

**CYNGOR CYMUNED LLANFAIR DYFFRYN CLWYD
COMMUNITY COUNCIL**

FINANCIAL REGULATIONS

RFO—Responsible Financial Officer .

1. General

A. 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.

B. The (RFO) under the policy direction of the members of the Community Council shall be responsible for the proper administration of the council's financial affairs.

C. The RFO shall be responsible for the production of financial management information.

2. Annual Estimates

A. The RFO shall supply to each member for approval, written estimates for the coming financial year at its meeting in the month of November.

3. Budgetary Control

A. The RFO shall provide each member with an up-to-date statement of income and expenditure quarterly.

B. The RFO may incur expenditure on behalf of the Community Council in the execution of his/her duties e.g. Postage/Stationery and be reimbursed subject to the approval of the members.

C. All expenditure to be approved by the members. Where it is necessary to make payment before it has been authorized by the Community Council, any such payment shall be certified as to its correctness by the RFO. Such payment shall be authorised by the RFO, the Chair or Vice Chair and one other member, or in their absence by two other members. All payments ratified under this order shall be separately included in the next schedule of payments laid before the Community Council at their next meeting.

D. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4. Accounting and Audit

A. All accounting procedures and financial records of the Community Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 as amended.

B. The RFO shall be responsible for completing the annual accounts of the Community Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the members at the first meeting convened in the new financial year.

C. The Community Council shall be responsible for the appointment of an Internal Auditor to carry out an internal audit of the council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations 1996 as amended, or set by the auditor.

D. The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1996 as amended.

Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council that appear to the RFO or Internal Auditor to be necessary for the

purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to the satisfactory completion of the Internal Auditor's section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers by section 15 of the Audit Commission Act 1998 and the Accounts and Audit Regulations 1996 as amended.

The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is in respect of a purely administrative matter.

5. Banking Arrangements and Cheques

A. The Community Council's banking arrangements shall be made by the RFO and approved by the members.

B. All payments must be authorized by the Community Council. Cheques drawn on the bank accounts shall be signed by **THREE members, or otherwise by TWO members as well as** the RFO/Clerk. Signatories to the cheques to state their initials on the cheque stubs.

6. Payment of Accounts

A. Apart from petty cash payments all payments shall be effected by cheque or other order drawn on the Community Council's bankers.

B. All invoices for payment shall be examined, verified by the RFO/Clerk. Before certifying an invoice for payment the officer shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out and examined.

C. All invoices shall be verified by the RFO who will examine them in relation to arithmetical accuracy. The RFO should endeavour to take all possible steps to settle all invoices submitted, within 30 days of their receipt.

D. When the RFO is satisfied that invoices are in order he shall submit them for payment to members at the first available meeting.

7. Payment of Salaries and Wages

A. The payment of all salaries and wages shall be made by the RFO upon the instructions of the Community Council.

B. Transfers to/from the Council's accounts shall be authorized by any two members together with the RFO.

8. Loans and Investments

A. All loans and investments must be sanctioned by the members, who will also decide a set period of time.

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

C. All borrowings shall be effected in the name of the Community Council.

D. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

E. The Council's Investment Policy shall be in accordance with the Trustee Act 2000 and shall be reviewed on a regular basis (at least annually).

9. Income

A. The collection of all sums due to the Community Council shall be the responsibility of the RFO.

B. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Community Council.

C. The Community Council will review any fees and charges due to them annually, following a report submitted by the Clerk/RFO.

D. Any outstanding debts to be reported to the Community Council.

E. All payments received on behalf of the Community Council shall be paid to the RFO for banking other than payments made directly to the Council's bankers by the BACS system.

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

G. The RFO shall promptly complete any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 shall be made at least annually coinciding with the financial year end.

10. Orders for Work, Goods and Services

10.1 An official order or letter or email 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 shall be retained.

10.2 Order books shall be controlled by the RFO.

10.3 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 or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.

10.4 A member may not issue an official order or make any contract on behalf of the Council.

10.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. Contracts

11.1 Procedures as to contracts are laid down as follows in conjunction with the Community Council's Standing Orders:

a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (v) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for specialist services such as are provided by **legal professionals acting in disputes**;
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- v. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

b. The full requirements of The Public Contracts Regulations 2015 (“the Regulations”), as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)ⁱ.

c. 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.

d. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.

f. Any invitation to tender issued under this regulation shall be subject to Standing Orders[24], ⁱⁱ [insert reference of the Council’s relevant standing order] and shall refer to the terms of the Bribery Act 2010.

g. When it is to enter into a contract of less than [£25,000]ⁱⁱⁱ in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below [£3,000] and above [£1,000] the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

i. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

11.2 The Proper Officer shall maintain a register of personal interests, in respect of both members and senior staff.

a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

12. Properties and Estates

A. The Clerk shall make appropriate arrangements for the custody of all title deeds of any properties owned by the Community Council. A record to be maintained of any properties owned by the Community Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held.

B. Any property owned shall not be sold, leased or otherwise disposed of without the authority of the Community Council.

13. Insurance

A. The Clerk/RFO shall effect all insurances and negotiate all claims on the Community Council's insurers. The Clerk/RFO to advise members at the May meeting each year of the annual premium being requested, together with the amount of cover of assets.

B. The Clerk/RFO to advise members at the earliest opportunity of any new risks, assets which may require to be insured and of any alterations affecting existing properties.

C. The RFO shall keep a record of all insurances effected by the Community Council and the property and risks covered thereby and annually review it. See 13A above.

D. The Clerk/RFO to be notified as well as notifying members of any loss liability or damage or of any event likely to lead to a claim.

E. All employees of the Community Council shall be included in a suitable fidelity guarantee insurance.

14. Revision of Financial Regulations

A. It shall be a duty of the Community Council to review the financial regulations of the Community Council from time to time and to make any amendments deemed necessary.

Reviewed and Approved by the Community Council on 13/07/20 Minute Reference 688.4
[para 11.1 a. ii amended as recommended by the internal auditor]

ⁱ Thresholds currently applicable are:

a. For public supply and public service contracts 209,000 Euros (£164,176)

b. For public works contracts 5,225,000 Euros (£4,104,394)

ii Based on NALC's model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

iii This suggested figure is based on the sum above which special rules are applicable (under the Regulations) to Councils in England and is therefore considered an appropriate threshold.