



OAKLEY & DEANE 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 Responsible Financial Officer (RFO) (for the time-being the Clerk to the Council) assisted by an Assistant Responsible Financial Officer (ARFO) annually appointed from the members of the Parish Council and under the policy direction of the Finance Working Party (FWP) shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The RFO, ARFO and FWP shall be responsible for the production of financial management information.

2 Annual Estimates

- 2.1 Each working party shall formulate and submit fully costed proposals to the RFO in respect of revenue services and capital projects for inclusion in the Parish Council's budget for the ensuing financial year not later than the end of November council meeting each year.
- 2.2 A detailed budget of the income and expenditure on revenue services and rolling capital programme shall be prepared each year by the AFRO from information provided by the RFO and Working Parties and having regard to future potential events. This shall be presented to the FWP for approval.
- 2.3 The FWP shall submit the budget to the Council not later than the January council meeting in each year and shall recommend the precept to be levied for the ensuing financial year. Each member shall be supplied with a copy of the approved estimates.
- 2.4 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 the approved budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget unless the Council has approved a budget adjustment.
- 3.3 The FWP on a quarterly basis shall provide the Members with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets so that the financial situation can be monitored throughout the financial year.
- 3.4 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, whether or not there is any budgetary provision for the expenditure,

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subject to a limit of £200. The RFO shall report the action to the ARFO, Chairman and FWP as soon as practicable thereafter.

- 3.5 Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate recommended by the FWP and approved by the Council.
- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the Working Party concerned 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.
- 3.8 All capital works shall be administered in accordance with the Council's 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 ARFO as required by the Accounts and Audit Regulations 2011 as amended
- 4.2 The ARFO 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 FWP who will report thereon to the Council
- 4.3 The RFO shall be responsible for completing the accounts section 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 timescale set by the Accounts and Audit Regulations 2011 as amended or set by the Auditor
- 4.4 The PC Governance Working Party (PCGWP) shall be responsible for ensuring that there is 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 2011 as amended. Any officer or member of the Council shall, if the RFO, ARFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO, ARFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO, ARFO or Internal Auditor with such information and explanation as the RFO, ARFO or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the RFO, ARFO or by the Council with a view to the 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 the 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 the inspection of the accounts, books and vouchers required by the Audit Commission Act 1998, section 15 and the Accounts and Audit Regulations 2011 as amended

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- 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 nature.

5 Banking Arrangements and Cheques

- 5.1 The Council's banking arrangements shall be made by the RFO under the guidance of the FWP and approved by the Council. At least two accounts shall be maintained at the bank, a current account and a deposit account and the bank shall be regularly reviewed for efficiency.
- 5.2 Details of the payment of money together with the relevant invoices etc. shall be presented by the RFO to the Councillors at the monthly meeting. All such items shall be authorised by a resolution of the Council and duly recorded in the Minutes of the meeting. The only exceptions are the cheques drawn for the payment of staff salaries and wages, paid in accordance with the Council's latest resolution regarding salary levels.
- 5.3 All cheques drawn on the bank account in accordance with the resolution referred to in the previous paragraph shall be signed by two Councilor's.
- 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 Apart from payments of a minor nature and for postage all payments shall be effected by cheque, standing order, direct debit or other order drawn on the Council's bankers. Postage costs and other items of a minor nature shall be included in the periodic claim made by the RFO under para. 6.6 below.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 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 Council meeting, where the RFO, ARFO and a member of the FWP 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 the matter is reported to and ratified by the Council at the next appropriate meeting of the Council.
- 6.5 The Council will not maintain any form of cash float. All income received must be banked intact.
- 6.6 Any payments of a minor nature made by the RFO or members of the Council shall be refunded on a regular basis on the presentation of a completed and approved claim. Claims by a member in respect of travelling will be paid at the approved rate on the presentation of a completed and approved claim. Such claims to be approved by the Chairman, ARFO or a member of the Finance Working Party. A copy of the expenses claim form is attached at appendix A

