

STAMBRIDGE PARISH COUNCIL

FINANCIAL REGULATIONS

1. GENERAL

- 1.1 These financial regulations 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 who is also the Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 Each Standing Committee has power to commit expenditure in any one financial year however they shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of 31st October each year.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.3 The Council shall review the estimates not later than the meeting in January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.4 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.
- 3.2 No expenditure may be incurred will exceed the amount provided in the revenue budget, unless the Council has approved a virement.
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual Expenditure against that planned.
- 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. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.

Continued:10/2012

- 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 Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.7 If a Councillor claims expenses for items that has not been agreed previously or if a councillor does not attend training or any other relevant event that the Council has paid for and the Councillors evidence and their reason is not satisfactory the Councillor will have to reimburse the Council in full.
- 3.8 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 as amended.
- 4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall be responsible for completing the Accounts of the Council 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 Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is 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 which 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.
- 4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report 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 Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The RFO shall make arrangements for the opportunity for the inspection of Stambridge Parish Council's accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.

Continued:10/2012

- 4.7 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 of a purely administrative matter.
- 4.8 The RFO will also manage the receipt and expenditure accounts for the Stambridge Memorial Hall, these will be agreed by the Committee and audited as required. The Memorial Hall shall also be insured and if necessary the Parish Council will fund so cover is in place.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the payments required, forming part of the Agenda for the Meeting, shall be prepared by the RFO and, together with the relevant invoices be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council.
- 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 Council. Nomination of at least three Members to be authorised by the Council to sign cheques.
- 5.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 5.5 The RFO/Clerk shall be authorised to arrange transfers between the Councils accounts and the Bank

6. PAYMENT OF ACCOUNTS

- 6.1 All payments, apart from petty cash payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO 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 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting upon the authorisation by the Council and payments approved.
- 6.4 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 Council, where the RFO certify that there is no dispute or other reason to delay payment, the RFO 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 Council.

Continued : 10/2012

- 6.5 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.:
- a) The RFO shall maintain as petty cash float of £50 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

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 Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.

8. LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy, any changes to loans and investments shall be reported to Council at the earliest opportunity.
- 8.2 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).
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

- 9.1 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 agreed annually by the Council, notified to the RFO who is responsible for the collection of all accounts due to the Council.

Continued: 10/2012

- 9.3 The Council will review all fees and charges annually, following the RFO's report.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The RFO 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,
- 9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of Individuals banking such cash.

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. Copies of orders shall be retained.
- 10.2 All Order documentation shall be under the general control of the RFO.
- 10.3 All members and Officers are responsible for obtaining value for money as 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, if possible to obtain three quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (l) below.
- 10.4 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.
- 10.5 The Clerk has an approved delegated power by the Council and shall be authorised to approve expenditure on any emergency work without the prior approval of the Council but should consult with any two members if possible.
- 10.6 The Clerk has an approved delegated power to spend upto £100 on necessary stationary, this does not include print cartridges also upto £250 on any one item without prior approval of the Council.
- 10.7 The Clerk has authorisation to purchase items on the internet agreed by the Council using his/her Credit Card (if the only method of payment) which will be immediately reimbursed.

Continued: 10/2012

11. CONTRACTS

11.1 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:
- (b) for the supply of gas, electricity, water, sewerage and telephone services;
- (c) For specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
- (d) 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;
- (e) For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- (f) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Council);
- (g) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (h) Where it is intended to enter into a contract 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 accepted as set out in paragraph (a) the Clerk shall invite tenders if possible from three Companies to be taken from the appropriate approved list.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) If less than three tenders are received for contracts 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.

Continued: 10/2012

- (m) When it is to enter into a contract less than £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 accepted as set out in paragraph the Clerk or RFO shall strive to obtain 3 quotes/estimates.
A job specification will be given and Member will sign of job once completed before payment is made.
- n) Any invitation to tender issued under this regulation shall contain a statement to the effect of this Regulations.
- (o) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- (p) The Council agree that if any Councillor provides a quotation for any work then this is done by sealed bids only and that that Councillor does not participate in any decisions/discussions or is privy to additional information on the matter.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER 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 (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO 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 of 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 Council and submitted by the RFO to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT – Not Relevant to this Council

14. PROPERTIES AND ESTATES

- 14.1 Stambridge Parish Council are Custodian and Management Trustees of the Stambridge Memorial Hall which is held in Trust under a Charity Commission Scheme and act in accordance with this scheme.

15. INSURANCE

- 15.1 Following an annual risk assessment, the RFO shall affect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall give prompt notification to the Council's insurers of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances, make sure there is adequate insurance to cover the Council's activities including Public Liability, Employers Liability and Money
- 15.3 The 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 RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 15.5 All appropriate employees of the Council shall be included in a suitable Fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. CHARITIES

- 16.1 Where the Council is sole trustee of a Charitable body the RFO 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 RFO 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 RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity the RFO shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

18. REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.

Signed by Chairman -----

Stambridge Parish Council, Financial Regulations –Revised 1st October 2012

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Notes to the Model.

Stated dates or months maybe changed to suit local circumstances.

[] This part may be deleted if not relevant.

The value inserted in any of the paragraphs may be varied by the Council and should be reviewed regularly and confirmed annually by the Council.

The appropriate approved list referred to in paragraph 11.1 (b) shall be a list drawn up by the Clerk and approved by Council but shall be based on the list maintained by the District Council for such works.

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