

HARDWICKE PARISH COUNCIL FINANCIAL REGULATIONS.

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.
- 1.4 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 The annual budget shall form the basis of financial control for the ensuing year.
- 2.2 The Council shall prepare and have regard to a three year forecast of Revenue and Payments which shall be prepared at the same time as the annual Budget
- 2.3 The annual budget process shall inform the setting of the precept for the ensuing year.
- 2.4 The annual budget shall be set in December each year

3. BUDGETARY CONTROL

- 3.1 No expenditure may be incurred which will exceed the amount provided in the revenue budget unless specifically agreed by a meeting of the Council. The Clerk may, with the approval of Council vire between budget headings.
- 3.2 The Clerk shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.3 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 £250. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.4 Unspent provisions in the revenue budget shall not 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 the requisite borrowing approval has been obtained.

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 Accounts and Audit Regulations 1996 as amended.
- 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 timescale set by the Accounts and Audit Regulations 1996 as amended, 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 Regulation 5 of the Accounts and Audit Regulations 1996 as amended. 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 required annually by the Audit Commission (or its subsidiary body). 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 Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.

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 payments required, forming part of the Agenda for the Meeting shall be prepared by the Clerk and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the Minutes of the Meeting.

5.3 Cheques 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 signed by two members of Council.

6. PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers e.g. Bank Standing Order or Direct Debit Payments

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 If a payment is necessary to avoid undue delay or 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 Council, where the Clerk and the Chairman certify that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

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. The Council will employ the services of an external provider to deliver its payroll function and undertake relevant correspondence with HMRC.

7.2 The payment of salaries shall be by way of cheque payment agreed and signed at a meeting of the Council

8. INCOME

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

8.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council and the Clerk shall be responsible for the collection of all accounts due to the Council.

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

8.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

8.5 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.

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

8.7 The Clerk 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.

9. ORDERS FOR WORK, GOODS AND SERVICES

9.1 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.

9.2 All members and Officers are responsible for obtaining value for money at all times, usually by obtaining three or more quotations or estimates from appropriate suppliers.

9.3 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 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. 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 provided that these regulations shall 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 £250 (in excess of this sum the Clerk shall act after consultation with the Chair and Vice Chair of Council);

(vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.