

FINANCIAL REGULATIONS

Adopted for use by

Harmsworth Memorial Trust

1. GENERAL

- 1.1 These financial regulations govern the conduct of the financial transactions of the Trust and may only be amended or varied by resolution of the Trust.
- 1.2 The Clerk will carry out the role of Responsible Financial Officer as defined in these Regulations.
- 1.2 The Clerk, under the policy direction of the Trust, shall be responsible for the proper administration of the Trust's affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 The Clerk will prepare estimates of receipts and payments for the following financial year.
- 2.2 The Trust shall review the estimates not later than the end of December each year and shall fix a budget for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.
- 2.3 The annual budgets shall form the basis of financial control for the ensuing year.

3 BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget, unless otherwise approved by resolution of the Trust.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget unless otherwise approved by resolution of the Trust.
- 3.3 The Clerk shall regularly provide the Trust with a statement of receipts and payments to date.
- 3.4 The Clerk may incur expenditure on behalf of the Trust for miscellaneous minor expenditure (e.g. postage, stationery), and to carry out any repair replacement or other work which 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 £100. The Clerk shall report the action to the Trust as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless otherwise approved by resolution of the Trust.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Trust is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.7 All capital works shall be administered in accordance with the Trust's Standing Orders and Financial Regulations relating to contracts.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Trust shall be determined by the Clerk as required by the Accounts and Audit Regulations 2003.
- 4.2 The Clerk shall be responsible for completing the annual financial statements of the Trust as soon as practicable after the end of the financial year, and shall submit them with a report to the Trust.
- 4.3 The Clerk shall be responsible for completing the Accounts of the Trust contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the

- Trust within the timescales set by the Accounts and Audit Regulations 2003, or set by the Auditor.
- 4.4 The Clerk shall be responsible for ensuring that there is an adequate and effective system of independent internal audit of the Trust's accounting, financial and other operations in accordance with Accounts and Audit Regulations 2003. Any officer or member of the Trust shall, if the Clerk or Internal Auditor requires, make available such documents of the Trust which appear to the Clerk or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Clerk or Internal Auditor with such information and explanation as the Clerk or Internal Auditor considers necessary for that purpose.
- 4.5 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2003.
- 4.6 The Clerk shall, as soon as practicable, bring to the attention of all Trustlors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.
- 4.7 The Clerk will ensure that an Internal Audit of the Trust's accounts is carried out by a member on two occasions in each financial year using the Internal Audit Check Sheet (Appendix 1 to these Financial Regulations).

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Trust's banking arrangements shall be made by the Clerk and approved by the Trust. They shall be reviewed annually for efficiency.
- 5.2 The Clerk will prepare a schedule of the payments required supported by the relevant invoices required which he will present monthly to Trust. The schedule will form part of the Agenda for the Meeting. If the schedule is in order it shall be authorised by a resolution of the Trust and will be shown in the Minutes of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Trust.
- 5.4 The signatories shall each also initial the cheque counterfoil.

6 PAYMENT OF ACCOUNTS

- 6.1 All payments shall be made by cheque or other order drawn on the Trust's bankers, authorised by Trust resolution and signed by two members.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 Except as provided in paragraph (2) of this Standing Order or by statute, all accounts for payment and claims upon the Trust shall be laid before the Trust.
- 6.4 The Clerk shall check invoices for arithmetic accuracy and shall analyse them to the appropriate expenditure headings. The Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Trust Meeting.
- 6.5 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Trust, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Trust.
- 6.6 If thought appropriate by the Trust, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to the Trust as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the Trust at least every two years.
- 6.7 The Trust may keep a petty cash float of up to £50 at the discretion of the Clerk. All cash received must be banked intact. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis, usually monthly.

7 PAYMENT OF SALARIES

- 7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Trust.
- 7.2 Payment of salaries and the payment of deductions from salary such as tax, national insurance and pension contributions, will be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified at the next Trust Meeting.
- 7.3 If thought appropriate by the Trust, payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to Trust as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the Trust at least every two years.

