

HARLECH COMMUNITY COUNCIL **FINANCIAL REGULATIONS**

GENERAL

These financial regulations regulate the financial control of the Council and only the Council can change or alter them through decisions. The Council is responsible by law to ensure that their financial regulations are adequate and effective and that the Council has a stern system of financial regulations that assist the Council to carry out its duties efficiently, including arrangements for risk and prevention regulations and discover fraud and corruption. The purpose of the financial regulations is to show how the Council achieve these responsibilities.

The Clerk was appointed Responsible Financial Officer for this Council and these rules will be relevant in these circumstances. The Clerk will be operating under the guidance of the Council's policy, administering financial matters of the Council in accordance with the appropriate practice. The Clerk will decide on behalf of the Council its financial minutes, and its accounting control systems. The Clerk will ensure to keep to the accounting control systems and the Council's financial minutes will be kept ongoing in accordance with appropriate practice.

The Clerk will produce financial control information as the Council require.

At least once a year before approving the annual report, the Council will hold a review of the effectiveness of its internal control system which will be in line with the appropriate custom.

In these financial regulations, referral will be made towards the Accounts and Audit Regulations meaning the Regulations that were published through section 27 Audit Commission Act 1998 and is effective at the moment.

In these financial regulations the term "appropriate practice" will referring to the guidelines that were published in the 'Governance and Accountability in local Councils in England and Wales – a Practitioners' Guide' that was published together by NALC A SLCC and is being updates now and again.

ANNUAL ESTIMATES

Detailed estimates of every income and expenditure including the use of money in reserve and every source of finance for the year will be prepared every year by the Clerk in the form of a budget to be discussed by the Council.

The Council will not be revising the budget no later than January every year and it will determine the Precept for the following financial year. The Clerk will give the details of the Precept to the billing authority and will give a copy of the approved budget to every member.

It will be the annual budgets that will form the basis of financial control for the ensuing year.

BUDGETARY CONTROL

Monies can be spent on revenue items up to the sums that have been approved for that class of expenditure in the approved budget.

It will not be possible to spend any monies that is more than the sum that is in the revenue budget for that class of expenditure.

During the year in question and with the consent of the Council after considering the full implications for public service, amounts can be moved that are available and that have not been spent from any other budget header or to specified reserve funds as needed.

The Clerk will prepare frequently to the Council a statement of income and expenditure up to then under every budget heading, by comparing exact expenditure up to the date in question with what was expected in the budget.

These statements can be prepared up to at least the end of every financial quarter.

The Clerk can spend money on behalf of the Council that is necessary so as to carry out any repair work or any other work that is in urgent need and that has to be done at once, even if there is budget provision for it or not up to the sum of £500. The Clerk will let the Council know of the steps taken as soon as possible after that.

Monies that has not been spent in the revenue budget cannot be carried over the the following year unless it is put into a reserve account through the Council's decision.

No monies can be spent on any capital projects and no contracts can be agreed or receive any tenders in preparation for capital projects unless the Council is content that the necessary monies is available, or the necessary lending was approved.

Every capital works will be administered pursuant with the Council's Standing Orders and Financial Regulations for contracts.

ACCOUNTING AND AUDIT

All accounting procedures and financial records of the Council will be determined by the Clerk as required by the Accounts and Audit Regulations.

The Clerk shall be responsible for completing the Council's annual accounts, together with the Council's annual report, as soon as this is possible after the end of the financial year and will present it and make the Council aware of this.

The Clerk will be completing the Council's accounts that are included in the Annual Report (as they are prepared by the Auditor who is appointed from time to time by the Audit Commission) and will present the Annual Report to be confirmed and authorised by the Council within the time frame that is mentioned in the Accounts and Audit Regulations.

The Clerk will ensure that there is an adequate and effective system in place in preparation to hold internal audits of financial accounting work and other Council type in accordance with proper practice. Any officer or Council member on the request of the Clerk or the Internal Auditor will prepare any one of the Council's documents that the Clerk or the Internal Auditor think are necessary for the purpose of the internal audit and will give to the Clerk or Internal Auditor any information or explanation that the Clerk or Internal Auditor consider is essential for this purpose.

