

Monkton Combe Parish Council

FINANCIAL REGULATIONS

1. GENERAL

- a. These financial regulations shall govern the conduct of the financial transactions of Monkton Combe Parish Council and may only be amended or varied by resolution of the Council.
- b. The Responsible Financial Officer (RFO) under the policy direction of the Council shall be responsible for the proper administration of the Council's affairs.
- c. The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- a. The Council shall formulate proposals in respect of revenue services and capital projects for the following financial year, not later than the end of December each year.
- b. Detailed estimates of income and expenditure on revenue services and receipts and payments on capital account shall be prepared each year by the RFO.
- c. The estimates shall be reviewed by the Council and they will be submitted to the decision of a full Council meeting not later than the January meeting in each year and shall fix the precept to be levied for the ensuing financial year.
- d. The RFO shall supply each member with a copy of the approved estimates.
- e. The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- a. Any changes to the expenditure on the revenue account must be approved by the Council at a full Council meeting.
- b. The RFO shall regularly provide the Council with a statement of receipts and payments.
- c. 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 10% of Precept. The Clerk shall report the action to the Council as soon as practicable thereafter.
- d. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless specifically earmarked for a particular project.

4. ACCOUNTING AND AUDIT

- a. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003.
- b. 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 the Council for their approval.
- c. 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 2003.
- d. An independent Internal Auditor will be appointed annually to audit the accounts prior to submission to the External Auditor.

5. **BANKING ARRANGEMENTS AND CHEQUES**

- a. The Council's banking arrangements shall be made by the RFO and approved by the Council.
- b. A Corporate Account shall be maintained at HSBC Bank.
- c. Payments shall only be made by cheque, direct debit, or internet banking transfer.
- d. Payments shall be drawn up by the RFO and presented along with the relevant invoices to two authorised councillors for approval and signing.
- e. **Cheques** – must be signed by two authorised councillors, who shall satisfy themselves that the payment is for an approved expenditure and within budget; and they shall sign the counterfoil.
- f. **Direct Debits** – Direct Debit Mandates must be approved at a meeting of the Parish Council and signed by two authorised councillors. The Parish Council meeting shall satisfy themselves that the payment is for an approved regular expenditure with an appropriate supplier such as a Utility Company, and all payments will remain within budget. A copy of the signed Mandate shall be taken and held with the financial records of the Council. The approval of the use of a direct debit shall be renewed by resolution of the council at the Annual Parish Council meeting each year.
- g. **Internet banking transfer** – The bank mandate will state clearly the amounts of payments that can be instructed and the RFO shall be appointed as the Service Administrator.

The Responsible Financial Officer (RFO) shall be delegated to make such payments subject to the signed approval of two authorised councillors, who shall satisfy themselves that the payment is for an approved expenditure and within budget and that the banking details of the recipient are in accordance with those on the supporting documents.

The RFO and all authorised councillors shall have Internet access to the Parish Council Bank Account. Only the RFO is authorised to make Internet banking transfers. All authorised councillors shall access the account to satisfy themselves that payments they have approved have been made as instructed, and that no unauthorised payments have been made.

Access to the Internet banking service is only available by the RFO or Councillors by use of the Bank supplied Security Device and only if also required, their own personal PIN, which they shall not disclose to anyone.
- h. At each routine Council meeting, all payments made since the previous meeting shall be reported to the Council for approval and recorded in the minutes.
- i. The Bank Reconciliation, Bank Statements and Cash Book shall be checked and verified by a councillor on a bi-monthly basis, to coincide with reporting of these to each Parish Council meeting.

6. **PAYMENT OF SALARIES AND WAGES**

- a. The payment of the Clerk's salary shall be paid by cheque or Internet Banking Transfer to be authorised as above.

7. **LOANS AND INVESTMENTS**

- a. 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.
- b. All investments of money under the control of the Council shall be in the name of the Council.
- c. All borrowings shall be affected in the name of the Council.
- d. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8. **INCOME**

- a. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- b. 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.
- c. The Council shall review all fees and charges annually, following a report of the Clerk. Any bad debts shall be reported to the Council.
- d. All sums received on behalf of the Council shall be paid to the RFO for banking. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- e. A reference to the related debt, or otherwise, indicating the origin of each cheque shall be entered on the paying in slip.
- f. Personal cheques shall not be cashed out of money held on behalf of the Council.

9. **ORDERS FOR WORK, GOODS AND SERVICES**

- a. 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 maintained.
- b. 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 is reasonable and practicable that the best available terms are obtained in respect of each transaction.

10. **CONTRACTS**

- a. Where it is intended to enter a new contract for the supply of goods or materials, or for the execution of works or specialist services exceeding the value of £1,000 the Clerk shall invite tenders from at least three firms.
- b. Such invitation to tender shall state the general nature of the work intended.
- c. 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.
- d. If less than three tenders are received for contracts above the value of £1,000 or if all tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- e. Decisions regarding works orders and contracts shall rest with the full Council who shall not be obliged to accept the lowest of any quotation or tender.

11. **PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- a. 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.
- b. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments.
- c. 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.

12. **STORES AND EQUIPMENT**

- a. The Clerk shall be responsible for the custody of stores and equipment.
- b. 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.
- c. The RFO shall be responsible for an annual check of all stocks and stores.

13. PROPERTIES AND ESTATES

- a. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.
- b. The RFO shall ensure that a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference and purchase details.
- c. No property shall be sold, leased or otherwise disposed of without the authority of the Council save where the estimated value of any one item does not exceed £1,000.

14. INSURANCE

- a. The RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Chairman.
- b. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- c. The RFO shall be notified of any loss liability or damage or any event likely to lead to a claim.
- d. All appropriate employees of the Council shall be covered under a current Employer's Indemnity Insurance.

15. ADOPTION.

These Standing Orders were reviewed and adopted by the Council at its meeting of 13th May 2015.

Signed (Chairman)

These Standing Orders will be monitored, and reviewed annually by the Council each and every year at its May meeting as a standing agenda item.