to Declaration of an Interest and to Canvassing or Soliciting.
- 11.6 When it is to enter into a contract less than £5,000 in value for the supply of goods or materials or for the execution of works or specialist services the Clerk shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £100 the Clerk shall strive to obtain three estimates. Otherwise, Regulation 10.2 above shall apply.
- 11.7 When applications are made to waive financial regulations relating to contracts and quotations to enable a price to be negotiated without competition the reason shall be embodied in a recommendation by the Council.

## 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 **RFO** upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payments by instalments the **RFO** shall maintain a record of such payments. In any case where it is estimated that the total cost of the work carried out under a contract, excluding agreed variations, will exceed the sum of 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. **STORES AND EQUIPMENT**

- 13.1 Delivery Notes shall be obtained in respect of the delivery of any goods to the Council.

## 14. **PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the recording of all properties in the ownership of the Council together with the maintaining of any relevant records relating thereto.

15. **INSURANCE**

- 15.1 Following an annual risk assessment, the **RFO** shall effect all insurances and negotiate all claims on the Council's insurer's in consultation with the Council.
- 15.2 The Clerk shall arrange for all new risks and property which require to be insured and of any alterations affecting existing insurances.
- 15.3 The **RFO** shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4 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.
- 15.5 The Clerk to the Council, Councillors and any other employees shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. **RISK MANAGEMENT**

- 16.1 The Clerk, together with the Chairman, shall consider the current and any proposed activities of the Council and shall prepare and promote risk management policy statements accordingly.

17. **REVISION OF FINANCIAL ARRANGEMENTS**

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