

Wavendon Community Centre

These Financial Regulations were adopted by the Parish Council at its Meeting held on the 16th June 2014. Reviewed in August 2018, no changes required.

FINANCIAL REGULATIONS

INDEX

| | | |
|-----|--|---|
| 1. | GENERAL | 2 |
| 2. | ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)..... | 3 |
| 3. | ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING | 3 |
| 4. | BUDGETARY CONTROL AND AUTHORITY TO SPEND | 4 |
| 5. | BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS | 4 |
| 6. | INSTRUCTIONS FOR THE MAKING OF PAYMENTS | 5 |
| 7. | INTERNET BANKING ARRANGEMENTS..... | 6 |
| 8. | CONTRACTS | 6 |
| 9. | ASSETS, PROPERTIES AND ESTATES | 6 |
| 10. | INSURANCE | 7 |
| 11. | RISK MANAGEMENT | 7 |
| 12. | SUSPENSION AND REVISION OF FINANCIAL REGULATIONS | 7 |

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Community Centre and may only be amended or varied by resolution of the Community Centre Executive Committee.
- 1.2. The Community Centre Executive Committee is responsible for ensuring that its financial management is adequate and effective and that the Community Centre has a sound system of internal control which facilitates the effective exercise of the Community Centre's functions, including arrangements for the management of risk.
- 1.3. The Community Centre's accounting control systems must include measures:
 - for the timely production of accounts; and
 - to prevent and detect inaccuracy and fraud;
- 1.4. These financial regulations demonstrate how the Community Centre meets these responsibilities and requirements.
- 1.5. Members of the Community Centre are expected to follow the instructions within these Regulations and not to entice employees to breach them.
- 1.6. The Community Centre Manager is appointed by the Community Centre Executive Committee.
- 1.7. The Community Centre manager;
 - acts under the policy direction of the Community Centre Executive Committee;
 - administers the Community Centre's affairs in accordance with all Acts, Regulations and proper practices;
 - determines, on behalf of the Community Centre, its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Community Centre up to date in accordance with proper practices;
 - assists the Community Centre to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Community Centre.
- 1.8. The accounting records determined by the Community Centre Manager shall be sufficient to show and explain the Community Centre's transactions and to enable the Community Centre Manager to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Community Centre from time to time comply with proper practice.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. The Community Centre Manager shall complete the annual statement of accounts, annual report, and any related documents of the Community Centre as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Community Centre within a reasonable timescale.
- 2.2. The Community Centre shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Community Centre shall make available such documents and records as appear to the Community Centre to be necessary for the purpose of the audit and shall, as directed by the Community Centre, supply the Community Centre Manager, internal auditor, or external auditor with such information and explanation as the Community Centre considers necessary for that purpose.
- 2.3. The internal auditor shall:
 - be competent and independent of the financial operations of the Community Centre;
 - report to Community Centre in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest; and
 - have no involvement in the financial decision making, management or control of the Community Centre.
- 2.4. Internal or external auditors may not under any circumstances:
 - Perform any operational duties for the Community Centre;
 - initiate or approve accounting transactions; or
 - direct the activities of any Community Centre employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.5. The Community Centre Manager shall, without undue delay, bring to the attention of the Community Centre Executive Committee any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. The Community Centre Manager must each year, by no later than February, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Community Centre Executive Committee.
- 3.2. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- the Community Centre Executive Committee for all items over £5,000;
 - the Community Centre Manager, in conjunction with Chairman of the Community Centre, for any items above £250, but below £5000.
 - the Community Centre Manager for any items above £250.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Community Centre manager, and, where necessary, also by the Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Community Centre Executive Committee.
- 4.3. In cases of extreme risk to the delivery of Community Centre services, the Community Centre Manager may authorise revenue expenditure on behalf of the Community Centre which in the Community Centre Manager's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Community Centre manager shall report such action to the chairman as soon as possible and to the Community Centre Executive Committee as soon as practicable thereafter.
- 4.4. All capital works shall be administered in accordance with the Parish Council's standing orders and financial regulations relating to contracts.
- 4.5. The Community Centre Manager shall regularly provide the Community Centre with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned, as shown in the budget.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Community Centre's banking arrangements, including the bank mandate, shall be made by the Community Centre Manager and approved by the Community Centre. Banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. All invoices for payment shall be examined, verified and certified by the Community Centre Manager to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Community Centre.
- 5.3. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Community Centre Executive Committee Member.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The Community Centre will make safe and efficient arrangements for the making of its payments.
- 6.2. All payments shall be effected by cheque or other instructions to the Community Centre's bankers, or otherwise, in accordance with a resolution of Community Centre.
- 6.3. Cheques or orders for payment drawn on the bank account, in accordance with the relevant documentation authorising payment, shall be signed by two members of the Community Centre Executive Committee.
- 6.4. Cheques or orders for payment shall normally be presented for signature at a Community Centre meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Community Centre at the next convenient meeting.
- 6.5. If thought appropriate by the Community Centre:-
 - payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit;
 - payment for certain items (principally Salaries) may be made by Banker's Standing Order; and
 - payment for certain items may be made by BACS or CHAPS methods;provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories.

