

CRAKEHALL WITH LANGTHORNE PARISH COUNCIL

FINANCIAL REGULATIONS

Revised April 2020

These Financial Regulations were formally adopted by the Council at its meeting on 20 May 2020

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, under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the Clerk.
- 2.2 The Council shall review the estimates no later than the end of November each year and shall fix the precept to be levied for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.
- 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 in the approved budget.
- 3.2 An expenditure which exceeds the amount provided in the individual revenue budget headings may be incurred up to the amount included in the 'Reserved Expenditure' budget. The Clerk shall report all movement on these individual budget headings and the accounts overall to the Council. No expenditure may be incurred which, in the opinion of the Council, will leave the amount available in the 'Reserved Expenditure' budget at a level below that which has been agreed by the the Council. This general level of contingency will be reviewed on a regular basis and should not normally exceed the amount of the annual precept. Funds being earmarked for particular purposes agreed by the Council will be in addition to the general level of contingency.
- 3.3 The Clerk shall provide at each meeting of the Council a statement of receipts and payments to date under each heading of the budget, comparing actual expenditure against that planned.
- 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 £1000. The Clerk shall consult, wherever possible, all members of the council before incurring the expenditure and on every occasion shall report the action to the next meeting of the Council. .

- 3.5 Unspent provisions in the revenue budget shall be carried forward to a subsequent year in the 'Reserved Expenditure' account.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into 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 Clerk as required by the current Accounts and Audit Regulations, appropriate guidance and proper practice.
- 4.2 The Clerk 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 Clerk 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 regulations and / or set by the Auditor.
- 4.4 The Clerk 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 appropriate regulations. Any officer or member of the Council shall, if the Clerk or Internal Auditor requires, make available such documents of the Council which appear to the Clerk or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Clerk or Internal Auditor with such information and explanation as the Clerk or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the Clerk, 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. 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.
- 4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by current legislation and regulations. .
- 4.7 The Clerk 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 Clerk and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the income and payments made since the last meeting, forming part of the agenda for the meeting, shall be prepared by the Clerk and presented to the Council.

- 5.3 Cheques and payments made on-line drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be authorised by the clerk and one of the two members nominated by the Council for this purpose.
- 5.4 To indicate agreement of the payments made the cheque counterfoil and / or the invoice and / or any other relevant documentation will be available for inspection by members of the Council as required.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be made on-line or by cheque drawn against the Council's bank accounts.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The Clerk shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted, and which are in order, and present the information at the next available Council meeting.
- 6.4 Payment will be made promptly, after ensuring that it is valid and that there is no dispute or other reason to delay payment.
- 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, at least quarterly.

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 the Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax and national insurance 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.

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 Council's Investment Policy, shall be in accordance with the relevant legislation 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 affected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

9. INCOME

- 9.1 The collection of all sums due to the Council shall be the responsibility of the Clerk.
- 9.2 The Council will review all fees and charges on a regular basis, following a report of the Clerk.
- 9.3 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and may be written off in the year.

- 9.4 All sums received on behalf of the Council shall be banked intact as directed by the Clerk. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Clerk considers necessary.
- 9.5 The origin of each receipt shall be entered on the paying-in slip.
- 9.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.7 The Clerk shall promptly complete any VAT Return that is required. Any repayment claim due shall be made at least quarterly. .

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. Copies of orders shall be retained.
- 10.2 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.
- 10.3 The Clerk 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 Clerk shall ensure that the Council has the statutory authority to proceed.

11. CONTRACTS

- 11.1 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. In those circumstances, the Clerk shall be authorised to act after consultation with all members of the Council.
 - (b) When financial regulations relating to contracts are waived in order to enable a price to be negotiated without competition or some other compelling reason the reason shall be embodied in a recommendation to the Council.
 - (c) When it is to enter into a contract of more than £2,000 in value for the supply of goods or materials or for the execution of works or specialist services the Council shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £2,000 and above £500 the Council shall strive to obtain three estimates.
 - (d) The Council shall not be obliged to accept the lowest of any quote or estimate. Other factors may be taken into account and recorded.

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 Clerk 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 payment by instalments the Clerk shall maintain a record of all such payments. In any case where it is estimated that the total cost of

work carried out under a contract, excluding agreed variations, will exceed the contract 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. EQUIPMENT

- 13.1 The Clerk shall ensure annual checks and maintenance of Council equipment is carried out and an Asset Register maintained

14. PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council (where such are available). The Clerk shall ensure a record is maintained of all properties owned by the Council.
- 14.2 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 movable property does not exceed £100.

15. INSURANCE

- 15.1 Following an annual risk assessment, the Clerk shall affect all insurances and negotiate all claims on the Council's insurers.
- 15.2 All members shall give prompt notification to the Clerk of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Clerk 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 Clerk 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 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. CHARITIES

- 16.1 The Council is the sole trustee of the charitable body Crakehall Village Hall (Deed of Appointment dated 30 May 1984) and as such holds the trust property upon the trusts and subject to the powers and provisions set out in the schedule (Declaration of Trust dated 04 October 1978). As stated in the Declaration of Trust, the Charity shall be administered by the Committee of Management (Committee) who shall be the Charity trustees of the Charity. The Committee shall prepare proper statements of account as prescribed by section 32 of the Charities Act 1960 and copies shall be issued to the Council.

17. RISK MANAGEMENT

- 17.1 The Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity, the Clerk (or his / her nominee) shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

18. REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Council to review these Financial Regulations annually with a fundamental review every four years or sooner should circumstances seem to require it.

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