The Internal Auditor is appointed by the Council and will complete the work that the Council asks for pursuant to the normal practice. The Internal Auditor, who will be competent and independent from the Council, present a regular written report to the Council, or in person, together with at least one written annual report for each financial year. So as to show objective and independence, the Internal Auditor will not have any cross interest and he/she will not have any contact with the Council's financial regulations decisions.

The Clerk will make arrangements for the opportunity to audit the accounts, books and invoices in preparation for displaying or publishing and notices and accounts statements that is required under Audit Commission Act 1998 and the Accounting and Audit Regulations.

The Clerk, as soon as it feasible, will draw to the attention of every Councillor any correspondence or reports from the Internal or External Auditor, unless the correspondence is to do entirely with administrative matters only.

BANKING ARRANGEMENTS AND CHEQUES

The Council's banking arrangements including Bank Mandate, will be made by the Clerk and approved by the Council. They should be reviewed regularly to ensure effectiveness.

A schedule of the necessary payments, that will be part of the meeting's Minutes will be prepared by the Clerk and, together with the necessary invoices, for presentation to the Council. If the list is acceptable it will be authorised by a decision by the Council and will be signed by the Chairman of the meeting. If it is more appropriate these details can be shown in the minutes of the meeting.

The cheques will be drawn from the bank account in accordance with the list referred to, and will be signed by two members of the Council together with the Clerk. So as to show that the details that are shown on the cheque or payment order match the stub and invoice or similar paper work, the signators will also initial the cheque stub.

PAYMENTS OF ACCOUNTS

Every payment shall be effected by cheque or other order drawn on the Council's bankers.

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

The Clerk will examine invoices in relation to arithmetical accuracy and shall code them to the appropriate expenditure head. The Clerk will take every possible step to pay every invoice submitted, and which are in order at the next Council meeting.

If there is a need to make a payment to prevent paying interest under Late Payment of Commercial Debts Late Act 1998, and if the relevant date is before the next normal meeting of the Council, when the Clerk confirms that there is no dispute or any other reason to defer payment, the Clerk can take all the necessary steps to pay such invoices on the condition that a list of such payments are presented at the next normal

Council meeting. The Council will not keep any kind of petty cash accounts. All the ready money received must be banked immediately.

PAYMENT OF SALARY

As an employee, the Council will make arrangements to satisfy fully the statutory requirements that is put on every employee by the PAYE and National Insurance legislation. Wages will be paid pursuant with the minutes payroll and PAYE and National Insurance rules that are effective at the time, and the wages agreed by the Council.

Wages can be payed and deductions can be taken out of wages for tax, national insurance and pension contributions pursuant to the payroll minutes on the appropriate dates that are noted in employment contracts, on the condition that every payment is reported and approved by the next Council meeting.

LOANS AND INVESTMENT

All loans and investments will be discussed in the Council's name and they will be for a set period of time in accordance with the Council's policy.

Any money that is invested under the control of the Council will be made in the Council's name.

All borrowings shall be effected in the Council's name, after receiving any necessary borrowing permission.

Any application for permission to borrow will be confirmed by the Council for its terms and purpose.

Borrowing terms and purpose will be reviewed at least annually.

All other documents and certificates in connection with this will be kept by the Clerk.

INCOME

It will be the Clerk responsibility to collect any sums that is payable to the Council.

Particulars of all charges made for work done, services rendered or goods supplied shall be agreed annually by the Council, the Clerk will be made aware of them and will be responsible for collecting all accounts due to the Council.

The Council will review all fees and charges annually, following submission of a report by the Clerk.

Information regarding any bad debts and any sums that cannot be recovered will be presented to the Council and will be deleted during the year.

All sums received on behalf of the Council shall be banked as they are. In every situation, all payments presented to the Council's bankers with such frequency as the Clerk considers necessary.

A reference to the related invoice will be noted on the paying-in slip.

Personal cheques shall not be cashed out of money held on behalf of the Council.

