

FINANCIAL REGULATIONS for Thanington Without Parish Council

1. GENERAL

- 1.1. These financial regulations shall 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 shall be the responsible financial officer (RFO).
- 1.3. The responsible financial officer (RFO) under the policy direction of the council shall be responsible for the proper administration of the council's financial affairs.
- 1.4. The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1. The Council shall formulate the rolling capital programme not later than the end of November each year.
- 2.2. Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.3. The Council shall review the estimates and recommend the precept to be levied for the ensuing financial year, not later than the end of December in each year. The RFO shall supply each member with a copy of the approved estimates.
- 2.4. The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1. Expenditure on the revenue account may be incurred up to the amounts included in each approved budget heading.
- 3.2. No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget heading unless a virement has been approved by the council.
- 3.3. The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.
- 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 £2,500. The Clerk shall report the action to the council as soon as practicable thereafter.
- 3.5. Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings made elsewhere within the council's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.
- 3.6. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.7. No expenditure shall be incurred in relation to any capital project, no contract entered into or tender accepted involving expenditure on capital account. Unless the council 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.
- 3.8. 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.
- 4.2. 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 council.
- 4.3. The following principles shall be observed in connection with accounting duties.
 - 4.3.1. The duty of providing information, calculating, checking and recording sums due to, and from, the council, should be separated as completely as possible from the duty of collecting or dispersing them.
 - 4.3.2. Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4. The RFO shall be responsible for maintaining 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. 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.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1. The council's banking arrangements shall be made by the RFO and approved by the council. One current account shall be maintained at the bank, Treasurer's account. Two savings accounts shall be maintained, a Post Office saving account and a HSBC savings account.
- 5.2. A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc presented to the council. If the schedule is in order it shall be proposed and seconded and authorised by a resolution of the council.
- 5.3. Cheques drawn on the Treasurer's bank account in accordance with the schedule referred to in the previous paragraph shall be signed by the two members of the council who proposed and seconded that item.

6. PAYMENT OF ACCOUNTS

- 6.1. Apart from petty cash payments all payments shall be effected by cheque or other order drawn on the council's bankers.
- 6.2. 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.
- 6.3. Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. He shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4. When the RFO is satisfied that invoices are in order he shall raise an outgoing sheet and satisfy the audit trail.
- 6.5. All duly certified invoices will then be entered on the schedule referred to in 5.2 above.
- 6.6. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
 - 6.6.1. The RFO shall maintain a petty cash float to a limit of £30 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - 6.6.2. Income received must not be paid into petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - 6.6.3. Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the council (under 5.2 above).

7. PAYMENT OF SALARIES AND WAGES

- 7.1. The payment of all salaries shall be made by cheque using the schedule of the payment of money and presented to the council in the normal way.
- 7.2. The payment sheet will be presented to the council at the same time as the cheque and certified by the Chairman as to accuracy.

8. LOANS AND INVESTMENTS

- 8.1. 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 the council at the earliest opportunity.
- 8.2. All investments of money under the control of the council shall be in the name of the council.
- 8.3. All borrowings shall be effected in the name of the council.
- 8.4. 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. 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 of all accounts due to the council.
- 9.3. The council will review all fees and charges annually, following a report of the clerk.
- 9.4. Any bad debts shall be reported to the council.
- 9.5. All sums received on behalf of the council shall be banked by the RFO.
- 9.6. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

- 9.7. Every transfer of official money from one member of the council to another member shall be signed for by the receiving officer.
- 9.8. Personal cheques shall not be cashed out of money held on behalf of the council.

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 e.g. petty cash purchases. Copies of orders issued shall be maintained.
- 10.2. Order books shall be controlled by the RFO
- 10.3. 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 cash transaction.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down in the council's standing orders item 51

12. STORES AND EQUIPMENT

- 12.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 12.2. Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time delivery is made.
- 12.3. Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 12.4. The RFO shall be responsible for annual check of all stocks and stores.

13. INSURANCE

- 13.1. The RFO shall effect all insurance and negotiate all claims on the council's insurer.
- 13.2. The RFO shall insure that all new risks, properties or vehicles which require to be insured are added to existing insurance.
- 13.3. The RFO shall keep a record of all insurance effected by the council and the property and risks covered thereby and annually review it.
- 13.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 13.5. All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

14. REVISION OF FINANCIAL REGULATIONS

- 14.1. It shall be the duty of the council to review the financial regulations of the council from time to time and to make such changes as the council considers are required.