

Cyngor Cymuned Manafon Community Council

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on 3rd February 2016

1. GENERAL

- 1.1 These financial regulations 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 Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.
- 1.4 The Council shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- 1.5 The RFO is responsible for keeping up to date and where applicable ensure Council is kept informed on all legislation governing financial matters related to the Council business including matters allied to HMRC payroll and VAT measures.
- 1.6 The Council shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts

2. ANNUAL BUDGETS

- 2.1 The RFO shall formulate and submit proposals to the Council in respect of revenue and expenditures for the following financial year and present to Council at the November meeting each year.
- 2.2 Detailed estimates of all receipts, payments and accruals for the year shall be prepared by the RFO and presented to Council as they will form the basis of the next budget.
- 2.3 The Council shall review the budget proposal not later than the first meeting held in January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved budgets.
- 2.4 The annual budgets shall form the basis of expenditure and financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on items may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget by the RFO unless made with the approval of Council. Should any urgent items arise in between meetings these should be referred to the Chair/Vice Chairman.
- 3.3 For each meeting the RFO shall provide the Council with a statement of receipts and payments to date comparing actual expenditure against that planned.
- 3.4 Unspent provisions in the revenue budget 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.

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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 as amended.
- 4.2 The RFO shall be responsible for completing 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.
- 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 timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations 1996 as amended. Any officer or member of the Council shall, if the External or Internal Auditor requires, make available such documents of the Council which appear to the External or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the External or Internal Auditor with such information and explanation as the External or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as complied annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to RFO with an annual report in respect of each financial year audited.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 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.

5. BANKING ARRANGEMENTS, CASH AND CHEQUES

- 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 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and the detail will be shown in the Minutes of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4 shall be signed by two members of Council.

NB It has been noted that the two signature rule (LGA 1972 s.150 (5) has been repealed and is no longer compulsory but no change has been made to Council regulations.

- 5.4 No petty cash or float is to be maintained, all cash monies and cheques received are to be banked intact.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.

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6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted and providing all in order and in line with the approved budget provisions will settle and declare to the next appropriate meeting of Council.

6.4 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, providing the RFO certifies that there is no dispute or other reason to delay payment, the RFO may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that the payment is included in a list of such payments shall be submitted to the next appropriate meeting of Council.

6.5 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items), all travelling expenses incurred by RFO/Councillors shall be supported by an invoice and/or travel expense form and refunded on a regular basis by cheques drawn on the Council bank account

7. SALARIES AND PENSIONS

7.1 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 Council.

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

7.3 As the Council is an employer, the RFO is responsible for updating and maintaining the HMRC RTI on-line payment system for salaries and national insurance contributions.

7.4 The RFO is responsible for monitoring legislation on pensions and ensuring the Council is compliant.

8. INVESTMENTS

8.1 All investments shall be negotiated in the name of the Council and shall be in accordance with Council policy.

8.2 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).

8.3 All investments of money under the control of the Council shall be 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 agreed annually by the Council, notified to the shall be responsible for the collection of all accounts due to the Council.

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9.3 The Council will review all fees and charges (under the Publication Scheme) annually, following a report of the RFO.

9.4 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

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

9.6 The RFO 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.

10. ORDERS FOR GOODS AND SERVICES

10.1 An official order or letter shall be issued for all goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders/letters shall be retained.

10.2 Where applicable, any order books shall be controlled by the RFO.

10.3 All members and Officers are responsible for obtaining value for money as all times. An officer issuing an official order/letter is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining two or more quotations or estimates from appropriate suppliers.

11. INSURANCE

11.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers

11.2 The RFO shall give prompt notification to the Council of all new risks which require to be insured and of any alterations affecting existing insurances.

11.3 The RFO shall keep a record of all insurances effected by the Council and the risks covered thereby and review it prior to its renewal date.

11.4 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 Council at the next available meeting.

11.5 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.

12. REVISION OF FINANCIAL REGULATIONS

12.1 It shall be the duty of the Council to review the Financial Regulations and Financial Risk Assessment of the Council from time to time.

Adopted at meeting 6th February 2016

Minute reference: 7