

WENDOVER PARISH COUNCIL

FINANCIAL REGULATIONS

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1. **General**

- 1 A Responsible Management and Finance Officer (RFO) shall be appointed by the Council under the terms of Section 151 Local Government Act 1972.
- 2 These financial regulations shall govern the conduct of the financial transactions of the Council and may be amended or varied by resolution of the Council
- 3 The RFO, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs within the terms defined under section 2 of these regulations.

2. **Duties of the Responsible Management and Finance Officer (RFO)**

- 1 To prepare financial reports for the Management and Finance Group and/or the Council. Reports will normally be made to the Group but will be submitted to Council where circumstances, such as the meeting of deadlines, dictate. Whether reports are made to the Group or the Council shall be determined in the first instance by the RFO.
- 2 These reports will cover budget monitoring, fund balances, receipts to date, payroll summary, payment of accounts and other relevant current matters.
- 3 To prepare draft budget estimates. When approved by Council these will form the basis for annual budget monitoring during that financial year. To report thereon to the Council.
- 4 To submit the precept to the District Council and supply any breakdown requested.
- 5 To ensure that all money received by the Council is banked regularly, as soon as possible after receipt.
- 6 To ensure that all money due to the Council is billed and collected promptly.
- 7 To identify and monitor the duties of other members of staff relating to matters of Council Management and Finance, ensuring that regular checks are undertaken.
- 8 To manage cash flow and control investments and bank transfers.
- 9 To control payment by cheque.
- 10 To handle the overall management of payroll, including the Local Government Pension Scheme. To ensure prompt monthly payment of tax and national insurance to the Collector of Taxes. To ensure prompt payment of sums due to the pension authority.
- 11 To take overall responsibility for submission of VAT returns and to deal with VAT inspections.
- 12 To prepare and balance final accounts in accordance with the Regulations and report thereon to Council.
- 13 To produce accounts and records for external audit in accordance with the Regulations.
- 14 To arrange for the internal audit material of all aspects of the Council's financial affairs in accordance with the Regulations.
- 15 To monitor compliance with the Councils financial regulations and to ensure correct financial systems are in place.
- 16 To manage insurance risk and to ensure that claims are processed as necessary. To report annually to Council on insurance risk covered. To ensure that fidelity guarantee insurance is provided.
- 17 To maintain the Council's register of property and assets.

3. **Annual Estimates**

- 1 Each Committee, shall formulate and submit budget proposals to the Management and Finance Group, not later than 14 December of each year.
- 2 The Clerk will propose a budget for Churchyard care

- 3 Detailed estimates of receipts and payments shall be prepared each year by the RFO
- 4 The Management and Finance Group shall review the estimates and submit a recommendation for final budget to the Council not later than the end of December in each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 5 The final budget and precept shall be determined by Council at the first full meeting of January. The annual budgets shall form the basis of the financial control for the ensuing year.

4. Budgetary Control

- 1 Expenditure may be incurred by each Committee up to the amounts included in each approved Committee budget.
- 2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate Committee budget unless a virement has been approved by the Council or the Management and Finance Group.
- 3 The RFO shall periodically provide all members with a statement of income and expenditure to date under each head of the approved annual budgets and with copies of regular bank reconciliations.
- 4 The RFO 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 £1000 (one thousand pounds) The RFO shall report the action to the appropriate Committee as soon as practicable thereafter.
- 5 Where expenditure is incurred in accordance with regulation 4.4 above and the sum required cannot be met from savings made elsewhere within that Committee's approval budget, it shall be met from contingency sums held by the Council.
- 6 At the end of each financial year, The Management and Finance Group shall recommend to Council, for Council approval, what unspent provision may be carried forward from existing budgets and into forward budgets, which shall be added to council contingency funds.
- 7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Committee concerned is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 8 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

5. Accounting and Audit

- 6.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003.
- 6.2 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Management and Finance Group.
- 6.3 The duty of providing information, calculating, checking and recording sums due to, or from, the Council should be separated as far as possible from the duty of collecting and dispersing them.
- 6.4 The RFO shall be responsible for maintaining an adequate and effective system of internal control of the Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations 2003. Any Officer or Member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

6.5 The Members of the Management and Finance Group shall act as the internal control of the Council's accounts. The internal **control** shall be carried out on a monthly basis and the Chairman of the Management and Finance Group shall report to the Council monthly.

7. **Banking Arrangement and Cheques**

7.1 The Council's banking arrangements shall be made by the RFO presented to the Management and Finance Group for consideration and recommendation to Council.

7.2 A schedule of payments shall be prepared by the RFO and presented to the Management and Finance Group or Council for approval

7.3 Cheques shall be signed by two members of the Management and Finance Group. The cheque stub shall be initialled by the RFO. The initial of the RFO on the invoice will be a permanent record that the invoice has been fully checked and should be paid.

