

HOLT COMMUNITY COUNCIL.

Key Financial Regulations

1. General

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. The Clerk to the Council will be the Responsible Financial Officer (RFO) and under the direction of the Council will be responsible for the proper administration of the Council's financial affairs. In addition to these Financial Regulations the Council will also adhere to relevant legislation relating to financial management and procedural guidance endorsed by Welsh Government.

2. Finance - Workings

At the Annual Meeting of the Council a work pair consisting of the Clerk and Councillor with Financial background, shall be appointed to oversee and scrutinise the financial responsibilities and activities of the Council. Every month a Financial sheet and covering note shall be produced showing accurate balance and variances to budget.

3. Setting of Budget.

The Council will consider the financial position of its revenue and capital expenditure for every financial year annually in the preceding year. Estimates of income and expenditure shall be prepared by the Clerk in consultation with the appointed Councillor and the Precept shall be set by the full Council. The Clerk will be responsible for submitting the Precept request to the Rating Authority within the deadlines set. The annual capital and revenue budgets will form the basis of financial controls for the coming year.

4. Budgetary Controls

- 4.1. The Clerk will maintain a spreadsheet of revenue income and expenditure and where relevant a spreadsheet of capital income and expenditure which will be submitted to the Full Council at every meeting. A budget monitoring forecast will be submitted to the full Council monthly.
- 4.2. As soon as is practical after the end of each financial year the RFO will prepare income and expenditure accounts for the year for consideration by the full council and the appointed Internal Auditor, prior to submission to the External Auditors appointed by the Welsh Government.
- 4.3. Budgetary Information should include approved Budget and Budget requirements will be considered and approved by Full Council January each year at the Budget Meeting.

5. Banking Arrangements

- 5.1. A bank account(s) shall be maintained with National Westminster Bank or such other Bank as the Council shall from time to time agree.
- 5.2. The accounts and statements shall be maintained by the Clerk and made available to the Council quarterly.
- 5.3. Payments shall be set up by the Clerk and authorised at meetings with a list of Accounts to be approved. Cheques shall be signed by the Clerk and one other member named on the banking mandate. Cheque stubs to be initialled.)
- 5.4. Internet Banking – This has not been adopted by Holt Community Council.
- 5.5. The Clerk will have authorisation to make direct payments for supplies and services after full agreement of the members.

6. Internal Auditor

The Council will appoint an Internal Auditor to scrutinize its financial and administrative procedures in accordance with the Accounts and Audit Regulations. The appointment will be reviewed annually, and the Auditor will be paid such sum as is agreed by the Council.

7. Accounts and Auditing

The Clerk will maintain an agreed system of internal financial control in consultation with the agreed councillor and the appointed Internal Auditor

8. Procurement

- 8.1. All items of expenditure under £500 can be purchased by the Clerk subject to the transactions providing value for money and the Chairman or Vice Chairman and the Council having approved the transaction. These powers were revised at AGM on 28th July, 2020.
- 8.2. Items of expenditure between £500 and 3,000 must be made by the Clerk in consultation with the Chair or Vice-Chair of the Council and members.
- 8.3. All accounts payable will be discussed at full Council and recorded in the minutes. (Except in exceptional circumstances when in consultation with Chairperson, Vice Chairperson and members they can be paid.) The minutes of each meeting will be signed by the Chairperson or Vice Chairperson.
- 8.4. The below procurement requirements must be followed in relation to the expenditure decisions.
- 8.5. The Clerk will be responsible for purchasing all goods and services on behalf of the Council. For all items over £3000 in value a minimum of three written quotations must be obtained (if possible) For items below this, efforts to ensure value for money must be made, for example telephone quotations.
- 8.6. For emergency work such as plumbing or electrical emergencies this work can be commissioned to resolve the emergency. If the emergency work would exceed £1,000 quotations should be sought where safe and acceptable to wait for the quotations.
- 8.7. For goods and services exceeding £25,000 formal tendering procedures will be implemented in accordance with Public Procurement Regulations. Tenders exceeding or expected to exceed £25,000 will be returned in marked sealed envelopes and opened by the Clerk in the presence of the Chair or Vice-Chair of the Council and one other councillor. The prices provided in each individual tender will be recorded at the tender opening and signed by those present. The tenders will then be checked for arithmetical accuracy and a technical check where required will be made. Tenders will be awarded on the basis of a value for money evaluation based on a relevant ratio of price and quality depending on the nature of the goods/services.
- 8.8. An exemption to this financial regulation may be applied for to members of Full Council for specialist goods and services which can only be bought for an organisation of specific expertise and experience. Exemptions to Financial Regulation 8 should only be applied for in exceptional circumstances and there will need to be robust evidence of need for the exemption.

