

WADHURST PARISH COUNCIL

FINANCIAL REGULATIONS

1. GENERAL

- 1.1 These financial regulations govern the conduct of the financial transactions of Wadhurst Parish Council and may only be amended or varied by resolution of the Council.
- 1.2 Either the Clerk or a separate individual shall be appointed the Responsible Financial Officer (RFO).
- 1.3 The RFO, under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.4 The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 Each Committee shall formulate and submit budget proposals for the next financial year at the November meeting of the Council.
- 2.2 The Council shall review the budget and agree the precept for the next financial year not later than the December meeting of the Council.
- 2.3 The RFO shall provide each member with a copy of the approved budget.
- 2.4 The annual budget shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred by Committees up to the amounts included in the approved budget (see Standing Orders and Committee Remits).
- 3.2 Expenditure not included in the budget or from reserves must be referred to the Council.
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budget, comparing actual expenditure against that planned.
- 3.4 Budget surpluses 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.
- 3.6 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 3.7 Documents informing Wealden District Council of the precept set by the council for the coming year shall be signed by the RFO and by the chairman or vice-chairman of the Council and the Chair of the finance committee.

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 2003.
- 4.2 The RFO shall be responsible for completing the 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 RFO 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 the Accounts and Audit Regulations 2003, or set by the Auditor.
- 4.4 The RFO 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 as required by the Accounts and Audit Regulations 2003. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal

WADHURST PARISH COUNCIL

Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.5 The Internal Auditor shall complete 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 the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers as required by the Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2003.

4.7 The RFO 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.

4.8 Members shall conduct periodic inspections of the cashbook and examine sample payments through invoices, minutes and bank statements.

5. BANKING ARRANGEMENTS AND CHEQUES/PAYMENT OF ACCOUNTS

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

5.2 All invoices for payment shall be examined and verified by the RFO. The RFO shall be satisfied that work, goods or services to which the invoice relates have been received, carried out, examined and approved.

5.3 The RFO shall take steps to settle all invoices submitted, and which are in order, at the next available Council meeting.

5.4 If a payment is within previously authorised expenditure or is necessary to avoid a charge of interest, and there is no dispute or other reason to delay payment, the RFO may settle an invoice provided that the payment is submitted at the next council meeting.

5.5 All payments shall be by cheque or bank transfer. A payment form must be signed by two councillors before the RFO is to make the transfer. The Cheques are to be signed by two councillors or one councillor and the RFO if the authorisation is given.

5.6 The Chair will monitor the RFO payments regular and the bank reconciliations signed each month.

5.7 A schedule of accounts for payment shall be presented to the Council for agreement together with relevant invoices.

5.8 To indicate agreement of the details shown on the cheque or order for payment, the signatories shall initial the invoice and cheque counterfoil.

5.9 Bank statements shall be examined by a member and the balances initialled.

5.10 The RFO shall prepare monthly bank reconciliations to be examined by a member, compared with bank statements and signed.

5.11 The Council will not maintain any form of cash float. All cash received must be banked intact.

6. PAYMENT OF SALARIES

6.1 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.

6.2 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 payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next Council meeting.

7. LOANS AND INVESTMENTS

7.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set period.

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

WADHURST PARISH COUNCIL

- 7.3 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing shall be approved by the Council as to terms and purpose.
- 7.4 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8. INCOME

- 8.1 Invoices for rental of the Sparrows Green Recreation Ground, tennis courts, pavilion and car park shall be prepared by the RFO monthly in arrears. The RFO will liaise with the bookings official.
- 8.2 The collection of all sums due to the Council shall come under the supervision of the RFO.
- 8.3 Particulars of all recreation ground charges shall be agreed annually by the Council.
- 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 financial year.
- 8.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all funds shall be banked with such frequency as the RFO considers necessary.
- 8.6 The origin of each receipt shall be entered on the paying-in slip.
- 8.7 The RFO shall issue receipts for funds received (except the precept).
- 8.8 The RFO shall promptly complete any VAT Return that is required.

9. ORDERS/CONTRACTS FOR WORK, GOODS AND SERVICES

- 9.1 Procedures for contracts are set out in Standing Orders 33 and 34 as follows:
- (i) Where it is intended to enter into a contract exceeding £5000 for the supply of goods, materials and services, or for the execution of works, the Clerk shall give at least three weeks notice on the Parish Notice Board and obtain estimates (up to £50,000) or invite tenders (over £50,000) from a list of contractors agreed by the Council for that purpose. The Council is not bound to accept any or the lowest estimate/tender.
- (ii) The Clerk may authorise work up to the value of £500 (excluding VAT) on routine matters within agreed policies and budget; this must be reported to the Chairman of the relevant committee within 48 hours.
- (iii) In the event of an emergency, the Clerk may authorise work up to the value of £1000 (excluding VAT); this must be reported to the Chairman or Vice-Chairman within 48 hours
- 9.2 All members are responsible for obtaining value for money at all times.
- 9.3 The RFO shall verify the lawful nature of any proposed purchases before the issue of any order. The spending power for new and infrequent purchases shall be minuted.

10. PAYMENT UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 10.1 Payments on account of the contract sum shall be made within the time limit specified in the contract by the RFO 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).
- 10.2 Where contracts provide for payment by instalments the RFO 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 a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.
- 10.3 Any variation to the contract or addition to or omission must be approved by the Council and the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

11. PROPERTIES AND ESTATES

- 11.1 The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.

WADHURST PARISH COUNCIL

- 11.2 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 one item of tangible moveable property does not exceed £50.
- 12. NSURANCE**
- 12.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 12.2 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to the Council at the next meeting.
- 12.3 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.
- 13. RISK MANAGEMENT**
- 13.1 The RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 13.2 The Council will review the risk management policy statement annually.
- 13.3 When considering any new activity the RFO should consider risk management, financial and legal issues with the relevant committee for report to the Council.

These Financial Regulations were adopted by the Council at its meeting held 10th December 2002

Reviewed: October 2003
 June 2005
 June 2006
 June 2007
 June 2008
 July 2009
 July 2010
 July 2011
 November 2012 (Grant policy added)

Reviewed: November, 2013

Reviewed: November, 2014

Reviewed: November, 2015

Reviewed: November, 2016

Reviewed: November, 2017

Reviewed: January, 2018

Reviewed: 4th July, 2019 agenda item 8 at the Finance and Resources meeting and adopted at FC 11.07.19