

Appendix B to Kingsley Parish Council Standing Orders

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 the Clerk to the Council unless a separate appointment is made by the Council.
- 1.3 The RFO 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 The Council will approve a budget for receipts, payments and capital expenditure for the year no later than the end of November each year.
- 2.2 Detailed estimates of receipts and payments on the Council's accounts shall be prepared each year by the clerk.
- 2.3 The Council shall review the estimates not later than the end of January in each year and shall recommend the precept to be levied for the ensuing financial year. The clerk shall supply each member with a copy of the approved estimates.
- 2.4 The annual budgets shall form the basis of financial control for the ensuing year.

3 Budgetary Control

- 3.1 Expenditure on the current account may be incurred up to the amounts included in each approved budget. Expenditure over the approved budget for a given item requires approval at a Council meeting, and the identification of commensurate savings from elsewhere in the budget.
- 3.2 The clerk 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.
- 3.3 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 £50. The clerk shall report the action to the Council as soon as practicable thereafter.
- 3.4 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 clerk as required by Audit Commission Act 1998.
- 4.2 The clerk 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 clerk shall complete 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 shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Audit Commission.
- 4.4 The clerk 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 1998. 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 the purpose.
- 4.5 The clerk shall make arrangements for the opportunity for inspection of the accounts, books and vouchers and for the display or publication of any Notices and Statements of Account required by the Audit Commission Act 1998 and the Accounts and Audit Regulations.
- 4.6 The clerk 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

- 5.1 The Council's banking arrangements shall be made by the clerk and approved by the Council. One current account and one deposit account shall be maintained at the bank.
- 5.2 All payments shall be made from the current account and shall be effected by online banking arrangements, cheque drawn on the Council's bankers or by debit card.
- 5.3 The clerk will ensure a mandate is established with the bank for the authorisation of payment by online banking. This mandate will use the Bank's online facilities and will allow the clerk to set the details of payment to be made. These payments shall only be made when they have been authorised through the bank's online website by any two councillors who are registered with the bank to give such authorisation. The clerk will ensure all serving councillors are registered with the bank to be able to authorise payments online.

- 5.4 Cheques drawn on the bank account shall be signed by any two serving councillors who are registered as signatories with the bank.
- 5.5 The debit card shall be set up in the name of the clerk. The debit card will have a limit of £250 for any given transaction.

6 Payment of Accounts

- 6.1 Online banking is the preferred method of payment and shall be used whenever possible. The debit card shall only be used when online banking or cheques cannot be used.
- 6.2 All invoices for payment shall be examined, verified and certified by the Officer issuing the order. Before processing an invoice the clerk shall satisfy herself/himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved. The clerk shall also confirm that the Council has properly approved the work, goods, services, grants in accordance with the regulations set out in this document.
- 6.3 Processing an Invoice. The clerk shall prepare a schedule of the payments to be authorised at a Council meeting and this will form part of the agenda for the meeting.
- 6.3.1 The schedule will include all payments for which invoices have been received since the last meeting including any online purchases.
- 6.3.2 The schedule of payments to be authorised will list the name of the payee, the amount of the payment, the date the payment was or will be made and the method of payment (eg online banking, cheque or credit card).
- 6.3.3 The clerk will provide the relevant invoices for the payments on the schedule to be inspected if required by councillors at the meeting.
- 6.3.4 If the schedule is in order it shall be accepted by a resolution of the Council. The acceptance of the schedule means that the bank can be instructed to make the payments in accordance with the banking mandate.
- 6.3.5 Payments due before a Council meeting is held (eg in months when there is no meeting) can be authorised by any two councillors in accordance with the banking mandate prior to the payment schedule being accepted. The clerk will alert councillors by email that such a payment needs to be made and will provide supporting information / invoices for the councillors to inspect before they authorise the payment. The clerk will include all such payments made on the schedule for acceptance at the next meeting. The clerk can also instigate this process if councillors or the clerk are likely to be unavailable in the period after a meeting to process payments in the normal way.
- 6.3.6 When payments are to be made by online banking the clerk will set up the date for the payment to be made the Tuesday (at 00:00am) after the Council meeting. Councillors then have until the Monday after the meeting for two of them to authorise the payment on the bank website.
- 6.3.7 When payments are to be made by cheque the clerk will prepare the cheque for two

councillors to sign at the meeting after the schedule of payments has been accepted. These councillors shall also initial the payment stub in the cheque book.

