



FINANCIAL REGULATIONS

Adopted by the council on:.....

Dent Parish Council Financial Regulations

1. General

- a) 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.
- b) The Clerk shall be the responsible financial officer (RFO).
- c) 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.
- d) The RFO shall be responsible for the production of financial management information.

2. Annual Estimates

- a) The Council shall formulate the budget, and therefore the precept request, for the following financial year not later than the end of December each year.
- b) Detailed estimates of income and expenditure shall be prepared each year by the RFO.
- c) The annual budgets shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- a) Expenditure may be incurred up to the amounts included in each approved budget heading.
- b) 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.
- c) The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual budgets.
- d) 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 £500. The Clerk shall report the action to the council as soon as practicable thereafter.
- e) Where expenditure is incurred in accordance with regulation (d) above and the sum required cannot be met from savings made elsewhere within the councils approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.
- f) Unspent provisions in the budget shall not be carried forward to a subsequent year.

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- g) No expenditure shall be incurred, no contract entered into or tender accepted unless the council is satisfied that it is contained in the budget and that the necessary are available, or the requisite borrowing approval can be obtained.
- h) 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 RFO as required by the Accounts and Audit Regulations 2015.
- b) 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 External Auditors and report to the council.
- c) The following principles shall be observed in connection with accounting duties.
 - i) 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.
 - ii) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
 - iii) 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 the Accounts and Audit Regulations 2015.
- d) An Internal Auditor shall be appointed to check the books annually and fill out a section on the Annual Return for this purpose. A half yearly audit should also be carried out by the Chairman. or any other member.

5. Banking Arrangements and Cheques

- a) The council's banking arrangements shall be made by the RFO and approved by the council
- b) 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.
- c) Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by the Clerk and the two members of the council who are authorised to sign cheques.

6. Payment of Accounts

- a) Apart from petty cash payments all payments shall be effected by online payment or cheque or other order drawn on the council's bankers.

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- b) All invoices for payment shall be examined, verified and certified by the officer issuing the order.
- c) 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.
- d) 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/she shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- e) When the RFO is satisfied that invoices are in order he/she shall raise an outgoing sheet and satisfy the audit trail.
- f) All duly certified invoices will then be entered on the schedule referred to in 5(b) above.

7. Payment of Salaries and Wages

- a) The payment of all salaries shall be made by standing order on the same date each month.

8. Loans and Investments

- a) 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.
- b) All investments of money under the control of the council shall be in the name of the council.
- c) All borrowings shall be effected in the name of the council.

9. Income

- a) The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- b) 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.
- c) The council will review all fees and charges annually, following a report of the clerk.
- d) Any bad debts shall be reported to the council.
- e) All sums received on behalf of the council shall be banked by the RFO.
- f) A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

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

10. Orders 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 issued shall be maintained.
- b) Order books shall be controlled by the RFO
- c) 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

- a) Every Committee that has financial resources is empowered to make recommendations for expenditure in matters pertaining to that Committee subject to these Standing Orders.
- b) Requests for expenditure for any work, supply of goods or services, estimated to cost over £500 may be recommended by Committee, authorised by Council at a formal meeting, and actioned by the Clerk.
- c) Competitive Tendering may be used with Best Value criteria applied to the final selection. The Council shall not be obliged to accept the lowest or any tender.
- d) Requests for expenditure for any work, supply of goods or services, estimated to cost less than £500, may be authorised at a Committee meeting and actioned by the Clerk, subject to a limit of £500 in any one year.
- e) Where the urgency of a matter is such that a Committee Meeting is not practical, the Chairman of that Committee may obtain approval from the Committee by means other than a formal meeting.
- f) All expenditure is to be accepted by Council.
- g) All cheques will be raised and signed by two Authorised Councillors. The Authorising of Councillors to sign cheques will be carried out during normal business and will be minuted in accordance with Banking Instructions.

12. Insurance

- a) The RFO shall effect all insurance and negotiate all claims on the council's insurer.
- b) The RFO shall insure that all new risks, properties or vehicles which require to be insured are added to existing insurance.

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- c) The RFO shall keep a record of all insurance effected by the council and the property and risks covered thereby and annually review it.
- d) The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- e) All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

13. Revision of Financial Regulations

- a) 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.