

WESTBURY ON SEVERN 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) 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 Budget

2.1 Each year the council will consider, discuss and recommend an annual budget for the following financial year. All members of the council will receive a copy of the recommended budget.

2.2 The recommended budget will be approved/amended at the December monthly meeting, or in exceptional circumstances, the January monthly meeting of the council.

2.3 Following approval of the budget the precept to be levied will be agreed.

2.4 The annual capital and revenue budgets 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 the budget.

3.2 No expenditure may be incurred which cannot be met from the amount provided in the budget unless a virement has been approved by the council.

3.3 The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.

3.4 The clerk, in consultation with the Chairman or Vice-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 £250. The clerk shall report the action to the council as soon as practicable thereafter.

3.5 Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings elsewhere within the budget, it shall be met from the council's contingency fund.

3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless the council is satisfied that the necessary capital funds are available, or the requisite borrowing approval can be obtained.

3.7 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 A system for the internal audit of the council's financial matters shall be agreed and maintained as required.

5 Banking Arrangements and Cheques

5.1 The council's banking arrangements shall be recommended by the RFO and approved by the council.

5.2 A list of payments to be made shall be prepared by the RFO and included with the monthly meeting agenda for authorisation by the council.

5.3 Cheques shall be signed by any two members of the council in accordance with the bank mandate.

5.4 The Clerk will ensure that funding levels are adequate to cover cheques drawn, and will only issue the cheque if the funds are sufficient.

6 Payment of Accounts

6.1 Apart from petty cash payments 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 clerk. Before certifying an invoice the clerk shall, where possible, satisfy herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.3 Invoices shall be paid as soon as practicable.

6.4 All duly certified invoices will then be entered on the list referred to in 5.2 above.

6.5 The RFO may provide petty cash for the purpose of defraying operational and other expenses.

(a) The RFO shall maintain a petty cash float to a limit of £50 for the purpose of defraying operational and other expenses. Receipts for payments made from petty cash shall be kept to substantiate the payment.

(b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

(c) Payments to maintain the petty cash float shall be shown separately on the list of the payment of money presented to the council (under 5.2 above)

7 Payment of Salaries and Wages

7.1 Salaries shall be paid monthly in arrears. Cheques should be dated to enable cleared funds to be in the Clerk's bank account by the last day of the month – cheques shall be signed at the monthly meeting. Post-dated cheques for August salaries shall be signed at the July monthly council meeting.

8 Loans and Investments

8.1 All loans and investments shall be negotiated by the RFO for the approval of the council, and shall be for a set period of time in accordance with council decisions. Changes to loans and investments should be reported to the council 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 borrowings shall be effected in the name of the council.

8.4 All investment 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 the RFO.

9.2 The council will review all fees and charges annually.

9.3 Any bad debts shall be reported to the council.

9.4 All sums received on behalf of the council shall be banked as soon as practicable.

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

9.6 Personal cheques shall not be cashed out of money held on behalf of the council.

10 Orders for Work, Goods and Services

10.1 An official letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official letter would be inappropriate eg petty cash purchases. Copies of orders shall be maintained.

10.2 The RFO is responsible for obtaining value for money at all times and when issuing an 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 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

(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) likely to exceed £1500 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) an advertisement for tenders shall be publically advertised
 - (ii) for expenditure between £500 and £1500 in value the clerk shall invite tenders from at least three firms
 - (iii) for expenditure less than £500 in value the work shall be offered to a contractor who has previously carried out work of good quality at reasonable cost
 - (iv) for expenditure of any amount, if members of the council wish to tender at least three tenders shall be invited
 - (v) with regard to recurrent contracts, if the work has been carried out satisfactorily the same contractor shall be invited to provide a quote for the subsequent contract, and other quotes shall only be obtained either every three years, or if the work was not carried out satisfactorily, or if the quote was thought to be unreasonable in any aspect.
- (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 the council shall specify the reason for the exception.
- (e) 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 opening tenders for that contract.
- (f) If less than three tenders are received for contracts valued above £500 or if all 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.

12 Payments Under Contracts for Building or Other Construction Works

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 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.

12.3 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.

13 Properties and Estates

13.1 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 in accordance with regulation 4(3)(b) of the Accounts and Audit Regulations 1996.

13.2 No property shall be sold, leased or otherwise disposed of without the authority of the council.

14 Insurance

14.1 The RFO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the council.

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

14.3 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and the council will annually review it.

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

14.5 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

15 Revision of Financial Regulations

15.1 It shall be the duty of the council to review the financial regulations from time to time.

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