

## **Bleadon 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 Clerk shall be the responsible financial officer (RFO).
- 1.3. 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.
- 1.4. The RFO shall be responsible for the production of financial management information.

### **2. ANNUAL ESTIMATES**

- 2.1. Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2. The Council shall review the estimates and recommend the precept to be levied for the ensuing financial year, not later than the end of January in each year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3. 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 each approved budget heading.
- 3.2. No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget heading unless a virement has been approved by the council or the Chairman approves such expenditure subject to subsequent approval of 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 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 £500. The Clerk shall report the action to the council as soon as practicable thereafter.
- 3.5. Where expenditure is incurred in accordance with regulation 3.2 or 3.4 above and the sum required cannot be met from savings made elsewhere within the councils approved budget, it shall be subject to the provisions of a supplementary estimate approved by the council.
- 3.6. No expenditure shall be incurred in relation to any capital project, no contract entered into or tender accepted involving expenditure on capital account. Unless the council is 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.
- 3.7. 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 and The Accounts and Audit Regulations 2003.

- 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. 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 1996. 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 council. One current account and one deposit account shall be maintained.
- 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 proposed and seconded and authorised by a resolution of the council.
- 5.3. Cheques drawn on the current bank account in accordance with the schedule referred to in the previous paragraph shall be signed by the two members of the council who proposed and seconded that item.

## **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. Before certifying an invoice the RFO shall satisfy itself 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 settled and which are in order within 30 days of their receipt.
- 6.4. When the RFO is satisfied that invoices are in order s/he shall raise an outgoing sheet and satisfy the audit trail.
- 6.5. All duly certified invoices will then be entered on the schedule referred to in 5.2 above.

## **7. PAYMENT OF SALARIES**

- 7.1. The payment of all salaries shall be made via a contractor appointed by the Council or by cheque using the schedule of the payment of money and presented to the council in the normal way.
- 7.2. The payment sheet will be presented to the council and certified by the Chairman as to accuracy.
- 7.3. The review of salaries allowances and expenses shall be reviewed in February of each year.

## **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 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 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 council.
- 9.5. All sums received on behalf of the council shall be banked by the RFO.
- 9.6. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

## **10. ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1. An official order or letter or email shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be maintained.
- 10.2. The RFO is responsible for obtaining value for money at all times and to ensure as far as reasonable and practicable that the best available terms are obtained in respect of cash transaction.
- 10.3. For purchases over £500 at least three written quotations shall be sought from different suppliers. This requirement may be overruled when highly-specialised advice is required and is agreed by Council resolution. Orders will only be placed following Council resolution.

## **11. CONTRACTS**

- 11.1. Procedures as to contracts are laid down in the council's standing orders.

## **12. INSURANCE**

- 12.1. The RFO shall effect all insurance and negotiate all claims on the council's insurer.
- 12.2. The RFO shall insure that all new risks, properties which require to be insured are added to existing insurance.
- 12.3. The RFO shall keep a record of all insurance effected by the council and the property and risks covered thereby and annually review it.
- 12.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 12.5. All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

## **13. REVISION OF FINANCIAL REGULATIONS**

- 13.1. It shall be the duty of the council to review the financial regulations of the council from time to time and to make such changes as the council considers are required.