

STANDON PARISH COUNCIL

FINANCIAL REGULATIONS

These financial regulations were adopted by the STANDON Parish Council at its meeting held on 17th July 2006

1. GENERAL

1. These financial regulations govern the conduct of the financial transactions of the Standon Parish Council and may only be amended or varied by resolution of the Parish Council.
2. The Responsible Financial Officer, (referred to by RFO) under the direction of the Parish Council, is delegated to be responsible for the proper administration of the Council's financial affairs. Standon Parish Council delegates the role of the RFO to the Clerk.
3. The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.2 The Council shall review the estimates not later than the end of January each year and shall fix 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 budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

1. Expenditure on items may be incurred up to the amounts included in the approved budget and no expenditure will exceed the amount provided in the budget.
2. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each heading of the approved budget, comparing actual expenditure with planned.
3. No expenditure shall be incurred in relation to any capital project and no contract shall be entered into or tender accepted involving capital expenditure unless

Standon Parish Council is satisfied that the necessary funds are available, or a borrowing approval has been obtained.

4. All capital works shall be administrated in accordance with the Standon Parish Council's Standing Orders and Financial Regulations relating to contracts.

4. ACCOUNTING AND AUDIT

1. All accounting procedures and financial records of Standon Parish Council shall be determined by the RFO as required by the Audit Commission Act 1998 as amended and the Accounts and Audit Regulations 2003.
2. The RFO shall be responsible for completing the annual financial statements of the Parish Council as soon as possible after the end of the financial year, 31st March, and shall submit them and report thereon to the Council.
3. The RFO shall be responsible for completing the accounts of the Council as required for the Annual Return and for submitting the Annual Return for approval and authorisation by the Parish Council within the time scale set by the Accounts and Audit Regulations 2003 and The Audit Commission Act 1998 as amended.
4. The RFO shall be responsible for ensuring that there is an adequate and an effective system of internal audit of the Parish Council's accounting, financial and other operations in accordance with regulations as set out in 4.1 and 4.3 above. Any Officer, the RFO or any member of the Council shall make available such documents of the Council which appear to the Internal Auditor to be necessary for the purpose of an internal audit, with information and explanations as the Internal Auditor considers necessary for that purpose.
5. The Internal Auditor shall carry out the work required by the RFO or the Council to complete the Annual Return with a view to satisfactory completion of the Internal Auditor's section of the Annual Return. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year..
6. The RFO shall make any necessary arrangements for the inspection of the accounts, books and vouchers as required by The Audit Commission Act 1998 as amended, The Accounts and Audit Regulations 2003 and The Code of Audit Practice.
7. The RFO shall, as soon as practical, bring to the attention of all Standon Parish Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. INCOME AND BANKING ARRANGEMENTS

1. The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
2. All sums received on behalf of the Standon Parish Council shall be banked intact by the RFO and reported to the Parish Councillors at the next meeting, a schedules of payments received will form part of the agenda.

6. PAYMENT OF ACCOUNTS

1. All payments shall be effected by cheque or other order drawn on the Council's bankers.
2. All invoices for payment shall be examined by the RFO. The RFO shall satisfy himself that the work, goods or services, to which the invoice relates, have been received, carried out, examined and approved by Standon Parish Council.
3. The RFO shall examine invoices in relation to arithmetic accuracy and shall allocate them to the appropriate expenditure heading. The RFO will take steps to settle all invoices submitted, and which are in order, at the next available Standon Parish Council meeting.
4. A schedule of the payments required, forming part of the Agenda for the meeting, shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate, the detail may be shown in the Minutes of the Meeting.
5. Cheques drawn on the Standon Parish Council's bank account referred to in paragraph 6.4 above or in accordance to paragraph 6.7 shall then be signed by two members of the Council.
6. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoils.
7. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1988, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council providing that this is done so with the agreement of the Chairman and Vice Chairman.
8. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk or RFO (for example for

postage or minor stationary items) shall be refunded on a regular basis, at least quarterly.

7. PAYMENT OF SALARY

7.2 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Standon Parish Council.

7.2 Payment of salaries and payments of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.

8. ORDERS FOR WORKS, GOODS AND SERVICES

8.1 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 shall be retained.

8.2 Order books shall be controlled by the RFO.

8.3 All members of the Standon Parish Council shall be responsible for obtaining value for money at all times. An Officer issuing an official order for work is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 9.1 below.

8.4 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

9. CONTRACTS

Procedures as to contracts are laid down as follows:

- (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) 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;
 - (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 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 Chairman and Vice Chairman of Council);
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold 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 to be taken from the appropriate approved list.
- (c) 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.
- (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 in the ordinary course of post. Each tendering firm shall be supplied with a specifically 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 Council.
- (f) If less than three tenders are received for contracts above £5000 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) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 57, 58 and 59.
- (h) When it is to enter into a contract less than £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 or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 8.3 above shall apply.
- (i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

10. RISK MANAGEMENT / INSURANCE

- 10.1 The RFO of the Standon Parish Council shall initiate any necessary risk assessments in respect of activities of the Parish Council.
- 10.2 Following an annual risk assessment the RFO in consultation with The Chairman and Members shall effect all insurances.
- 10.3 The RFO shall keep a record of the risks covered and of all insurances effected by the Standon Parish Council.
- 10.4 The RFO shall be notified of any loss or damage to property or damage at any event that may lead to a claim. This shall be reported to the Council at the next available meeting.
- 10.5 The Clerk of Standon Parish Council being the only employee shall be included in suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

11. REVISION OF THESE FINANCIAL REGULATIONS

- 11.1 It shall be the duty of the Standon Parish Council to review these Financial Regulations of the Council annually.

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