

**1. GENERAL**

**1.1** The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control that facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.

**1.2** This Procedure governs the conduct of the financial management of Hurworth Parish Council and may only be amended or varied by resolution of the Council.

**1.3** The Clerk is the Responsible Financial Officer (hereinafter referred to as 'The Clerk') for Hurworth Parish Council. The Clerk, acting under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.

**2.0 ANNUAL ESTIMATES**

**1.1** An estimate of expenditure and income for the following financial year shall be prepared each December and submitted to the Council for approval in the following January to allow determination of the Council Precept. This shall be embodied in the monthly cash flow spreadsheets presented to the Council.

**1.2** The council must always hold general reserves, which are sufficient to allow the council to conduct their normal business for a period of between three and twelve months. Hurworth Parish council have elected to hold reserves adequate for a period of six months, based on minimum estimated establishment costs, notionally £10k.

**3.0 ORDERS FOR GOODS AND SERVICES**

**3.1** Unless otherwise directed by the Council all orders for goods and services shall be issued by the Clerk having been approved as either part of the Annual estimates or as a separate resolution of the Council.

**3.2** All orders for goods and services with a value of less than £500 may be placed directly by the Clerk. The Clerk may also, with the approval of the Chairman, incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work that is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council as soon as practicable thereafter.

**3.3** Orders for goods and services in excess of £500; all Members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations from appropriate suppliers.

**3.4** Unless deemed otherwise by The Clerk and Chair/Vice all enquiries/orders shall be sent out on formal HPC documents together with the standard terms and conditions as found in Procedure No. 2 Enquiry and Order Documentation.

**3.5** The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

**4.0 ASSETS, PROPERTIES AND ESTATES**

**4.1** The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk 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 Accounts and Audit Regulations.

**(Cont.)**

**4.2** No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save (cont.)

where the estimated value of any one does not exceed £500.

**4.3** The Clerk shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually as part of the final accounts for that year.

## **5.0 ACCOUNTING ARRANGEMENTS**

**5.1** All invoices will be certified by the Clerk of the Council for quality and quantity of goods and services received.

**5.2** A list of all such invoices will be presented for approval by full Council at the next available Meeting.

**5.3** Cheques in settlement of the invoices will be countersigned by two Members.

**5.4** All income shall be banked by the Clerk immediately upon receipt.

**5.5** Records of all transactions of income and expenditure shall be kept by the Clerk in a Receipts and Payments book and should be reconciled with bank statements as received.

**5.6** That VAT be reclaimed on a quarterly basis.

**5.7** That the allotment rents be yearly in advance, and must be paid by the last day of January in each year, or face possible re-allocation.

## **6.0 INSURANCE COVER**

**6.1** The Clerk shall effect all insurance cover, excluding for the subletting of the Grange and its grounds, and negotiate all claims as directed by the Council.

## **7.0 BUDGETARY CONTROL**

**7.1** The Clerk shall prepare monthly cash flow statements for presentation to the Council showing the balance of funds at the end of each month on a 24 month summary basis. These will be distributed to councillors at least three days prior to the monthly Council meeting.

## **8.0 ANNUAL AUDIT**

**8.1** The Clerk shall be responsible for the preparation of final accounts for approval by Council and submission of District Audit in accordance with the Accounts and Audit Regulations 1996.

**8.2** In accordance with the mandatory regulations, the Council must engage an internal auditor, appropriately qualified, to perform an annual internal audit, prior to the external audit.

## **9.0 REVISION OF THIS PROCEDURE**

**9.1** It shall be the duty of the Council to review this Procedure from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.