

# **BRITWELL PARISH COUNCIL**

## **FINANCIAL REGULATIONS**

These Financial Regulations form part of the Standing Orders for the Britwell 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 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.
- 1.4 All references to Finance Committee shall, where such committee is not constituted, shall be a reference to the Full Council.

### **2. Annual Estimates**

- 2.1 Detailed estimates of income and expenditure shall be prepared each year by the RFO.
- 2.2 The Council shall review the estimates and approve them not later than the end of the January 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.
- 2.3 The annual budget 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 budget category unless approved by the Council.
- 3.2 The RFO shall quarterly provide the Council with a statement of income and expenditure to date under each category of the approved annual budget.
- 3.3 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out and repair, replacement, or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000 following consultation with the Chairman and/or Vice Chairman. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 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 it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.5 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 Finance committee and/or 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 as determined by the Council.

## **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 A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc, presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council.
- 5.3 Cheques, direct debits, payment of staff salaries by electronic transfer and standing orders drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed/authorised by two members of the Council in accordance with the bank mandate.

## **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 officer issuing the order. Before certifying an invoice the officer shall satisfy them self 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/she shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.
- 6.5 The RFO may provide petty cash for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
  - a) The RFO shall maintain a petty cash float to a limit of £100 for the purpose of defraying operational and other expenses. Vouchers 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 schedule of the payment of money presented to the Council (under 5.2 above).

## **7. Payment of Salaries and Wages**

- 7.1 The payment of all salaries and wages shall be made by the RFO or nominated councillor(s) in accordance with the payroll records.

## **8. Loans and Investments**

- 8.1 All loans and investments shall be administered 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 authorised by the Finance committee.
- 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 and under the supervision 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, following a report of the Clerk.
- 9.4 Any bad debts shall be reported to the Finance committee and/or Council.
- 9.5 All cash and cheques received on behalf of the Council 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 Every transfer of official money from one member of staff to another shall be signed for by the receiving member of staff.
- 9.8 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 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, eg petty cash purchases. Copies of orders issued shall be maintained.
- 10.2 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.

## 11. **Contracts - Quotations**

### 11.1 Procedures for contracts are as follows:

- a) Every contract shall comply with these regulations, and no exception from any of the following provisions of these regulations shall be made otherwise than by direction of the Council provided that these regulations shall not apply to contracts which relate to items (i) to (v) below:-
- i) for the supply of gas, electricity, water, sewerage and telephone/online services;
  - ii) for specialist services such as are provided by solicitors and accountants;
  - 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) Two quotations must be sought for works over £500 and three quotations must be sought for works over £1,000. Where it is intended to enter into a contract 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 quotations as follows:- (i) value over £500: from at least two firms and (ii) value over £1,000: from at least three firms.
- c) When applications are made to waive standing orders to enable a tender to be negotiated without competition, the reason shall be embodied in a recommendation to the Council.

- d) If less than three quotations are received for contracts valued above £1,000 or if all the quotations are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- e) The Council shall not be obliged to accept the lowest or any quotation.

## 12. **Contracts - Tenders**

12.1 An invitation to tender shall be required for any contract for amounts exceeding £25,000.

- a) 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.
- b) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy and in the presence of at least one member of the Council.
- c) If less than three tenders are received for contracts valued above £25,000 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.
- d) The Council shall not be obliged to accept the lowest or any tender.

## 13. **Payments Under Contracts for Building or Other Construction Works**

13.1 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.

13.2 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 by 5% or more, a report shall be submitted to the Council.

13.3 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.

## 14. **Stores and Equipment**

14.1 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time delivery is made.

14.2 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.

## 15. **Properties and Estates**

15.1 The Clerk shall make appropriate arrangements for the custody of all title deeds or properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, 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 2015.

15.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council.

**16. Insurance**

- 16.1 The Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 16.2 The Clerk shall give prompt notification to the Finance committee of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 16.3 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 16.4 The Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 16.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

**17. Tenanted Bar**

- 17.1 The verification of any cash collected in pool tables or any other devices in the Bar, in which the Council has an interest shall be undertaken ,on the Council's side, by any two persons drawn from the councillors or the RFO.

**18. Revision of Financial Regulations**

- 18.1 It shall be the duty of the Council to review the financial regulations of the Council from time to time and to make such revisions as the Council considers are required.

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