

FINANCIAL REGULATIONS

for

HENBURY PARISH COUNCIL

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HENBURY PARISH COUNCIL

FINANCIAL REGULATIONS

1. GENERAL

- 1.1 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.
- 1.2 The Clerk to the Council in addition to his normal duties as defined in his Contract of Employment shall also act as the responsible financial officer (RFO). In these regulations the Clerk acting in either of his capacities as Clerk or as RFO shall be referred to as the RFO.
- 1.3 The RFO under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 The Council shall formulate proposals in respect of revenue services and capital projects for inclusion in the rolling capital programme no later than the end of November each year.
- 2.2 Detailed estimates of income and expenditure on revenue services and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.3 The estimates will be submitted to the Council not later than the end of January in each year and shall include a recommendation for the level of the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the estimates and the recommendation.
- 2.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on each heading of the revenue account may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred, which cannot be met from the amount provided for in the detailed estimates unless a virement has been approved by the Council.
- 3.3 The RFO shall at the September and January meetings of the Council provide a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.
- 3.4 The Clerk may incur expenditure on behalf of the Council which is necessary 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 £2,500. The Clerk shall report the action to the Council as soon as practicable thereafter.

In such cases the Clerk must take all reasonable steps to consult the Chairman or other member of the Council before incurring the expenditure

- 3.5 No expenditure shall be incurred in relation to any capital project and no contract

entered into or tender accepted involving expenditure on capital account unless the Council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.

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

4. ACCOUNTING AND AUDIT

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

- 4.2 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Council at their May meeting.

- 4.3 The following principle shall be observed in connection with accounting duties.

The duty of providing information, calculating, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them bearing in mind, of course, that all these functions are carried out by the same person.

- 4.4 The Council will be responsible for appointing an Internal Auditor who shall be responsible for maintaining 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.

- 4.5 Any officer, the Clerk, RFO or member of the Council shall, if the Internal Auditor requires, make available such documents of the Council which related to their accounting and other records as appear to the Internal Auditor to be necessary for the purpose of the audit and shall supply the Internal Auditor with such information and explanation as the Internal Auditor considers necessary for that purpose.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. There will be a **maximum of two** current accounts maintained at the bank.

- 5.2 A schedule of the payment of money shall be prepared by the RFO and together, with the relevant invoices, be presented to the council **and finance committee. If the schedule is in order, it shall be authorised by the finance committee for payment. The finance committee being comprised of those councillors who are registered signatories with the bank and the Clerk**

- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two Councillors and the cheque stubs initialled by at least one Councillor.

- 5.4 Online banking payments shall be made by either the RFO or the Chairman. A schedule of payments shall be presented to the Council for approval. Checks will be made by two council members that the schedule of payments is in accordance with the bank statement.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be affected using online banking or by cheque.

- 6.2 The Clerk and the Chairman may be provided periodically with petty cash for the purpose of defraying his/her operational and other expenses, not exceeding £100. For example to cover the cost of postage, telephone calls and small items of stationery and printing.
- 6.3 All invoices for payment shall be examined, verified and certified by the Clerk in conjunction with the officer issuing the order. Before certifying an invoice the officer shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.4 The RFO shall examine certified invoices in relation to arithmetical accuracy and authorisation and shall code them to the appropriate expenditure head. The clerk shall take all possible steps to settle all invoices submitted, and which are in order, within two days of receiving payment authorisation from the finance committee members.
- 6.5 A record of the Clerk/RFO's out of pocket expenditure shall be maintained and submitted on request to the Council for examination.
- 6.6 Any income received shall not be paid into the RFO's cash float but must be separately banked, as provided elsewhere in these regulations.

7. PAYMENT OF SALARIES AND WAGES

- 7.1 The payment of all salaries and wages shall be made by the RFO from the general bank account in accordance with the Council's resolutions relating to the salaries and wages to be paid.

8. LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Council shall be in the name of the Council.
- 8.3 All borrowings shall be affected in the name of the Council.
- 8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

- 9.1 Should the Council at any time offer services for which charges would be levied the collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 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 Council.
- 9.3 The Council will review all fees and charges annually, following a report of the Clerk.
- 9.4 Any bad debts shall be reported by the RFO to the Council.
- 9.5 All sums received on behalf of the Council shall be paid directly into the bank via online banking The RFO to provide information to permit payment to ensure swift payment. In all cases all receipts shall be deposited with the Council's bankers with such frequency

and as soon as practicable as the RFO considers necessary.

9.6 Every transfer of official money from the Council to a member of staff or to a member of the Council will require a clear audit trail.

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

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate eg small purchases by the Clerk paid for out of his pocket. Copies of orders issued shall be maintained.

10.2 Order books shall be controlled by the RFO.

10.3 All officers and members of Council 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.

11. CONTRACTS

11.1 Procedures as to the contracts are laid down in the Council's standing orders as follows:

(a) Every contract shall comply with these standing orders, and no exception from any of the following provisions of these standing orders shall be made otherwise than by direction of the Council or in an emergency by the Chairman provided that these standing orders shall not apply to contracts which related 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 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 Council.

(v) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.

(b) Where it is intended to enter into a contract :

(i) exceeding £2,500 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 shall invite tenders from at least three firms, such firms to be taken from the appropriate approved list

(ii) for expenditures of £2,500 or less in value the chairman of the Council or his/her appointed vice chairman together with the Clerk shall have executive power.

(c) When applications are made to waive standing orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.

(d) Every exception made shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.

- (e) Each 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 and the last date by which such tenders should reach the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specially marked envelope in which the tendered is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of the Council.
- (g) If fewer than three tenders are received for contracts valued above £2,500 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (h) The Council shall not be obliged to accept the lowest or any tender.

12. PAYMENTS UNDER CONTRACTS FOR CONSTRUCTION WORKS

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract.
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the Council shall be informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

- 13.1 Should at any time the Council find it necessary to stock materials or goods the person in charge of the project shall be responsible for the care and custody of stores and equipment.
- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for an annual check of all stocks and stores.

14. PROPERTIES AND ESTATES

- 14.1 In the event of the Council acquiring any property or land the Clerk shall make appropriate arrangement for the custody of all title deeds of properties owned by the Council. The RFO 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 the purpose for which held in accordance with regulation 4(3)(b) of the Accounts and Audit Regulations 1996.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

15. INSURANCE

- 15.1 The Clerk acting as the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The Clerk, as RFO, must be made aware of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Clerk, as RFO, shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4 The Clerk, as RFO, shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 15.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

16. REVISION OF FINANCIAL REGULATIONS

- 16.1 It shall be the duty of the Council to review its financial regulations from time to time and to make changes as required. These must be approved and adopted by resolution of the Council.