

# **ALKHAM PARISH COUNCIL FINANCIAL REGULATIONS**

**As Adopted at the Parish Council Meeting on Monday 6<sup>th</sup> November 2017**

## **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 Responsible Financial Officer (herein after referred to as the RFO) 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 Detailed estimates of income and expenditure on revenue services and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2 The RFO shall review the estimates and submit them to the council not later than the end of January in each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3 The annual capital and revenue budgets shall form the basis of the financial control for the ensuing year.

## **3 Budgetary Control**

- 3.1 No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget unless a virement has been approved by the council.
- 3.2 The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.
- 3.3 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 £1,500.00. The Clerk shall report the action to the appropriate committee as soon as is practicable thereafter.
- 3.4 Where expenditure is incurred in accordance with regulation 3.3 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.
- 3.5 Unspent provision in the revenue budget shall not be carried forward to a subsequent year.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered in to or tender accepted involving expenditure on capital account unless the committee concerned are 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.
- 3.7 All capital works shall be administered in accordance with the council's Standing Orders and final regulations relating to contracts.

## **4 Accounting and Auditing**

- 4.1 All accounting procedures and final 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.
- 4.3 The following principles shall be observed in connection with the 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.
  - Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4 The RFO 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 Act 1996. 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.

## **5 Banking Arrangements and Cheques**

- 5.1 The council's banking arrangements shall be made by the RFO and approved by the Parish Council, one current account and one high interest account shall be 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 presented to the Chairman. If the schedule is in order it shall be authorised by a resolution and signed by the Chairman or Vice Chairman.
- 5.3 Cheques drawn on the two bank accounts in accordance with the schedule referred to in the previous paragraph shall be signed by three members of the council (one often being the Chairman).

## **6 Payment of Accounts**

- 6.1 Apart from petty cash payments, all payments shall be effected by cheque or other order (e.g. direct debit, standing order) drawn on the council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. Before certifying the payment the council shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 All duly examined invoices will then be entered on the schedule referred to in 5.2 above.
- 6.4 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payment made shall be forwarded to the RFO with a claim for reimbursement.
- Any personal money the RFO uses for defraying operational and other expenses shall be reimbursed in full. Vouchers for payment made from petty cash shall be kept to substantiate the payment.

- Income received must not be paid into the petty cash float but must be shown separately on the schedule of payments.

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

- 7.1 The payment of all salaries and wages shall be made by the RFO from the current account in accordance with the payroll records.
- 7.2 The salaries and wages shall be revised yearly and minuted thereon.

## **8 Loans and Investments**

- 8.1 It is not the policy of this council at present to enter into any loans or investments.

## **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 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 from the Clerk.
- 9.4 Any bad debts shall be reported to the council.
- 9.5 All sums received on behalf of the council shall be paid to the RFO for banking and be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque shall be entered on the paying in slip.

## **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 e.g. petty cash purchases. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the RFO
- 10.3 All 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.

## **11 Contracts**

- 11.1 Procedures for contracts are laid down in the council's Standing Orders as follows:
- a) Every contract whether made by the council or by a committee to which the power of making 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 a committee as aforesaid provided that these Standing Orders shall not apply to contracts which relate to items below.

- For the supply of gas, electricity, water, sewerage and telephone services
- For specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
- For work to be executed or goods or material to be supplied which constitute an extension of an existing contract by the council
- 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:

- Exceeding £5000 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.
- For expenditures of £5000 or less in value the Chairman of the council or his appointed Vice Chairman together with 2 councillors shall have executive power.

## **12 Properties and Estates**

12.1 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 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 in accordance with Regulation 4(3)(b) of the Accounts and Audit Regulations Act 1996.

12.2 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.

## **13 Insurance**

13.1 The RFO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the Clerk/Chairman.

13.2 The Clerk shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurance.

13.3 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

13.4 The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim.

13.5 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.