7. INTERNET BANKING ARRANGEMENTS

- 7.1. If thought appropriate by the Community Centre payment for certain items may be made by internet banking transfer.
- 7.2. All invoices for payment by internet banking transfer shall be examined, verified and certified by the Community Centre Manager to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Community Centre. The Community Centre Manager may then authorise payments by internet banking, subject to a limit on each individual payment of £250. Appropriate evidence to support the payment shall be retained by the Community Centre manager.
- 7.3. All other payments shall be approved by two members of the Community Centre Executive Committee. Appropriate evidence shall be retained by the Community Centre manager to support the payment, showing which members approved the payment.
- 7.4. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Community Centre's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Parish Clerk in a sealed dated envelope. This envelope may not be opened other than in the presence of two Community Centre Executive Committee members. After the envelope has been opened, in any circumstances, the PIN and / or passwords

shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Community Centre. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

- 7.5. No employee or Community Centre Executive Committee member shall disclose any PIN or password, relevant to the working of the Community Centre or its bank accounts, to any person not authorised in writing by the Community Centre or a duly delegated committee.
- 7.6. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 7.7. The Community Centre, and any members using computers for the Community Centre's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 7.8. Where internet banking arrangements are made with any bank, the Community Centre manager shall be appointed as the Service Administrator. The Bank Mandate approved by the Community Centre may identify a number of Community Centre Executive Committee members who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 7.9. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Community Centre banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 7.10. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by Community Centre manager. A programme of regular checks of standing data with suppliers will be followed.
- 7.11. The Community Centre will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Community Centre manager (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

8. CONTRACTS

- 8.1 Every contract shall comply with the Parish Council's financial regulations

9. ASSETS, PROPERTIES AND ESTATES

- 9.1. The Community Centre manager shall make appropriate arrangements for the custody of all property held by the Community Centre.
- 9.2. The Community Centre manager 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, possibly in conjunction with a health and safety inspection of assets.

- 9.3. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, except in accordance with the Parish Council's financial regulations.

10. INSURANCE

- 10.1. Following the annual risk assessment, the Community Centre manager shall, in conjunction with the Parish Clerk, effect all insurances and negotiate all claims on the Community Centre's insurers.

11. RISK MANAGEMENT

- 11.1. The Community Centre is responsible for putting in place arrangements for the management of risk. The Community Centre manager shall, in conjunction with the Parish Clerk, prepare, for approval by the Community Centre, risk management policy statements in respect of all activities of the Community Centre. Risk policy statements and consequential risk management arrangements shall be reviewed by the Community Centre at least annually.

12. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 12.1. It shall be the duty of the Community Centre to review the Financial Regulations of the Community Centre from time to time.
- 12.2. The Community Centre may, by resolution of the Community Centre, duly notified prior to the relevant meeting of Community Centre, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Community Centre.
- 12.3. The Parish Council may, by resolution of the Parish Council, suspend any part of these Financial Regulations or the Financial Regulations of the Parish Council on which they rely.