- 6.3.8 The clerk can use the debit card to make payments for online purchases or when online banking or cheques cannot be used. The clerk will seek the agreement (by email) of the chairman (or vice-chairman) prior to making online purchases using the debit card. The clerk shall include all purchases made by debit card on the payment schedule for the first meeting after the purchase is made.
- 6.4 The Clerk will maintain and distribute to all councillors prior to a Council meeting, an account of all payments made under appropriate expenditure head and receipts since the start of the financial year. These 'year to date' accounts will also include a reconciliation of these payments and receipt with the latest bank statements.

7 Payment of Salaries and Wages

- 7.1 The payment of all salaries and wages shall be made by or on behalf of the clerk from the payroll account in accordance with the payroll records.
- 7.2 The clerk shall present all related time sheets for inspection by Councillors who sign the related invoices for payment of salaries and wages.

8 Loans and Investments.

- 8.1 All loans and investments shall be negotiated by the clerk 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. Any loan requires approval at a Council meeting.
- 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 clerk.

9 Income

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the clerk.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the clerk and the clerk 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 clerk.
- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered in the appropriate records.

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. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the clerk.
- 10.3 The clerk 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 each transaction.

11 Contracts

- 11.1 Every contract shall comply with these Financial Regulations, and no exception shall be made otherwise than in an emergency provided that these Regulations shall not apply to contracts which relate to items (11.1.1) to (11.1.5) below:
- 11.1.1 For the supply of gas, electricity, water sewerage and telephone services.
- 11.1.2 For specialist services such as are provided by solicitors, accountants, surveyors and planning consultants.
- 11.1.3 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.
- 11.1.4 For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.
- 11.1.5 For goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- 11.2 Where it is intended to enter into a contract:
- 11.2.1 Exceeding the Tender Required Expenditure Thresholds 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 (1) the clerk shall invite tenders from at least three firms or individuals.
- 11.2.2 For expenditures below the Tender Required Expenditure Threshold in value the Chairman or his/her appointed Vice- Chairman together with the clerk or the duly authorized deputy shall have executive power.
- 11.2.3 The current Tender Required Expenditure Thresholds are £250 for normal expenditure and £500 for urgent emergency expenditure.
- 11.3 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.

- 11.4 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.
- 11.5 If fewer than three tenders are received for contracts valued above the Tender Required Expenditure Thresholds 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.
- 11.6 Any invitation to tender issued under these Financial Regulations shall contain a statement of the effect of Financial Regulations Nos 10.5, 10.6 and 10.7.
- 11.7 The Council shall not be obliged to accept the lowest or any tender.
- 11.8 Where it is proposed not to accept the lowest tender, the Council will set out a justification for the decision within the resolution to accept a higher 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 clerk upon authorized certificates of the architect or other consultants engaged to supervise the contract.
- 12.2 Where contracts provide for payment by installments the clerk shall maintain a record of all such payments.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the clerk in writing.

13 Assets and property

- 13.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The clerk shall ensure a record is maintained of all properties owned by the Council, in accordance with Accounts and Audit Regulations 1998.
- 13.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law.
- 13.3 The clerk shall maintain a Register of Assets as part of the accounts available to councilors with the end of financial year figures.

14 Insurance

- 14.1 The clerk shall effect all insurance and negotiate all claims on the Council's insurer.
- 14.2 The clerk shall insure that all new risks are added to existing insurance.
- 14.3 The clerk shall keep a record of all insurance effected by the Council and the property and risks covered thereby and annually review it. To aid this process the Clerk maintains a register of assets owned by the Council and reviews this once a year prior to the renewal of the insurance.
- 14.4 The clerk 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 clerk to review the financial regulations of the Council annually and to make such recommendations to the Council as she/he considers are required.