

Skipwith Parish Council Financial Regulations

1. General

- a. These financial regulations govern the conduct of the financial transactions of the Council and may be amended or varied by resolution of the Council.
- b. The clerk, under the policy direction of the Council shall be responsible for the proper administration of the Council's affairs.
- c. The clerk shall be responsible for the production of financial information.

2. Annual Estimates

- a. Each committee (if any) shall formulate and submit proposals to the Council in respect revenue and capital costs for the following financial year not later than November of each year.
- b. Detailed estimates of all receipts and payments for the year shall be prepared each year by the clerk
- c. The Council shall review the estimates not 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.
- d. The annual budget(s) shall form the basis for financial control for the following year.

3. Budgetary Control

- a. Expenditure on revenue items may be accrued up to the amounts included in the approved budget.
- b. The clerk shall regularly provide the Council with a statement of receipts and payments to date.
- c. The clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement of other work which is 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 £500. The clerk shall report the action to the Council as soon as practicable thereafter.
- d. No expenditure may 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.
- e. All capital works shall be administered in accordance with the Council's Standing Orders and Financial regulations relating to contracts..

4. Accounting and Audit

- a. 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.
- b. The clerk shall be responsible for completing the annual financial statements of the Council as soon as practicable at the end of the financial year and shall submit them and report thereon to the Council.
- c. The clerk shall be responsible for completing the Accounts of the Council contained in the Annual return and for submitting the Annual Return for approval and authorisation by the council within the time scales set by the accounts and Audit Regulations 1996 as amended or set by the auditor.
- d. The clerk shall be responsible for ensuring that there is adequate and effective systems 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 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 auditor with such information and explanation as the internal auditor considers necessary for that purpose.

- e. 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 auditors report section of the annual return required by the Audit Commission. The internal auditor who shall be competent and independent of the operations of the Council shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- f. The clerk shall make arrangements for the opportunity for inspection of the accounts and books required by the Audit Commission Act 1998 sec 15 and the Accounts and Audit Regulations 1996 as amended.
- g. 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

- a. The Council's banking arrangements shall be made by the clerk and approved by the council. They should be regularly reviewed for efficiency.
- b. A schedule of the payments required forming part of the agenda for the meetings shall be prepared by the clerk and together with the relevant invoices be presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council. If more appropriate, the details may be shown in the minutes of the meeting.
- c. Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5b, or in accordance with paragraph 6d, shall be signed by two members of the Council.

6. Payment of accounts

- a. All payments shall be effected by cheque or other order drawn on the Council's bankers.
- b. All invoices for payment shall be examined verified and certified by the clerk. The clerk shall satisfy himself/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- c. The clerk shall examine invoices in relation to arithmetical accuracy and shall analyse them to the appropriate expenditure heading. The clerk shall take steps to settle all invoices submitted and which are in order at the next available Council meeting.
- d. If a payment is necessary to avoid a charge of interest under the late payment of Commercial Debts (interest) Act 1998 and the due date of payment is before the next scheduled meeting of the Council where the clerk clearly certify there is no dispute or other reason to delay payment, the clerk may (notwithstanding paragraph 6c) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- e. 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, postage stamps or minor items of stationary) shall be refunded on a regular basis on submission of the relevant receipts.

7. Loans and Investments

- a. 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.
- b. 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)
- c. All investments of money under the control of the council shall be in the name of the Council.
- d. All borrowings shall be made in the name of the Council after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council to terms and purpose.
- e. All investment certificates and other documents relating thereto shall be retained in the custody of the clerk.

8. Income

- a. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the clerk
- b. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council notified to the clerk and the clerk shall be responsible for the collection of all accounts due to the Council.
- c. The Council will review all fees and charges annually following a report by the clerk.
- d. Any sums received on behalf of the Council shall be banked intact as directed by the clerk. In all cases all receipts should be deposited with the Council's bankers with such frequency as the clerk considers necessary.
- e. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- f. The origin of each receipt shall be entered on the paying in slip.
- g. Personal cheques shall not be cashed out of money held on behalf of the Council.
- h. The clerk shall promptly complete any VAT return that is required. Any payment claim due in accordance with the VAT Act 1994 Sec 33 shall be made at least annually coinciding with the financial year end.
- i. Where any significant sums of cash are regularly received by the Council, the clerk shall take such steps as are agreed by the Council to ensure more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

9. Order for Work Goods and Services

- a. 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.
- b. Orders shall be controlled by the clerk.
- c. All members and officers are responsible for obtaining value for money at all times. Any 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 subject to any de minimis provisions in regulations 11a below.
- d. 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, 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.

10. Contracts

- a. Every contract shall with these regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which related to items below
 - For the supply of gas, electricity, water, sewage and telephone services
 - For specialist services such as those provided by solicitors, accountants, surveyors and planning consultants
 - For work to be executed or goods or materials to be supplied which constitutes an extension of an existing contract by the Council
 - For additional audit work of the external auditor up to an estimated value of £250 (in excess of this sum the clerk shall act in consultation with the Chairman and Vice –Chair of the Council)
 - For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at fixed prices
- b. Where it is intended to enter into a contract exceeding £1000 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 11a the clerk shall invite tenders from at least three firms.
- c. 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.
- d. Such invitation to tender shall state the general nature of the intended contract and the clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall, in addition state that tenders must be sent by post and addressed to the clerk. Each tendering shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for the contract.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the clerk in the presence of at least one member of the Council.
- f. If less than three tenders are received for contracts above £1000, or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the work.
- h. When the Council is to enter into a contract of less than £1000 and above £100 in value for the supply of goods, materials or the execution of works, or specialist services as excepted in 11a the clerk shall strive to obtain three estimates otherwise regulation 10c shall apply.
- i. The Council shall not be obliged to accept the lowest of any tender quote or estimate.

11. Payments under Contract for Building or Other Construction Work

- a. 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)
- b. Where contract 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 the work carried out under contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- c. Any variation to a contract or addition to or omission from a contract must be approved by the Council and then confirmed by the clerk to the contractor in writing. The Council to be informed where the final cost is likely to exceed the financial provision made.

12. Properties and Estates

- a. The clerk shall make appropriate arrangements for the custody of all title deed or properties owned by the Council. The clerk 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 regulation 4(3)b of the Accounts and Audit regulations 1996 as amended.
- b. 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 one item or tangible movable property does not exceed £50

13. Insurance

- a. Following the annual risk assessment, the clerk shall effect all insurances and negotiate all claims on the Council's insurers
- b. The clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurance.
- c. The clerk shall keep a record of all insurances effected by the Council and the property and risk covered and annually review it.
- d. The clerk shall keep a record of any loss, liability or damage or any event likely to lead to a claim and shall report these to the Council at the next available meeting.
- e. 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.

14. Risk Management

- a. The clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.
- b. When considering any new activity, the clerk 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 the Council for consideration and if thought appropriate, adoption.

15. Revision of Financial Regulations

It shall be the duty of the Council to review the Financial Regulations annually.