

Egginton Parish Council Financial Regulations

(All words are of the masculine gender shall be taken to include the female gender as appropriate)

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 Finance Committee shall comprise of 3 Councillors and the Clerk who shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information.

2. Annual Estimates

- 2.1 The finance committee shall formulate and submit proposals to the Council in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November each year.
- 2.2 Detail estimates of income and expenditure on revenue services and receipts and payments on capital accounts, shall be prepared each year by the finance committee.
- 2.3 The Council shall review the proposals not later than the end of January in each year and shall decided the precept to be levied for the ensuing financial year.
- 2.4 The capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- 3.1 Expenditure on the revenue account may be incurred up to the amount included in the approved council's budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the revenue budget unless approved in advance by the finance committee or the council.
- 3.3 The finance committee will review periodically 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 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 £50.00. The clerk shall report the action to the finance committee as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget may be carried forward to subsequent years as part of necessary or special reserves.

3.6 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 finance committee 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 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 finance committee as required by the Accounts and Audit Regulations 1996.

4.2 The Clerk/RFO shall be responsible for completing the annual returns for the council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the finance committee.

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

a) 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.

b) officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of these transactions.

4.4 The finance committee shall be responsible for liaising with the council's nominated internal auditor. 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 explanations as the RFO considers necessary for that purpose.

5. Banking Arrangements and Cheques

5.1 The council's banking arrangements shall be set up and approved by the finance committee. One current account shall be maintained at the bank.

5.2 A schedule of proposed payments is prepared by the Clerk and together with the relevant invoices etc presented to the council for approval. If the schedule is in order it is authorised by a resolution of the council and recorded in the minutes.

5.3 Cheques and autopay sheets drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two cheque signatories.

6. Payment of Accounts

6.1 All payments shall be effected by cheque or other order drawn on the council's bank account.

6.2 All invoices for payment shall be examined, verified by the clerk and presented to the council for final approval.

6.3 Approved invoices will be paid by the clerk who shall take all reasonable steps to settle all duly approved invoices within 30 days of the month end following their receipt.

6.4 Vouchers for payments of operational and other expenses shall be forwarded to the clerk with a claim for reimbursement.

7. Payment of salaries and wages

7.1 Salary and wage rates will be approved by the council annually, following recommendation by the finance committee.

7.2 The payment of salaries and wages shall be made by the clerk in accordance with the payroll records.

8. Loans and investments

8.1 All loans and investments shall be negotiated by the finance committee in the name of the council and shall be for a set period of time in accordance with the council policy. Changes to loans and investments shall 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 effected in the name of the council.

8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the clerk.

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 The council will review all fees and charges annually, following a report of the clerk.

9.3 Any bad debts shall be reported to the finance committee.

9.4 All sums received on behalf of the council shall be paid to the Clerk for banking.

9.5 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 letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be appropriate e.g. petty cash purchases or the amounts are below £50.00. Copies of orders issued shall be maintained.

10.2 The council is responsible for obtaining value for money at all times. Before issuing an order the council must 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 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 contract which relate to items (I) to (v) below:

- (i) for the supply of gas, electricity, water, sewerage and telephone service
- (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
- (iii) for work to be executed of goods or materials to be supplied which constitute an extension of an existing contract by the council
- (iv) for work to be executed or goods or materials to be supplied which consist of repairs to parts for existing machinery or equipment or plant
- (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 £2500.00 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 expected 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 £2500.00 or less in value the chairman of the council (or his appointed vice chair) together with the clerk shall have executive power.

© 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 by a committee to which the power of making contracts has been delegated shall be reported to the council and the report shall specify the emergency by which the exception shall be justified

(e) 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 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.

(f) 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 finance committee.

(g) If less than three tenders are received for contracts valued above £2500.00 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 of any tender.

12. Payments under Contracts for Building or other Construction Works

12.1 Payment on account for 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 installments the RFO shall maintain a record of 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 appropriate committee.

12.3 any variation to a contract or addition to or omission from a contract must be approved by the clerk in writing, the appropriate committee being informed when the final cost is likely to exceed the financial provision.

13 Stores & Equipment

13.1 The Clerk shall be responsible for the care and custody of any stores and equipment.

13.2 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.

14. Property & Other Assets

14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council. The clerk shall ensure a record is maintained of all assets owned, leased or hired by the council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancy granted, rents payable and purpose for which held in accordance with regulation 4(3) (b) of the Account & Audit Regulations 1996.

14.2 No property shall be sold, leased, or otherwise disposed of without the authority of the council.

15. Insurance

15.1 The Clerk shall effect all insurances and negotiate all claims on the council's insurers in consultation with the finance committee.

- 15.2 The finance committee shall annually assess 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 council and the property and risks covered thereby.
- 15.4 The council 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 suitable fidelity guarantee insurance.

16. Revision of Financial Regulations

- 16.1 It shall be the duty of the finance committee to review the financial regulations of the council annually by November and to make such recommendations to the council as the committee considers are required.

Reviewed 14th November 2007