



Financial Regulations of Chiseldon Parish Council

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 Finance Committee (FC) shall be responsible for the proper administration of the Council's financial affairs and the production of financial management information.
- 1.3 The Parish Clerk or such other person as may be nominated from time to time by the Parish Council shall be the RFO

2. Annual Estimates

- 2.1 Each committee shall formulate and submit proposals to the FC 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 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital accounts, shall be prepared each year by the RFO (or the Chairman on the FC).
- 2.3 The FC shall review the estimates and submit them 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 the approved estimates.
- 2.4 The annual capital and revenue budget 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 amounts included in each approved committee budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the FC or the Council.
- 3.3 The RFO shall periodically provide the FC with a statement of income and expenditure to date under each head of the approved annual revenue and capital budget.
- 3.4 The Clerk or RFO may incur expenditure on behalf of the Council that 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 budget provision for the expenditure, subject to a limit of £2,500. The Clerk or RFO shall report the action to the appropriate committee as soon as practicable thereafter.
- 3.5 Where expenditure is incurred in accordance with regulation 3.4 and the sum required couldn't be met from savings made elsewhere within the committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the FC or the Council.

- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year, although material amounts may be ringfenced if there is good reason for expenditure to be deferred.
- 3.7 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 committee concerned 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.
- 3.8 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 2003, as amended by the Accounts and Audit Amendment Regulations 2006, **Accounts and Audit Regulations 2011 and Accounts and Audit Regulations 2015** and any subsequent amendments thereto.
- 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 FC.
- 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, shall 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 those transactions.
 - c It is however recognised that the achievement of the separation of the functions referred to at a and b above will be extremely limited as the Parish Clerk and/or RFO may be the only people available to carry out most of them
- 4.4 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, as amended by the Accounts and Audit Amendment Regulations 2006, **Accounts and Audit Regulations 2011 and Accounts and Audit Regulations 2015**. 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 FC .
- 5.2 A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc presented to the FC. If the schedule is in order it shall be authorised by a resolution of the committee and signed by the chairman or vice chairman.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to above shall be signed by two duly authorised members of the Council including, wherever possible, the RFO. *(Amended from 3 by full council vote in March 2018)*

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 approved by the respective committee chairperson for payment. Before approving an invoice the committee chairperson shall satisfy himself/herself that the work, goods or services to which the invoice relates have been received or carried out
- 6.3 Invoices shall be passed to the RFO who shall check for arithmetical accuracy, and shall code them to the appropriate expenditure head. He/she 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 he/she shall certify them for payment.
- 6.5 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.

7 Payments of Salaries and Wages

- 7.1 The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records.

8 Loans and Investments

- 8.1 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the FC 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 borrowing shall be effected in the name of the Council.
- 8.4 All investments certificates and other documents relating thereto shall be retained in the custody of the RFO.

9 Income

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the control of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges annually.
- 9.4 Any bad debts shall be reported to the FC.
- 9.5 All sums received on behalf of the Council shall be paid to the RFO for banking. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO

considers necessary.

- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Parish Council shall not accept cash payment for any goods or services supplied by them. All payments to be in the form of cheque or direct bank transfer.

10 Orders for Work, Goods and Services

- 10.1 An official order or letter shall be issued for all work, goods and services over the value of £1,000 unless a formal contract is to be prepared or an official order would be inappropriate e.g petty cash purchase. Copies of orders issued shall be maintained.
- 10.2 Orders shall be controlled by the RFO.
- 10.3 The RFO and members of the Council are responsible for obtaining value for money at all times. The RFO, when 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.

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 the committee to which 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 contracts which relate to items i to v below:
 - i. for the supply of gas, electric, water, sewerage and telephone services.
 - ii. for specialist services such as provided by a solicitor, accountants, surveyors or 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 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 £1,000 in value for the supply of goods or materials or for the execution of works or services other than such goods, material, works or specialist services as are excepted as set out in paragraph (a) the Council, committee or sub-committee shall endeavour to obtain tenders from at least three firms.
 - ii for expenditure which is already fully allowed for in the precept the spending committee shall have executive powers.

- iii for expenditure which is not fully allowed for in the precept the spending committee shall submit its proposals to the Council for approval.
- 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. 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 have been justified,
- e. Such invitations 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 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 or the properly authorised deputy in the presence of at least one member of the Council.
- g. If less than three tenders are received for contracts valued above £1,000 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.
- h. The Council shall not be obliged to accept the lowest or any tender.

12 Payments Under Contracts for Building or Other Constructive Work

- 12.1 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.
- 12.2 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 the work carried out under the 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 (following consultation with the appropriate committee and the Council) be approved by the Clerk in writing, the appropriate committee being informed where the final cost is likely to exceed the financial provision.

13 Stores and Equipment

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

14 Properties and Estates

- 14.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council and 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 purpose for which held in accordance with regulation 4 (3) (B) of the Accounts and Audit Regulations 1996.

14.2 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 £500.

15 Insurance

15.1 The RFO shall effect all insurances and negotiate all claims on the Council's insurers.

15.2 The RFO shall keep a record of all insurances effected by the Council and the property and risk covered thereby and annually review it.

15.3 The RFO shall be notified of any loss liability or damage or any event likely to lead to a claim.

15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

16 Revision of Financial Regulations

16.1 It shall be the duty of the FC to review the financial regulations of the Council on an annual basis and to make such recommendations to the Council as the committee considers are required.

17. Provision of Pension to salaried staff

17.1 As per legal requirement all salaried staff will be added to the Parish Council's pension scheme with the minimum legal contribution required by both employee and employer.

17.2 Any payment above the minimum from the employer will be subject to a majority vote of the Finance Committee and can be reviewed at any time.

17.3 As minimum payments change due to changes in the law, the employer will ensure that legal requirements are still met with regards to these payments.

17.4 Staff will be kept fully informed of the payments they must make and the payments the employer makes.

17.5 The employer will use a nationally recognised pension provider for this provision.

17.6 All new employees will be added to the pension provision where legal requirement stipulates they should be included.

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