

# Churt Parish Council

## FINANCIAL REGULATIONS FOR THE PARISH OF CHURT 2022/2023

These Financial Regulations were last adopted and Minuted by the Council at its Meeting on **23 November 2022**. They may only be amended or varied by resolution of the Council.

Note: The value inserted in any of the paragraphs may be varied by the Council and shall be reviewed regularly by the Council.

### General

1. The Clerk to the Parish Council shall be the Responsible Financial Officer and, under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs. The Clerk shall be responsible for the production of financial management information.
2. The Council's financial regulations shall be reviewed once a year.
3. The Council's financial regulations may make provision for the authorisation of the payment of money in exercise of any of the Council's functions to be delegated to a committee, sub-committee or to an employee.

### Annual Estimates

4. The Council shall review the estimates not later than the end of January 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.
5. The annual budgets shall form the basis of financial control for the ensuing year.

### Budgetary Control

6. The Clerk may authorise expenditure on revenue items up to the amounts set out in the approved budget. No expenditure will be incurred which will exceed the

amount provided in the revenue budget and will require specific resolution of the Council unless the provisions of Para 8 apply

7. At each meeting of the Council the Clerk shall provide the Council with a statement of receipts and payments to date under each heading of the budgets, comparing actual expenditure against that planned.
8. The Clerk, in consultation with the Chairman (or in his absence any councillor), may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is, in their opinion, of such urgency that it is necessary to avoid excessive expenditure or injury to persons or property whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council at the next routine meeting.
9. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless specifically earmarked for expenditure approved by the Council.
10. No expenditure shall be incurred in relation to any capital project and no contract entered into or tenders accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
11. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

#### Accounting and Audit

12. The Clerk, as required by Statute and Regulation, as amended from time to time, shall determine all accounting procedures and financial records of the Council.
13. The Clerk shall complete 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.
14. The Clerk shall complete 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 Statutory and other Regulations, as amended from time to time.
15. The Clerk 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 Statutory and other Regulation, as amended from time to time. Any 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.

16. The Internal Auditor shall carry out the work required by the Clerk, on behalf of 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.

17. The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Statutory and other Regulation, as amended from time to time.

18. The Clerk shall, as soon as practicable, bring to the attention of all Councillors any report or official communication from the Internal or External Auditor, unless of a purely administrative nature.

#### Banking Arrangements and Cheques

19. The Council's banking arrangements shall be made by the Clerk and approved by the Council. They shall be regularly reviewed for efficiency.

20. The Council must approve all bank mandates, the list of authorised signatories on each account and any amendments to mandates

21. A schedule of the cheques drawn, forming part of the Agenda for the Meeting, shall be prepared by the Clerk and presented to Council. No cheques shall be drawn which have not been previously authorised by the Council and recorded in the Minutes, save as provided for in paragraph 6.

22. Cheques drawn on the bank account and shown on the schedule referred to in paragraph 21 or in accordance with paragraph 24 shall be signed by the Clerk and countersigned by the Chairman or another authorised member of the Council in the Chairman's absence.

23. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque authorisation which shall be recorded in the Minutes of the appropriate meeting.

#### Payment of Accounts

24. All payments shall be effected by cheque or other order drawn on the Council's bank accounts.

25. 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.

26. The Clerk shall examine invoices in relation to arithmetical 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, in accordance with paragraphs 25.

27. 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 Council, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding paragraph 18) 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.

28. 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.

29. Any use of the Council's debit card shall be authorised by the Clerk and Chairman, or in his/her absence the Vice Chairman.

### Payment of Salaries

30. Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with Inland Revenue Regulations on the appropriate dates, provided that each payment is authorised in advance or reported to and ratified by the next available Council Meeting.

### Loans and Investments

31. 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.

32. The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).

33. All investments of money under the control of the Council shall be in the name of the Council.

34. 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.

35. All investment certificates and other documents relating thereto shall be retained by the Clerk.

### Income

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

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

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

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

40. 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.

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

42. Personal cheques shall not be cashed out of money held on behalf of the Council.

43. 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.

### Orders for Work, Goods and Services

44. 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. Orders will only be issued by the Clerk and with the authority of the Council, generally or specifically given. Copies of orders shall be retained.

45. In the event that the Council enter into a multi-part contract with a value in excess of £1,000, where the requirements of Financial Regulation 43 have been met

fully in respect of the main contract, the Chairman of the Council or the Chairman of the appropriate Committee, together with, in all cases, the Clerk to the Council, may be authorised by resolution of the Council to approve payments to contractors for goods or services provided under the terms of the contract. Such sums shall not in total exceed the full value of the contract at such appropriate stages as may seem reasonable to the Chairman of the Council or Committee chairman and the Clerk to the Council to a value that is previously determined by resolution of the Council.

46. The Clerk and all Councillors are responsible for obtaining value for money at all times. Before issuing an official order the Clerk 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 from appropriate suppliers unless the value is below £1,000.

### Contracts

47. Contractual procedures shall be as follows:

Every contract shall comply with these financial regulations, and no exceptions shall be made, otherwise than in an emergency (paragraph 8 refers), and provided that these regulations shall not apply to contracts which relate to:

- a. supplies of gas, electricity, water, sewerage and telephone services;
- b. specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
- c. 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;
- d. work to be executed, or goods or materials to be supplied, which constitute an extension of an existing contract by the Council;
- e. goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

48. Where it is intended to enter into a contract exceeding £1,000 in value for the supply of goods or materials, or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph 46, the Clerk shall obtain quotations from at least three firms.

49. Where the value is below £1,000 and above £500 the Clerk shall use his/her best endeavours to obtain three estimates. Otherwise, paragraph 43 shall apply.

50. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.

51. The Council shall not be obliged to accept any tender, quotation or estimate but the reason for failing to do so shall be recorded in the Minutes.

52. For the avoidance of any conflict of interest no Councillor shall tender for Council business.

### Properties and Estate

53. The Clerk shall make appropriate arrangements for the care and custody of all title deeds of properties owned by the Council. The Clerk shall maintain a record of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Statutory and other Regulation, as amended from time to time.

Authority of the Council, together with any other consents required by law.

### Insurance

55. Following an annual risk assessment, the Clerk shall effect all insurances with an insurance company of repute against such risks as an ordinary and prudent Council would effect, and negotiate all claims on the Council's insurers.

56. The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

57. 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.

58. The Clerk shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

### Charities

59. Where the Council is sole trustee of a charitable body (as in the case of Churt Recreation Ground Trust) the Clerk shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with charity law and general legislation, or as required by the Charity Commission. The Clerk shall arrange for any audit or independent examination as may be required by charity law or any governing document.