9. Master Card/ Petty Cash - None Held at present.

10. Expenses.

- 10.1. Expenses incurred by the Clerk for business carried out on behalf of the Council will be approved by the Full Council. E.g. (mileage, stationery, postage e.t.c.) An expenses claim form will be provided for this purpose.

11. Payments to Members – Independent Remuneration Panel.

Allowances to members will be Precepted and will be available to claim, at a rate of £150 per council member per annum and a further £500 per annum for the Chair. The decision to claim these expenses, or make a nil claim, will be made individually by the member contacting Clerk. The decision will then be minuted and put on the website and returned as required to the IRP

12. Asset Register

- 12.1. An Asset Register of all items of a capital nature which have a useful life of more than one year will be maintained by the Clerk. This will include all items such as play equipment, tools and machinery, office equipment, etc.
- 12.2. The Register will record the date of purchase, the location and the value of the items.
- 12.3. This is to be reviewed annually for audit.

3. Insurance

The Council will purchase and maintain fidelity, public liability, employers' liability and land and buildings insurance cover in accordance with its procurement policy.

4. Salaries and Wages

Salaries and wages and all HMRC payments will be subcontracted to AVOW or any other provider of such services as the Council shall from time to time agree.

5. Value Added Tax

The Clerk will reclaim all paid value added tax from HMRC as allowed.

16. Income

- 16.1. The RFO will be responsible for collecting and banking all monies due to the Council. Any bad debts must be reported to the Council for instructions.
- 16.2. All charges will be reviewed annually to ensure value for money and good return on investment and approved by Full Council.
- 16.3. Registers for all income (ie. Burial, Allotments) will be maintained and stored by the RFO.
- 16.4. Other income will be listed in Account book and on Monthly Spreadsheet.

17. Orders and Contracts

- 17.1. All items of expenditure below should be first approved by the council. Orders can be signed by the Clerk but will comply with these financial regulations. In most cases the work/goods to be ordered will have been discussed and approved at Council. The procurement limits outlined in section 8 describes the decision-making processes to be followed for different levels of expenditure.
- 17.2. Expenditure over £3000 should be commissioned after 3 quotes obtained (if possible) and Approval of the council. The terms of these must be appropriate for the Council. Payment in arrears will be encouraged as much as possible to reduce the risks to the Council.
- 17.3. Any contract, lease or agreement for the purchase or disposal of goods or services shall be signed by the Clerk or in his / her absence by the Chair or Vice-Chair of the Council after approval at a meeting of Full Council.

18. Applications for Financial Assistance

All applications for financial assistance shall be considered by the full Council at its meeting in October of each year. Specific applications can be considered at other meetings at the discretion of the Council.

19. Internal Controls

Members of Council led by the Chair or Vice-Chair will undertake quarterly audits of the Council's financial monitoring information, bank statements, invoices etc to support robust internal controls. A record of each audit will be made including any findings and recommendations for improvements.

20. Review

The Financial Regulations will be reviewed regularly and at a minimum every two years.

Date Reviewed: November 2021

Adapted for Holt from NALC Financial Regulations 2021.

Date Approved by Full Council: March 2020 Further revised and accepted November 2021

Signed by the Chair:



Signed by Clerk/RFO

