

NERCWYS COMMUNITY COUNCIL

FINANCIAL REGULATIONS

GENERAL

1. These Financial Regulations are made in accordance with the requirements of the Accounts and Audit Regulations, 1996, as amended by the Accounts and Audit (Wales) Regulations 2005, and shall govern the conduct of the financial transactions of the Nercwys Community Council (hereinafter referred to as 'the Council') and may only be amended or varied by resolution of the Council.
2. The Council's properly appointed Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.
3. The RFO shall undertake their duties and responsibilities in accordance with the terms set out in the resolution of the Council appointing him/her and shall otherwise be responsible for the production of financial management information.

ANNUAL ESTIMATES

4. In accordance with the requirements of Part IV of the Local Government Finance Act, 1992, or any statutory provision amending or replacing them, detailed estimates of income and expenditure on revenue services shall be prepared each year by the RFO for submission to the council not later than the end of January in each financial year and a Precept recommended for the ensuing financial year. Following their consideration and amendment, if required, by the Council, agreed amounts relating to expenditure head shall be included as a Draft Budget Statement with the Minutes of the Council meeting that considered the estimates.

BUDGETARY CONTROL

5. The annual revenue budget shall form the basis of financial control for the following year.
6. Expenditure may only be incurred up to the amounts included in each approved head of expenditure in the revenue budget, unless appropriate virements have been approved by the Council.
7. Inclusion of provision for a particular purpose in the annual revenue budget shall not be construed as authorising expenditure. A specific approval to such expenditure shall be required to be given by resolution of the Council or a documented decision made under properly delegated powers for any item of revenue expenditure incurred, other than in

respect of day to day expenditure incurred in administering the affairs of the Council.

8. Regarding the terms of Regulation 7 above, the Clerk/RFO (in consultation with the Chair and Vice Chair of the Council or in their absence any two Members of the Council), 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 immediately, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500 (or such other sum as may be approved by the Council from time to time). The Clerk shall report to the Council any action thus taken as soon as is practicable thereafter.
9. Where expenditure is incurred in accordance with Regulation 8 above and the sum required cannot be met from savings made elsewhere within the Council's approved budget, it shall be met from the Council's reserves, or if no such reserves are available, it shall be subject to the provisions of a supplementary estimate approved by the Council.
10. Unspent provisions in the Revenue Budget shall not be carried forward to a subsequent year.
11. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender approved involving expenditure on capital account, unless the Council is satisfied that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
12. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
13. The RFO shall present to the Council at each meeting a financial report based on the current bank statements for current and business accounts.
14. The RFO shall carry out bank reconciliation for each of the Council's accounts on an annual basis and make this information available to members at the Council meeting prior to submission to the internal auditor.

ACCOUNTING and AUDIT

15. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 or regulations amending or superseding such Regulations.
16. The RFO shall be responsible for completing the annual accounts of the Council as soon as practical after the end of the financial year and shall submit them to and report thereon to the Council accordingly.
17. The RFO in conjunction with the Council's Internal Auditor 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 requirements of Regulation 5 of the Accounts and Audit Regulations, 1996, as amended by the Accounts and Audit (Wales) Regulations 2005.

BANKING ARRANGEMENTS

18. The council's banking arrangements shall be made by the RFO and approved by the Council. Two accounts shall be maintained at the bank, a general or current account, and an interest account. All payments for expenditure shall be included on the Agenda of the Council meeting or reported to the meeting and included in the minutes.
19. Cheques on the general account shall be signed by any two members of the Council. All signatories shall, in addition to signing such cheques, append their initials on the counterfoils thereto for the purpose of certifying that the respective cheques and counterfoils are in agreement. Such signatories shall also satisfy themselves from the supporting paperwork that the amounts on such cheques equate to the amounts due for payment. The RFO will not sign cheques but will be an authorised signatory in order to ensure that bank correspondence is received by that officer. All cheque books shall be held by the RFO so as to enable that officer to be in a position to ensure that no payments that are not properly authorised by or on behalf of the Council and by Statute, having regard to the overriding responsibility in that respect vested in that office.
20. The RFO shall be authorised to transfer money between the Council's accounts as is deemed appropriate.

PAYMENT OF ACCOUNTS

21. All payments shall be made by cheque drawn on the Council's bankers.
22. All invoices for payment shall be examined, verified, and certified by the RFO. Before certifying an invoice, the RFO shall satisfy him/herself that the work, goods, or services to which the invoice relates have been received, carried out, examined and approved.
23. The RFO shall examine invoices in relation to accuracy and shall enter them under the appropriate expenditure head on the accounts system. The RFO shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt, subject to there being an available meeting during that period at which they may be approved for payment by the Council and should there be no such available meeting, without unreasonable delay following the next meeting of the Council.
24. All duly certified invoices shall be reported to the Council and recorded as referred to in paragraph 19 above.

25. Income received shall be banked without undue delay by the RFO.

PAYMENT OF SALARY

26. The salary of the Clerk and RFO, and approved allowances etc, shall be paid by the Council monthly by cheque, as per paragraph 18 above.

LOANS AND INVESTMENTS

27. 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 shall be reported to the Council at the earliest opportunity.

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

29. All borrowings shall be undertaken in the name of the Council.

30. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO unless otherwise determined by the Council.

INCOME

31. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

32. All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked 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.

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

ORDERS FOR WORK, GOODS, AND SERVICES

34. An official order or letter shall be issued by the RFO 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 and filed.

35. The Clerk/RFO shall be responsible for obtaining best value for money at all times. He/she shall ensure, as far as is reasonable and practicable, that the best available terms are obtained in respect of each transaction.

CONTRACTS

36. Procedures as to the letting of contracts in excess of £25,000 are as laid down in the Council's Standing Orders relating thereto.
37. Where it is intended to enter into a contract exceeding £5,000, but not exceeding £25,000 in value for the supply of goods or materials or for the execution of works, the RFO shall give at least three days public notice of such intention in the same manner as public notice of meetings of the Council is given.
38. Where contracts provide for payments by instalments, the RFO shall maintain a record of all such payments. In any case, when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more, a report shall be submitted to the Council.
39. Any variation to a contract or addition to or omission from a contract shall be approved by the RFO in writing, the Council being informed where the final cost is likely to exceed the financial provision made therefore.
40. 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.

STORES AND EQUIPMENT

41. Delivery notes shall be obtained in respect of all goods received, and, as far as is practicable, goods shall be checked for quality and quantity at delivery.

PROPERTIES AND ESTATES

42. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.
43. No property shall be sold, leased, or otherwise disposed of without the authority of the Council.

INSURANCE

44. The RFO shall procure all insurances and negotiate all claims on the Council's insurers.
45. The RFO shall give prompt notification to the Council of all new risks, properties, or vehicles, which require to be insured and any alterations affecting existing insurances.

- 46. The RFO shall keep a record of all insurances purchased by the Council and the associated property and risks covered, as part of the risk assessment procedure, that is reviewed annually.
- 47. The RFO shall be notified of any loss, liability, or damage or any event likely to lead to a claim.
- 48. Any employee of the Council shall be included in a suitable fidelity guarantee insurance.

REVISION OF FINANCIAL REGULATIONS

- 49. It shall be the duty of the Council to review its Financial Regulations from time to time and to ensure they are current and relevant.
- 50. The Clerk/RFO will endeavour to implement and sustain these regulations within the contractual hours, the provision of robust administration, and continuing personal development.

Reviewed by Nercwys Community Council

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