8 LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the Trust and shall be for a set period in accordance with Trust policy.
- 8.2 The Trust's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- 8.3 All investments of money under the control of the Trust shall be in the name of the Trust.
- 8.4 All borrowings shall be effected in the name of the Trust, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Trust as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

9 INCOME

- 9.1 The Clerk will be responsible for collecting all sums due to the Trust.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Trust, and notified to the Clerk.
- 9.3 The Trust will review all fees and charges annually, following a report from the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Trust and shall be written off in the year.
- 9.5 The Clerk will bank all sums received on behalf of the Trust intact, and as promptly as possible (usually within a maximum of seven days of receipt).
- 9.6 The origin of each sum received shall be entered on the bank paying-in book counterfoil. It is not necessary to issue a receipt for sums received by cheque unless required by the payer.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Trust.
- 9.8 The Clerk shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

10 ESTIMATES AND PRECEPTS

- 10.1 The Trust shall approve written estimates for the coming financial year at its meeting before the end of the month of December.

11 ORDERS FOR WORK, GOODS AND SERVICES

- 11.1 The Clerk will issue an official order or letter 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.
- 11.2 All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order is to 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 12.1 below.
- 11.3 The Clerk 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 Clerk 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.

12 CONTRACTS

12.1 Procedures as to contracts are laid down as follows:

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
 - (i) for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - (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 Trust;
 - (v) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk shall act after consultation with the Chairman and Vice Chairman of Trust);
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b) Where it is intended to enter into a contract exceeding £50,000 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 shall invite tenders from at least three firms to be taken from the appropriate approved list.
- 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 Trust.
- 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 Trust.
- (f) If less than three tenders are received for contracts above £50,000 or if all the tenders are identical the Trust may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (g) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Order 10b.
- (h) When it is to enter into a contract less than £50,000 but over £500 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).
- (i) Where the value is below £500 the Clerk need only obtain 1 estimate.
- (j) The Trust shall not be obliged to accept the lowest of any tender, quote or estimate.
- (k) If no tenders or quotations are received or if all the tenders or quotations are identical the Trust may make such arrangements for procuring the work or supply of goods as it thinks fit.
- (l) No agreements, contracts or transactions under this Financial Regulation may be entered into unless proposed, seconded and approved by Trust.

13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

13.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk upon authorised certificates of the architect or other consultants engaged to

- supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 13.2 Where contracts provide for payment by instalments the Clerk shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Trust.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the Trust and Clerk to the Contractor in writing, the Trust being informed where the final cost is likely to exceed the financial provision.

14 ASSETS, PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Trust. The Clerk shall ensure a record is maintained of all properties owned by the Trust, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Regulation 5(3)(b) of the Accounts and Audit Regulations 2003.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Trust, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.
- 14.3 All lease/transfer of property documents and deeds shall be signed on behalf of the Trust by the Chairman and two other Councillors in the presence of the Clerk stated as being Signed, Sealed and Delivered by such. There is no Company Seal to be applied.

15 INSURANCE

- 15.1 Following an annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the Trust's insurers.
- 15.2 The Clerk shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Clerk shall keep a record of all insurances effected by the Trust and the property and risks covered thereby and the Trust will review annually.
- 15.4 The Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Trust at the next available meeting.
- 15.5 All appropriate employees of the Trust shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Trust.

16 CHARITIES

- 16.1 Where the Trust is sole trustee of a Charitable body the Clerk shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17 RISK MANAGEMENT

- 17.1 The Trust is responsible for putting in place arrangements for management risk. The Clerk shall prepare a risk management policy statement in respect of all activities of the Trust, for approval by the Trust.
- 17.2 When considering any new activity the Clerk will prepare a draft Risk Assessment for the activity and shall prepare a draft addressing the legal and financial liabilities and Risk Management issues that arise to Trust for consideration and, if thought appropriate, adoption.

18 REVISION OF FINANCIAL REGULATIONS

- 18.1 The Clerk will ensure that the Trust reviews these Financial Regulations annually.

Appendix 1	Responsible Financial Officer
Appendix 2	Internal Audit Procedure
Appendix 3	Internal Audit Checklist