

Cranham Parish Council

Financial Regulations

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 (RFO) under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.

1.3 The RFO shall be responsible for the production of financial management information.

2. Annual Estimates

2.1 The Chairman and RFO 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. The Precept request shall be approved in January and submitted to the District Council by the deadline set by them.

2.2 Detailed estimates of income and expenditure shall be prepared each year by the RFO.

2.3 The RFO shall submit any annual estimates 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 any approved estimates.

2.4 The annual capital and revenue budgets shall form the basis of 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 capital or revenue budget.

3.2 The RFO, in consultation with the Chairman, 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. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.3 Unspent provisions in the revenue budget may be carried forward to a subsequent year provided that any sums carried forward are to be spent within a reasonable time span.

3.4 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 Council are satisfied that the necessary capital funds are available

3.5 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.

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 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 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 Council.

5.2 Cheques drawn on the bank account shall be signed by two members of the council

6. Payment of Accounts.

6.1 All 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. Before certifying an invoice the RFO shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.3 Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. He shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.

6.4 When the RFO is satisfied that invoices are in order they shall be paid as in **5.2** above.

6.5 Income received must be paid into the Council's accounts as provided elsewhere in these regulations.

7. Payment of Salaries and Wages

7.1 The payment of all salaries and wages shall be made by the RFO from the Council's General account in accordance with the Council's instructions.

8. Income

8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

8.2 The Council will review all fees and charges annual, following a report of the Clerk.

8.3 All bad debts shall be reported to the Council.

8.4 All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked by the officer collecting the money 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.

8.5 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.

9. Orders for Work, Goods and Services.

9.1 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 issued shall be maintained.

9.2 Order books shall be controlled by the RFO

9.3 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.

10. Contracts

10.1 Procedures as to the contracts are laid down in the Council's standing orders as follows:

(a) Every contract made by the Council 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 provided that these standing orders shall not apply to contracts which relate to items (i) to (v) below:

(i) for the supply of gas, electricity, water, sewerage and telephone services

(ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants

(10.1 (a) cont.)

(iii) 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

(iv) for work to be executed or goods or materials to be supplied which constitute an extension of 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) 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 two firms.

(ii) for expenditures of £500 or less in value the RFO together with the Chairman of the Council 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) 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 the opening tenders for that contract.

(e) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of the Council.

(f) If less than two tenders are received for contracts valued above £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.

(g) The Council shall not be obliged to accept the lowest or any tender

11. Payments Under Contracts for Building or Other Construction Works

11.1 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.

11.2 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 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.

11.3 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.

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 the purpose for which held in accordance with regulation 4(3)(b) of the Accounts and Audit Regulations 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 **£100**.

13. Insurance

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

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

13.3 The RFO shall keep a record of all insurances affected 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 suitable fidelity guarantee insurance.

14. Revision of Financial Regulations

14.1 It shall be the duty of the RFO and Chairman to review the financial regulations of the Council from time to time and to make such recommendations to the Council as the RFO and the Chairman consider are required.

