

Geldeston 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 Council is ultimately responsible for financial management but some responsibilities may be delegated to the Finance and Personnel Committee (F&PC) and to the Responsible Financial Officer (RFO).
3. The F&PC shall be elected from Council members by the Council at the annual parish council meeting.
4. The Parish Clerk will normally be appointed as the RFO but exceptionally Council shall appoint a Councillor or other person to undertake the role or individual tasks. Such appointments shall be recorded in the minutes of the meeting at which the appointment is made.
5. The RFO shall be responsible for the production of financial management information.

Annual estimates

6. Detailed estimates of all receipts and payments shall be prepared each year by the RFO.
7. The F&PC shall review the estimates during late December/early January each year and shall recommend to Council for its approval the amount of the precept to be levied for the ensuing financial year.
8. A provisional annual budget will be agreed as part of setting the precept in January and shall be confirmed after necessary revisions as the final annual budget soon as possible after the end of the financial year. This will form the basis of financial control for the year.

Budgetary control

9. Council will normally approve all expenditure in advance of payment. Expenditure on revenue may be incurred up to the amounts included in the approved budget.
10. No expenditure may be incurred which cannot be met from the amount provided in the revenue budget unless it has been approved by the Council.
11. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each budget heading.
12. The RFO, Clerk or any Councillor may exceptionally incur expenditure of up to £200 on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such urgency that it must be done at once whether or not there is any budgetary provision for the expenditure.
13. 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.
14. All capital works shall be administered in accordance with the Council's Standing Orders and financial regulations relating to contracts.
15. Grant income shall be spent according to the terms of the grant unless otherwise decided by Council.

16. Donations to Council funds can be accepted provided any terms of the donation do not impose undue restrictions on its use.

Accounting and audit

17. All accounting procedures and financial records of the Council shall be determined by Council and effected by the RFO as required by the Accounts and Audit Regulations 2003.
18. The RFO shall be responsible for completing the annual accounts of the Council as soon as possible after the end of the financial year and shall submit them and report thereon at the next Council meeting.
19. The RFO shall complete the Accounts of the Council contained in the Annual Return and shall submit the Annual Return for approval and authorisation by the Council within the time-scales set by the Accounts and Audit Regulations.
20. 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 2003. Any Officer or Member of the Council shall, if the RFO requires, make available such documents of the Council which 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.
21. The Internal Auditor shall be appointed by Council and shall carry out the work required by Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
22. The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for the display or publication of any Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations.
23. The RFO shall, as soon as practical, bring to the attention of Council any correspondence or report from the Internal or External Auditor, unless the correspondence is of a minor administrative nature.

Banking arrangements

24. The Council's banking arrangements shall be approved by Council and effected by the RFO.
25. Council may arrange for the RFO to have access to view-only internet banking. All internet banking transactions are forbidden.
26. Arrangements will be made for the RFO to receive printed bank statements and shall carry out bank reconciliations on a regular basis.
27. The RFO shall at all times ensure that all Council's bank accounts remain in credit.
28. The RFO shall report any banking errors to the bank and to Council at the earliest opportunity.
29. The Council shall not maintain any form of cash float. All cash received must be banked.
30. All bank mandates and other instructions shall be agreed by Council at a meeting and made in writing to the bank and signed by at least two cheque signatories.

Payment of invoices

31. All invoices for payment shall be examined, verified and certified by the RFO who shall be satisfied that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

32. The RFO shall examine invoices in relation to arithmetical accuracy and shall assign them to the appropriate expenditure heading. The RFO shall take all steps to present all invoices submitted and which are in order at the next available Council meeting.
33. A schedule of the payments required, forming part of the published documents for the meeting, shall be prepared by the RFO and, together with the relevant invoices/payment vouchers, be presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council. If appropriate more detail may be shown in the minutes of the meeting.
34. Exceptionally, Council may approve invoices that are presented for payment at a meeting and which are not listed on the schedule. Such approval must be unanimous and for amounts of £100 or less.
35. Exceptionally, cheques may be drawn by the RFO and signed as required in paragraph 38 outside a meeting. Such payments may only be made when delay in settling the account is not in the Council's interest (such as when 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 the Council) and where the payment including the amount has already been approved by Council at a meeting. A list of such payments shall be submitted to the next meeting of the Council.
36. All payments agreed at a meeting shall be recorded in the minutes.
37. All payments shall be effected by cheque or other order drawn on the Council's bankers.
38. Cheques drawn on the bank account shall be signed by two members who are authorised signatories to the account.

Payment of salaries

39. The payment of all salaries shall be made in accordance with payroll records and salaries shall be as agreed by the Council. PAYE and NI records should be kept and the RFO should complete end of month returns and end of year returns online to HMRC.
40. Salaries, PAYE and NI contributions shall normally be paid by bank standing order as approved by Council.