The Clerk will fill in any necessary VAT report promptly. Any applications for repayment payable under the VAT 1994 Act section 33 at least once a year to coincide with the end of the financial year.

ORDERS FOR WORK, GOODS AND SERVICES

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.

Order books shall be controlled by the Clerk.

All members and officers are responsible for obtaining best value for money. An official that does an official order will be responsible to a degree that is reasonable and practical to get the best value for money for every transaction, usually be obtaining three quotes or estimates or more from suppliers, on condition on any de minimis preparations.

The Clerk will confirm the legal nature of any prospective purchase before making any order, in preparations for new purchases or payments or freehold, the Clerk will ensure that the statutory authority will report to the meeting where the purchase will be confirmed so that the Minutes can minuted the authority that is used.

CONTRACTS

The procedure for contracts are as follows:-

All contracts will be compliance to these Financial Regulations, and no exception will be made unless in an emergency on the condition that these rules will not be relevant to contracts that are to do with the items below:-

for the purpose of specialised service that is given by solicitors, accountants, surveyors and planning consultants.

for the purpose of work carried out or materials supplied that contain alterations to or parts of machines or equipment.

for the purpose of work carried out or materials supplied that form extension to a contract that is already done by the Council.

for the purpose of goods or materials expected to be purchased that are proprietary materials and/or if they can be sold for fixing price only.

when it is expected to do a contract for more than £5,000 for supplying materials or goods or for supplying work or specialised service, the Clerk will invite tenders from at least three contractors.

When applications are made to suspend Financial Regulations in preparation for contracts so as to ensure that a price can be agreed without competition, the reason will be included in a recommendation by the Council.

Any such invitation to tender will note the general nature of the proposed contract and the Clerk will arrange the necessary technical help to prepare a specification in relevant cases. The invite will also note that tenders will have to be sent to the Clerk through the post in the normal way. Every company that tenders will receive an envelope marked appropriately for enclosing tenders that are sealed, and will remain under seal until the date arranged for opening tenders for that specific contract.

All tenders that are sealed will be opened at the same time and date that was noted by the Clerk in the presence of at least one member of the Council.

If less than three tenders are received for contracts over £5,000 or if every tender offers the same price the Council can make any arrangement they think is appropriate for acquiring the goods or materials or present the work.

When it is proposed to present a contract less than £5,000 in value for the purpose of supplying goods or materials or present work or specialised service the Clerk will arrange to get 3 estimates.

The Council will not have to accept the lowest tender, estimate or quote.

ASSETS, BUILDING AND ESTATES

The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk will ensure to keep a record of every property under the Council's ownership, recording the location, size, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations.

No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consent that is required by law, and except when the value of any piece of concrete property, movable is worth more than £50.

The Clerk will ensure that a Register of Assets is correct and is ongoing. The fact that the concrete assets that are shown in the Register still exist will be confirmed at least once a year.

INSURANCE

Following the annual risk assessment (pursuant to Financial Rule 17), the Clerk will arrange all insurances and will discuss all demand with the Council's insurers.

The Clerk will keep a minute of every insurance that was arranged by the Council and of the property and risks it warrants and it will be reviewed annually.

The Clerk will be notified of any liability loss or damage or of any event that may lead to a claim, and will let the Council know about at the next meeting.

All appropriate employees of the Council will be included in an appropriate fidelity guarantee insurance that will guarantee the highest level of risk as will be decided by the Council.

RISK MANAGEMENT

The Council is responsible for making arrangements for managing risks. The Clerk will prepare, to be approved by the Council, risk management statements for all of the Council's activities. The risk policy statements and the arrangements that derive from them be revised at least once a year by the Council.

When considering any new activities the Clerk will prepare a draft risk assessment and include risk management proposals to be considered and adopted by the Council.

REVIEWING FINANCIAL REGULATIONS

It is the Council's responsibility to review the Council's Financial Regulations from time to time. The Clerk will make arrangements to monitor legislative changes or in appropriate cases and will let the Council know for any need to make changes to these Financial Regulations.

CONTRIBUTIONS

The Community Council will consider applications for financial support from organizations that operate in the Community Council's catchment yearly in their meetings in March and October.

