



Parish Clerk: Bill Banner

Clerk's address:

25 The Green, Radcliffe-on-Trent, Nottingham, NG12 2LA

Telephone: 0115 933 5921

Email: [billbanner@onetel.com](mailto:billbanner@onetel.com)

Parish website: <https://newtonparishcouncil.com/>

## FINANCIAL REGULATIONS

### 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, is the Clerk to the Council who 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 Where a Committee is formed, it shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of November each 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. The RFO shall supply each member with a copy of the approved estimates.

2.4 The annual budget shall form the basis of financial control for the ensuing year.

### 3. BUDGETARY CONTROL

3.1 The RFO shall provide the Council with a statement of receipts and payments to date, comparing actual expenditure against that planned at each Finance and General Purposes committee meeting.

3.2 The RFO may incur expenditure on revenue expenditure items up to the amounts included in the approved budget. No expenditure may be incurred which will exceed the amount provided in the revenue budget unless the Council takes a specific decision on each item of proposed expenditure in excess of budget. However, the RFO 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, irrespective of whether there is any budgetary provision for the expenditure, subject to a limit of £2,500. The RFO shall consult with the chairman of the council and report the action to the Council as soon as practicable thereafter.

3.3 No expenditure shall be incurred in relation to any capital project and no contract or tender accepted, unless the Council is satisfied that the necessary funds are available or the requisite borrowing approval has been obtained.

3.4 Contracts for capital works are to be administered in accordance with Council's Standing Orders and Financial Regulations.

3.5 All orders shall be recorded in writing and attached to the relevant invoices.

3.6 For items over £2000, the RFO will ensure that a specification of work is prepared and approved by Council before seeking quotations. For items under this amount, the RFO will use discretion before placing an order.

### 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 2011.

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 RFD 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 2011, or set by the Auditor.
- 4.4** The RFD 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 the Accounts and Audit Regulations 2011. Any officer or member of the Council shall make available relevant documentation if required.
- 4.5** The Internal Auditor shall carry out the work required by the RFD, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return. The Internal Auditor, being competent and independent 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 RFD shall arrange for the inspection of the accounts, books, and vouchers as required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2011.
- 4.7** The RFD 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 RFD and approved by the Council. They shall be regularly reviewed for efficiency. Payments by electronic means shall be made wherever possible.
- 5.2** Payments to be made, forming part of the Finance Agenda item of a Meeting, shall be prepared by the RFD and be presented to Council for approval. Payment details will be shown in the Minutes of the Meeting.
- 5.3** Payment authorisation shall be by two members of Council and an authorised officer signing the invoice or similar document.

## **6. PAYMENT OF ACCOUNTS**

- 6.1** All payments shall be effected by cheque or electronic means drawn on the Council's bankers.
- 6.2** All invoices for payment shall be examined, verified and certified by the RFD. The RFD 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 RFD shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFD shall take all steps to settle all valid invoices submitted, at the next available Council Meeting.
- 6.4** If a payment is necessary to avoid a charge for interest under the Late Payment of Commercial Debts (Interest) Act 1998 and Regulations of 2002, and the due date for payment is before the next scheduled Meeting of Council, where the RFD certifies that there is no dispute or other reason to delay payment, the RFD 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 RFD may provide petty cash to officers to defray operational and other expenses. Vouchers for payments made shall be forwarded to the RFD with a claim for reimbursement.
- a) The RFD shall maintain a petty cash float of £250 for operational and other expenses. Vouchers for payments made from petty cash shall be retained to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked.
  - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments.
  - d) The RFD shall have power to singularly sign a cheque or electronically for Petty Cash up to a value of £250.

## **7. PAYMENT OF WAGES**

- 7.1** The payment of all wages shall be made by the RFD in accordance with payroll records.

## **8. LOANS AND INVESTMENTS**

- 8.1** All loans and investments shall be negotiated in the name of the Council, for a set period in accordance with Council policy.
- 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, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- 8.4** All investment certificates and other documents relating thereto shall be retained in the custody of the RFD.

## **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** Details of all charges to be made for services rendered 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.

**9.3** The Council will review all fees and charges annually, (at least 6 months prior to the start of the financial year) following a report of the RFO.

**9.4** Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be considered for writing off in the year.

**9.5** 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, but as a minimum once a week.

**9.6** The origin of each receipt 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 RFO shall ensure that any VAT Return that is required is promptly completed on line on a quarterly or annual basis by the deadline dates. Any repayment claim due shall be in accordance with the agreed arrangements with HMRC

## **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. Copies of orders shall be retained and attached to the invoices. Where appropriate, contractors will submit the following documents on request: public liability, risk assessments and method statements.

## **11. CONTRACTS**

**11.1** 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 providers of specialist services such as: solicitors, accountants, architects, surveyors and planners;

(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 RFO shall act after consultation with the Chairman and Vice Chairman of Council);

(vi) for goods/materials proposed to be purchased which are proprietary articles and are only sold at a fixed price.

(b) Where it is intended to enter into a contract exceeding £15,000 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 invite tenders from at least three contractors 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 RFO 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 RFO 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.

(e) All sealed tenders shall be opened at the same time on the set date by the RFO in the presence of at least one Councillor.

(f) If less than three tenders are received for contracts above £15,000 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.

(g) When it is to enter into a contract less than £15,000 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 seek to obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1000 the RFO shall adjudge what action to take to bring about the best value contract in the interests of the council.

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

## **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 RFD upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

**12.2** Where contracts provide for payment by instalments the RFD shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 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 Council and RFD to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## **13. STORES AND EQUIPMENT**

**13.1** The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

**13.2** Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quantity at the time delivery is made.

**13.3** Stocks shall be kept at the minimum levels consistent with operational requirements.

**13.4** The RFD shall be responsible for periodic checks of stocks and stores at least annually.

## **14. PROPERTIES AND ESTATES**

**14.1** The RFD shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFD 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 2011.

**14.2** No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.

## **15. INSURANCE**

**15.1** Following an annual review, the RFD shall arrange all insurances and negotiate all claims with the Council's insurers.

**15.2** The RFD shall immediately advise insurers of all new risks that need to be insured and of any alterations affecting existing insurances. Driving licences for employees who drive vehicles belonging to the Parish Council shall be checked annually.

**15.3** The RFD shall keep a record of all insurances effected by the Council and ensure these are reviewed annually.

**15.4** The RFD 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.

**15.5** 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.

## **16. RISK MANAGEMENT**

**16.1** The RFD with the appointed councillor(s) shall prepare and promote Risk Management policy statements in respect of all activities of the Council.

**16.2** When considering any new activity, the RFD shall prepare a draft Risk Management policy for the activity and a draft addressing the legal and financial liabilities for consideration and approval.

## **17. REVISION OF FINANCIAL REGULATIONS**

**17.1** It shall be the duty of the Council to review the Financial Regulations of the Council every two years as a minimum.

05 April 2017