Loans and investments

41. 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. Changes to loans and investments shall be reported to the Council at the earliest opportunity.
42. All investments of money under the control of the Council shall be in the name of the Council.
43. All borrowings shall be effected in the name of the Council.
44. All investment certificates and other documents relating thereto shall be retained by the RFO.

Income

45. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
46. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified by the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
47. The Council will review all fees and charges annually, following a report by the RFO.
48. Any sums found to be irrecoverable and any bad debts shall be reported to the Council.

49. All sums received on behalf of the Council shall be banked 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.
50. The origin of each receipt shall be entered on the paying-in slip.
51. Personal cheques shall not be cashed out of money held on behalf of the Council.
52. 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.
53. All income due to and received by the Council including any generated by its volunteers and subgroups shall be paid into the Council's bank account. Exceptionally, notwithstanding paragraph 29 above and with permission from Council, subgroups may each hold amounts in cash not exceeding £50. Such permission shall be reviewed annually.

Orders for works, goods and services

54. All Members and Officers are responsible for obtaining best value for money at all times. All orders shall be reported to the Council at the next meeting.
55. The Clerk (or exceptionally a member in the absence of the Clerk) shall issue an official order for the purchase of all works, goods and services unless the amount is £100 or less.
56. The Clerk (or exceptionally a member in the absence of the Clerk) issuing an official order is to ensure best value as far as reasonable by obtaining two or more quotations from appropriate suppliers for amounts of more than £100. Such quotations may include the results of internet searches.
57. The Council shall not be obliged to accept the lowest quotation but must state the reasons for choosing a higher quotation.
58. 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.
59. A record of all orders shall be kept by the RFO.

Contracts

60. Every contract shall comply with these financial regulations and no exceptions shall be made otherwise than as directed by the Council or in an emergency provided that these regulations shall not apply to contracts which relate to items (a) and (f) below.
 - a) For the supply of gas, electricity, water, sewerage and telephone services.
 - b) For specialist services such as are provided by Solicitors, Accountants, Surveyors and planning consultants.
 - c) For work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant.
 - d) For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.
 - e) For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
 - f) For additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk shall act after consultation with the chairperson and vice chairperson of Council).
61. Where it is intended to enter into a contract exceeding £2,000 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 60 the Clerk shall invite tenders from at least three firms.
62. 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.

63. 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 on 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 be sealed and remain sealed until the prescribed date for opening tenders for that contract.
64. 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.
65. If fewer than three tenders are received for contracts above £2,000 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.
66. Any invitation to tender issued under this regulation shall contain a statement to the effect of this regulation.
67. When entering into a contract for between £500 and £2,000 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 60 the Clerk shall invite three quotations (priced descriptions of the proposed supply); where the value is below £500 and above £100 the Clerk shall strive to obtain at least two estimates.
68. The Council shall not be obliged to accept the lowest tender but should state the reasons for for choosing a higher quotation.

Payments under contracts for building or other construction works

69. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates or the architect or other consultants engaged to supervise the contract.
70. Where contracts provide 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 fluctuation clauses, will exceed the contract sum of 5% or more a report shall be submitted to the Council.
71. Any variation to a contract or addition 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.

Leases

72. Council may enter into lease arrangements with third parties for their use of Council land, buildings or other commodities.
73. Council may enter into lease arrangements with third parties for Council's use of third party land, buildings or other commodities.
74. All lease arrangements shall meet the requirement for good value for money and be reviewed on a regular basis and at least annually.
75. Council shall normally not enter into lease arrangements that extend beyond the next Council election.
76. Council shall not normally enter into lease arrangements for Council's use of third party land, buildings or other commodities the cost of which cannot be covered by Council funds held at the time of signing such a lease.

Donations

77. Council may approve donations from its funds to local and national charities and good causes to the benefit of local people.

78. Such donations must be within budget allocation for the year, be agreed by majority decision and shall be limited to not more than fifty percent of Council's cash reserves in any one year.
79. Donations should comply with best value requirements.

Properties, estates and other assets

80. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with regulation 4 (3) b of the Accounts and Audit Regulations 1996.
81. 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 £50.
82. The Clerk shall maintain a list of all assets to be owned by Council for at least 12 months including their purchase price and date of purchase.

Insurance

83. Council shall review its insurance provision on an annual basis.
84. The RFO or exceptionally a member if appointed by Council shall effect all insurances and negotiate all claims on the Council's insurers.
85. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and review it.
86. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.

Review of financial regulations

87. The Council shall review the Financial Regulations of the Council annually and as required by new legislation.

Signed:

Alison Norman, chairperson
Date: 19 July 2016
Date of review: July 2017