7. **Payment of Accounts**

1 Apart from petty cash payments all payments shall be effected by cheque or other order drawn on the Council's bankers.

2 All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice the Officer shall satisfy himself that the work, goods, or services to which the invoice relates have been received, carried out, examined and approved.

3 The RFO shall take all possible steps to settle all accounts submitted and which are in order within 30 days of their receipt.

4 All duly certified invoices will be entered on the schedule referred to in 6.2 above.

5 The RFO may provide petty cash to members of staff for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO for reimbursement.

6 The RFO shall maintain a petty cash float to a limit of £100.00 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

7 Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

8 Payments to maintain the petty cash float shall be shown on the schedules of payments of the money presented to Council.

8. Payment of Salaries and Wages

- 1 The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records.
- 2 All time sheets, if any, shall be certified for accuracy by or on behalf of the RFO
- 3 The payroll totals, including payments to Inland Revenue and Pensions contributions shall be shown on the schedule presented to Council. Details of individual staff payments shall be kept by the RFO, within the Council's accounts records.

9. Loans and Investments

- 10.1 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. Changes to loans and investments should be reported to Council at the earliest opportunity.
- 10.2 All investments of money under the control of the Council shall be in the name of the Council
- 10.3 All borrowings shall be effected in the name of the Council.
- 10.4 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

11. Income

- 1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 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.
- 3 The Council will review all fees and charges annually.
- 4 Any bad debts shall be reported to the Council
- 5 All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked by the Officer collecting the money as directed by the RFO. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 6 A reference to the related debt, or otherwise, indicating the origin of each cheque, all be entered on receipts records held by the RFO
- 7 Personal cheques shall not be cashed out of money held on behalf of the Council.

11. Orders of work, Goods and Services

- 1 An official order number 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.
- 2 All 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.

12. **Contracts**

- 1 The Council should decide if a formal tendering process is required for expenditure over £25,000 excluding VAT.
- 2 A full quote is required for expenditure over £5,000 excluding VAT. At least 3 quotations shall be required subject to the provisions of para 12.7 below.
- 3 Informal quotation required for expenditure over £1000 subject to the provisions of para 12.7 below.
- 4 Every contract whether approved by the Council or by a Committee to which expenditure power has been delegated shall comply with these Financial Regulations, and no exception from any of the provisions of these Financial Regulations shall be made otherwise than by direction of the Council or in an emergency by such a Committee, as aforesaid.
- 5 Every exception made by Committee, to which the power of approving contracts has been delegated shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.
- 6 Invitations to tender shall state the general nature of the intended contract and the RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 7 If less than three applications are received for contracts or if all are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 8 The Council shall not be obliged to accept the lowest or any tender.

13. **Payments under Contracts for Building or other Construction Works**

- 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.
- 2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the appropriate Committee..
- 3 Any variation to a contract, addition or omission from a contract must be approved by the Clerk in writing, the appropriate Committee, being informed where the final cost is likely to exceed the financial provision.

14. **Stores and Equipment**

- 1 The employee in charge of each section shall be responsible for the care and duty and custody of stores and equipment in that section.
- 2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard to quality at the time delivery is made.
- 3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 4 The RFO shall be responsible for annual check of all stocks in stores.
- 5 The re-ordering of stock for the Tourist Information Centre shall be managed by the Clerk's office. New lines will be reviewed by the Amenities Committee (or delegated Group) prior to approval.
- 6 Sale items to be discounted will be decided at the discretion of the Clerk's office, taking into account stock, turnover and 'sell by' dates.
- 7 A minimum of 2 stock takes per annum, shall be undertaken by the TIO.

15. Properties and Estates

- 1 The Clerk shall make appropriate arrangements for the custody of all title deeds of property owned by the council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations 2003.
- 2 No property shall be sold, leased or otherwise disposed of without authority of the Council, save where the estimated value of any one item does not exceed £250.00.

16 Insurance

- 1 The RFO shall be responsible for effecting all insurance and negotiating all claims on the Council's insurers.
- 2 Members of staff shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alteration affecting existing insurances.
- 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.
- 4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

17. Internal Audit arrangements

- 1 The Council shall appoint an internal auditor in accordance with regulation 6 of the Accounts and Audit Regulations 2003 to review the effectiveness of the Council's systems of financial control and procedures.
- 2 The RFO shall act as internal control for the financial activities of other members of staff.
- 3 At the end of the financial year the internal auditor shall provide the Internal Audit Annual Report.

17 Revision of Financial Regulations

- 18.1 It shall be the duty of the Management and Finance Group to review the Financial Regulations of the Council from time to time, or at the Annual Parish Council Meeting, and to make such recommendations for amendment to the Council as the Group considers are required.