

HAWARDEN 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 Hawarden 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, under the policy direction of the Council, shall be responsible for the proper administration of the Council’s financial affairs.
3. The Responsible Financial Officer shall undertake his duties and responsibilities as such in accordance with the terms set out in the resolution of the Council appointing him 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 Responsible Financial Officer for submission to the Council not later than the end of January in each financial year. Following their consideration and amendment, if required, by the Council, agreed amounts relating to each expenditure head shall be included in 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 ensuing 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 therefore. 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 in administering the affairs of the Council.

8. Notwithstanding the terms of Regulation 7 above, the Clerk/Responsible Financial Officer (in consultation with the Chair and Vice-Chair of the Council, or in their absence, any other 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 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 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 accepted 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 Responsible Financial Officer shall present to the Council the financial position in relation to income and expenditure for that particular year.
14. The Responsible Financial Officer shall carry out a bank reconciliation for each of the Council's accounts on a quarterly basis.

Accounting and Audit

15. All accounting procedures and financial records of the Council shall be determined by the Responsible Financial Officer, as required by the Accounts and Audit Regulations 1996 or Regulations amending or superseding such Regulations.
16. The Responsible Financial Officer 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 and report thereon to the Council accordingly.

17. The Responsible Financial Officer 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 and Cheques

18. The Council's banking arrangements shall be made by the Responsible Financial Officer and approved by the Council. Two accounts shall be maintained at the bank, a general account and 30 day interest account. All payments for expenditure shall be reported to the meeting and all to be included in the minutes.
19. Cheques on the general account shall be signed by any three Members of the Council. Such signatories shall also satisfy themselves from the supporting paperwork that the amounts of such cheques equate to the amounts due for payment.
20. The Responsible Financial Officer shall be authorised to transfer money from the Council's general account and vice versa, as he deems appropriate from time to time and a bank mandate for that purpose shall be arranged by the Responsible Financial Officer.

Payment of Accounts

21. All payments shall be effected by cheque drawn on the Council's bankers whenever possible.
22. All invoices for payment shall be examined, verified and certified by the Responsible Financial Officer. Before certifying an invoice, the Responsible Financial Officer shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
23. The Responsible Financial Officer shall examine invoices in relation to arithmetical accuracy and shall enter them under the appropriate expenditure head in the accounts ledger. He shall take all possible steps to settle 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 thereof, 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 Responsible Financial Officer.

Payment of Salary

26. The salary of the Clerk and Responsible Officer shall be paid by BACS. Previously approved allowances etc. shall be paid by the Council monthly by cheque, which shall be presented to the Council under paragraph 18 above.

Loans and Investment

27. All loans and investments shall be negotiated by the Responsible Financial Officer 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 effected in the name of the Council.
30. All investment certificates and other documents relating thereto shall be retained in the custody of the Responsible Financial Officer, 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 Responsible Financial Officer.
32. All sums received on behalf of the Council shall either be paid to the Responsible Financial Officer for banking or be banked as directed by the Responsible Financial Officer. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Responsible Financial Officer 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 Responsible Financial Officer 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.
35. Order books shall be controlled by the Responsible Financial Officer.
36. The Clerk/Responsible Financial Officer shall be responsible for obtaining best value for money at all times. He shall ensure, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction.

Contracts

37. Procedures as to the letting of contracts in excess of £25,000 are as laid down in the Council's Standing Orders relating thereto.
38. Where it is intended to enter into a contract exceeding £2,500 but not exceeding £25,000 in value for the supply of goods or materials or for the execution of works, the Responsible Financial Officer shall give at least three weeks public notice of such intention in same manner as public notice of meeting the Council is given. Contracts should be in writing to protect the legal position of the Council should there be disputes about elements of supply of goods or services.
39. Where contracts provide for payment by instalments, the Responsible Financial Officer 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.
40. Any variation to a contract or addition to or omission from a contract shall be approved by the Responsible Financial Officer in writing, the Council being informed where the final cost is likely to exceed the financial provision made therefore.

Stores and Equipment

41. Delivery notes shall be obtained in respect of all goods received and, as far as practicable, goods shall be checked as regard to quality at the time delivery is made.

Properties and Estates

42. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Responsible Financial Officer shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with the requirements of Regulation 4 (3) (b) of the Accounts and Audit Regulations 1996, or the equivalent requirements contained in succeeding Regulations.
43. No property shall be sold, leased or otherwise disposed of without the authority of the Council.

Insurance

44. The Responsible Financial Officer shall effect all insurances and negotiate all claims on the Council's insurers.
45. The Responsible Financial Officer shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
46. The Responsible Financial Officer shall keep a record of all insurances effected by the Council and the property and risks covered thereby as part of the risk assessment procedure and report it to Council for annual review.
47. The Responsible Financial Officer shall be notified of any loss, liability or damage or of any event likely to lead to a claim.
48. All appropriate employees of the Council to review its Financial Regulations from time to time and to make such revisions thereto as may be considered desirable.

