

# **Easebourne Parish Council**

## **Financial Regulations**

### **General**

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.
2. The Clerk/Responsible Financial Officer (RFO) shall be responsible for the proper administration of the Council's financial affairs.
3. The Clerk/RFO shall be responsible for the production of financial management information.

### **Annual Estimates**

4. The Council shall formulate proposals in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of September each year.
5. Detailed estimates of income and expenditure on revenue services, and receipts and payment on the capital accounts, shall be prepared each year by the Clerk/RFO
6. The Council shall decide on the estimates not later than the end of January in each year and shall decide the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved accounts.
7. The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

### **Budgetary Control**

8. Expenditure on the revenue account may be incurred up to the amounts included in each approved budget.
9. The Clerk/RFO shall periodically provide the Council with a statement of income and expenditure to date under each year of the approved annual capital and revenue budgets.

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10. 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 £500. All orders for the payment of money shall be authorised. The Clerk shall report the action to the Council as soon as practicable thereafter.
11. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless it is contained in the rolling capital programme and that necessary capital funds are available, or the requisite borrowing approval can be obtained.
12. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

### **Accounting and Audit**

13. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003.
14. 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 for ensuring the Annual Return is completed, an internal auditor is appointed and the completed form is submitted to the External Auditors by the due date.
15. The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the accounting, financial and other operations in accordance with the Accounts and Audit Regulations. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

16. One councillor be delegated to check the operation of the systems bi-monthly, including receipts and payments, petty cash and bank statement reconciliations. All such checks shall be recorded in the minutes of the next Council meeting.
17. All VAT shall be properly accounted for and claims made under Section 33 of the VAT Act 1994 at least annually.

### **Bank Arrangement and Cheques**

18. The Council's banking arrangements shall be made by the RFO and approved by the Council.
19. A schedule of the payment of money shall be prepared by the Clerk/RFO and, together with the relevant invoices and supporting documents presented to two authorised members of the Council. If the schedule is in order the cheques will be signed and a list of all such payments be presented at each council meeting.
20. Cheques and other orders for payment from the bank accounts shall be signed by two councillors/signatories.
21. A list of current signatories shall be maintained by the RFO
- 22 The bank accounts may not be overdrawn.

### **Payment of Accounts**

23. With the exception of petty cash payments, all payments shall be effected by cheque or other order drawn on the Council's bankers.
24. All invoices for payment shall be examined, verified and certified by the Clerk/RFO issuing the order. Before certifying an invoice the Clerk/RFO shall be satisfied that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
25. All duly certified invoices will then be entered on the schedule referred to in 17 above.
26. The Clerk/RFO shall maintain a petty cash float of up to £100 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment and enable reimbursement.

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27. Income received must not be paid into petty cash, but must be separately banked, as provided elsewhere in these regulations.
28. Payments to maintain the petty cash float shall be shown separately On the schedule of the payment of money referred to in 17 above.

### **Payment of Salaries and Wages**

29. The payment of all salaries and wages shall be made by the Clerk/RFO from the bank account in accordance with payroll records.

### **Loans and Investments**

30. All loans and investments shall be negotiated by the Clerk/RFO in the name of the Council, and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.
31. All investments of money under the control of the Council shall be in the name of the Council.
32. All borrowing shall be effected in the name of the Council.
33. All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

### **Income**

34. The collection of all sums due to the Council shall be the Responsibility and under the supervision of the Clerk/RFO.
35. Particulars of all charges to be made for work done, services Rendered or goods supplied shall be retained by the Clerk/RFO who shall be responsible for the collection of all accounts due to the Council.
- 36 The Clerk will review all fees and charges annually.
37. All sums received on behalf of the Council shall be banked by the Clerk/RFO within 48 hours of receipt.
38. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
39. Personal cheques shall not be cashed out of money held on behalf of

the Council.

## **Orders for Work, Goods and Services**

40. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared. Copies of orders issued shall be maintained.
41. Order books shall be controlled by the RFO.
42. The Clerk/RFO is responsible for obtaining value for money at all times. The issuing of an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

## **Contracts**

43. Procedures for letting contracts are laid down in the Council's Standing Orders as follows:

- a) Every contract whether made by the Council or Committee to which the letting of contracts has been delegated 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 such Committee as aforesaid provided that these Standing Orders shall not apply to contract which relate to items (i) to (v) below:
  - (i) The supply of gas, electricity, water, sewage 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 plant;
  - (iv) For work to be executed or goods or materials to be supplied which constitute an extension to 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 £100 but less than £500 this may be authorised by two councillors;
  - (ii) Exceeding £500 but less than £10,000 three quotations should be sought and agreed by the Council before the order is placed.
  - (iii) Exceeding £10,000 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, if possible from an appropriate approved list.
  - (iv) For expenditure of £100 or less in value the Chairman of the Council or the appointed Vice-Chairman together with the Clerk/RFO 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) An invitation to tender resulting from the circumstances contained in 38b (ii) above, 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 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 the Council;
- f) If less than three tenders are received for contracts valued above £10,000, or if the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works;
- g) The Council shall not be obliged to accept the lowest or any quotation or tender.

## **Payments Under Contracts or Other Construction Works**

44. Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk/RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract.
45. 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 the 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.
46. Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## **Properties and Estates**

47. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained (the Assets Register) of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held.
48. No property shall be sold, leased or otherwise disposed of without the authority of the Council.

## **Risk Assessment**

49. The Clerk/RFO shall ensure that a risk assessment is carried out for all Council Assets annually.
50. The children's play area and equipment will be inspected weekly and records of these inspections kept. An annual inspection be carried out by RoSPA or an equivalent body and the 'high risk' items rectified immediately.
51. The Clerk's place of work shall conform to appropriate Health and Safety legislation.



## **Insurance**

52. The Clerk/RFO shall effect all insurance and negotiate all claims on the Council's insurers. The insurances required shall cover Public Liability, the Council's responsibilities, the responsibilities of the individual Councillors, the work of the Clerk/RFO and the Assets of the Parish Council.
53. The Clerk/RFO shall give prompt notification of all new risks, properties or vehicles that require to be insured, and of any alterations affecting existing insurances.
54. The Clerk/RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
55. The Clerk/RFO shall be notified of any loss, liability or damage or of any event likely to lead to such a claim.
56. All appropriate employees and councillors of the Council shall be included in suitable fidelity guarantee insurances.

## **Revision of Financial Regulations**

57. It shall be the duty of the Finance Panel to review the Financial Regulations of the Council from time to time and to make such recommendations to the Council as the Panel considers are required.