

Puxton Parish Council Financial Regulations

1. GENERAL

- (1) These financial regulations govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council.
- (2) The Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- (3) The RFO shall be responsible for the production of financial management information.
- (4) The Council shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- (5) The Council shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement of internal control with its statement of accounts.

2. BUDGET AND PRECEPT

- (1) The RFO shall collate all applications for grants, and estimates from Council members of expected expenditure for the next financial year, not later than the end of November each year. The Council shall review and approve the proposed sums if deemed appropriate.
- (2) The RFO shall produce accounts for the current financial year to date, and estimates to the end of the current year. The RFO shall also produce an estimate of expenditure and income for the next financial year not later than the end of December each year.
- (3) The Council shall review and approve the estimates not later than the end of January each year and shall fix the Precept to be levied for the next financial year.
- (4) The approved budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- (1) Expenditure may be incurred up to the amounts included in the approved budget.
- (2) The RFO shall regularly provide the Council with a statement of receipts and payments to date under each heading of the budget, comparing actual expenditure against that planned.
- (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, subject to a limit of £300. The Clerk shall report the action to the Council as soon as practicable thereafter.
- (4) The Clerk, in consultation with the Chairman and /or the Vice Chairman (dependent upon their availability), may incur expenditure on behalf of the Council which is necessary to enable the furtherance of a project already agreed by the Council. This may be done where a meeting is not expected for some weeks, and where the project will be delayed by a significant period if action is not taken. The amount authorised will not exceed £300, and will be reported to the next meeting of the Council.

4. ACCOUNTING AND AUDIT

- (1) All accounting and audit procedures and financial records of the Council shall be determined by the RFO as required by current legislation.
- (2) The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- (3) The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with current legislation. Councillors shall be responsible for producing such documents as required by the internal auditor.
- (4) The Council shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with current legislation.
- (5) The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing with a minimum of one annual report in respect of each financial year.
- (6) The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by current legislation.
- (7) The RFO will submit the Annual Return to the External Auditor, if required, ensuring the return is complete and will publicise the accounts in accordance with then current legal requirements.

5. BANKING ARRANGEMENTS AND CHEQUES

- (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) A schedule of current 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.
- (3) All items of expenditure will be authorised by the Council and the payments approved. The RFO will examine invoices and verify and certify the expenditure.
- (4) A resolution of the Council will nominate at least three members to be authorised by the Council to sign cheques.
- (5) Cheques will be completed for all transactions and signed by two authorised Councillors. Cheque stubs will be initialled by 2 councillors.
- (6) Any regular outgoing may be paid by Direct Debit or Standing Order provided that the instructions are signed by two authorised Councillors.

6. PAYMENT OF ACCOUNTS

- (7) All invoices for payment shall be examined, and verified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates have been received/carried out, examined and approved.
- (8) If a payment is necessary to avoid a charge or suspension of service before the next scheduled meeting of Council, where the RFO certifies that there is no reason to delay payment, the Clerk may pay such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

7. PAYMENT OF SALARIES

- (1) The payment of all salaries shall be made in accordance with current legislation, and salaries shall be as agreed by Council.
- (2) Payment of salaries, tax, national insurance and pension contributions may be made on the appropriate dates, provided that each payment is advised to the next available Council meeting.

8. INCOME

- (1) The collection of all sums due to the Council shall be the responsibility of the RFO.
- (2) Particulars of all charges to be made for services rendered shall be reviewed regularly by the Council and notified to the RFO.
- (3) Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- (4) All sums received on behalf of the Council shall be banked intact as directed by the RFO with such frequency as he/she considers necessary.
- (5) 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.

9. ORDERS FOR WORK, GOODS AND SERVICES

- (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 for two years.
- (2) All members and Officers are responsible for obtaining value for money at all times. It shall be ensured as far as is reasonable and practicable that the best available terms be obtained in respect of each transaction, usually by obtaining up to three quotations or estimates from appropriate suppliers, except for professional services and goods/materials that are sold for a fixed price.
- (3) 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.

10. CONTRACTS

- (1) An official order or letter will be issued for all work or service paid for by the Council. All Councillors and officers are responsible for obtaining good value for money at all times. An officer placing an order on behalf of the Council will ensure that good value and appropriate terms are obtained for the transaction.
- (2) Orders which are less than £500, the Clerk shall ensure that all items ordered represent good value for money. Orders for values £500 to £2000 require a minimum of two quotations; for values above £2000 three quotations are required. Contracts exceeding £60,000 require additional safeguards and will follow a tender process Any formal tender process shall comprise the following steps:
 - a public notice of intention to place a contract to be placed in a local newspaper;
 - a specification of the goods, materials, services and the execution of works shall be drawn up;
 - tenders are to be sent, in a sealed marked envelope, to the Proper Officer by a stated date and time;
 - tenders submitted are to be opened, after the stated closing date and time, by the Proper Officer and at least one member of the Council;
 - tenders are then to be assessed and reported to the appropriate meeting of Council or Committee.
- (3) All estimates will be approved by the Council; while the Council is not obliged to accept the lowest quotation or tender. The reasons for accepting the quotation or tender will be recorded.
- (4) Where the value of a contract is likely to exceed £138,893 (or other threshold specified by the Office of Government Commerce from time to time) the Council must consider whether the Public Contracts Regulations 2006 (SI No.5, as amended) and the Utilities Contracts Regulations 2006 (SI No. 6, as amended) apply to the contract and, if either of those Regulations apply, the Council must comply with EU procurement rules.
- (5) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

11. PROPERTIES AND ASSETS

- (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.

12. LOANS AND INVESTMENTS

- (1) All loans and investments will be negotiated in the name of the Council and will be set for a period approved by the Council.
- (2) All borrowings will be in the name of the Council and will not be entered into until necessary approvals have been given. Any application will be approved by Council, especially the terms and purpose. These terms must be reviewed annually.
- (3) All investments of money under the control of the Council will be in the name of the Council and all certificates or other documents will be retained by the RFO.

13. INSURANCE

- (1) Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- (2) The RFO shall record all new risks, properties or assets which require to be insured and of any alterations affecting existing insurances.
- (3) The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- (4) All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

14. REVISION OF FINANCIAL REGULATIONS

- (1) It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.