

CHELWOOD PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on 11th June 2009

1. GENERAL

- 1.1. 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.
- 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 affairs.
- 1.3. The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1. The annual budgets shall form the basis of financial control for the ensuing year.
- 2.2. Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.3. 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.

3. BUDGETARY CONTROL

- 3.1. Expenditure on revenue items may be incurred up to the amounts included in the approved budget.
- 3.2. No expenditure may be incurred will exceed the amount provided in the revenue budget.
- 3.3. The RFO shall regularly provide the Council with a statement of receipts and payments to date .
- 3.4. Unspent provisions in the revenue budget shall be carried forward to a subsequent year.
- 3.5. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.6. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4. IACCOUNTING 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 as amended.
- 4.2. 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.
- 4.3. The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4. 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 Regulation 5 of the Accounts and Audit Regulations 1996 as amended. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- 4.5. The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6. The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 4.7. The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

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 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 shown in the minutes of the Meeting.
- 5.3. Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Council.
- 5.4. 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 counterfoil.

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 certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3. The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, 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 RFO 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.
- 6.5. 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 stationery items) shall be refunded as required.

7. INCOME

- 7.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 7.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 7.3. The Council will review all fees and charges annually.
- 7.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 7.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 7.6. The origin of each receipt shall be entered on the paying-in slip.
- 7.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

8. ORDERS FOR WORK, 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. All members and 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.

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 and RFO 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 £1000 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.

(f) 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.

(g) If less than three tenders are received for contracts above £1000 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) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 61, 63 and 64. [\[check consistency\]](#)

(i) When it is to enter into a contract less than £1,000 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 RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £500 and above £250 the RFO shall strive to obtain 3 estimates. Otherwise, Regulation 8 (2) above shall apply.

(j) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

10. INSURANCE

10.1. Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

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

10.3. 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.

10.4. 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.

11. RISK MANAGEMENT

11.1. The Council shall prepare and promote risk management policy statements in respect of all activities of the Council.

11.2. When considering any new activity the Council shall update the Risk Management policy if necessary.

12. REVISION OF FINANCIAL REGULATIONS

12.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.