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7 Payment of salaries and wages

- 7.1 The payment of all salaries and wages shall be in accordance with the payroll records and the rules of PAYE and National Insurance currently operating and be made on the last Friday of each month unless otherwise agreed by the ARFO or FWP. Salaries and wage rates shall be reviewed at least annually and agreed by the Council and be in based on the NALC pay guidelines
- 7.2 All time sheets shall be certified as to accuracy by the RFO, AFRO or a member of the FWP
- 7.3 The RFO is responsible for completing and filing all the necessary returns as required by the Inland Revenue within the statutory time limits. Payment of deductions from salaries such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided each payment is reported to and ratified at the next Council meeting.

8 Loans and Investments

- 8.1 All loans and investments shall be negotiated in the name of the Council, and shall be for a set period of time in accordance with Council policy.
- 8.2 The Council's Investment Policy shall be in accordance with the Trustee Act 2000 and shall be reviewed from time to time.
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be affected in the name of the Council after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose
- 8.5 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 the RFO.
- 9.2 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 who shall be ultimately responsible for the collection of all accounts due to the Council.
- 9.3 The FWP will review all fees and charges annually, following a report of the RFO, and make recommendations to the Council for approval
- 9.4 Any sums found to be irrecoverable and any bad debts shall be agreed by the FWP, reported to the Council and written off when all steps have been taken to recover the sums involved
- 9.5 All sums received on behalf of the Council shall be passed 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. The origin of each receipt shall be entered on the paying-in slip
- 9. Personal cheques shall not be cashed out of money held on behalf of the Council. The RFO and ARFO shall promptly complete the quarterly VAT return in accordance with VAT Act 1994

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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 e.g. minor purchases referred to in para 6.6 above. Copies of orders issued shall be maintained.
- 10.2 Councillors and the RFO are responsible for obtaining value for money at all times. It must be ensured as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, by obtaining three or more quotations or estimates from appropriate suppliers (where possible), subject to any de minimus provisions in Regulation 11.1 below.
- 10.3 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11 Contracts

11.1 Procedures as to contracts are as follows:

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than by direction of the Council or 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, internet 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 goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
 - (vi) 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 or Vice-Chairman of the Council).
- b) Where it is intended to enter into a contract:
- (i) for expenditure of £200 or less in value the FWP together with the RFO and ARFO shall have executive power
 - (ii) exceeding £200 but not exceeding £2,500 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 prepare a detailed specification and invite quotations (wherever possible) from at least three firms, such firms to be chosen as appropriate for the contract

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- (iii) for expenditure in excess of £2,500 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 (with specialist assistance if necessary) prepare and invite tenders (wherever possible) from at least three firms, such firms to be chosen as appropriate for the contract
- c) When applications are made to waive regulations relating to contracts to enable a tender or price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- d) Every exception made by the FWP shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.
- e) Where it is intended to enter into a contract in excess of £2,500 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 give at least three weeks public notice of such intention, in the same manner as public notice of meetings of the Council is given
- f) Invitations 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 and the last date by which such tenders should reach the RFO in the ordinary course of post. Each tendering firm shall be supplied with a specially marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- g) All sealed tenders shall be opened at the same time on the prescribed date by the RFO or the ARFO in the presence of at least one member of the Council.
- h) If less than three tenders are received for contracts valued above £2,500 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.
- i) The Council shall not be obliged to accept the lowest or any 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 RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract and with the approval of the FWP.
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum a report shall be submitted to the appropriate Working Party and the FWP.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council if the final cost is likely to exceed the financial provision.

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13 Stores and Equipment

- 13.1 The RFO and other employees or sub-contractors (where applicable) shall be responsible for the care and custody of stores and equipment.
- 13.2 Goods must be checked as regard quality and quantity at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for an annual check of all stocks and stores.

14 Properties and Estates

- 14.1 The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.
- 14.2 The RFO 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 as amended. The continued existence of tangible assets shown in the Register shall be verified at least annually, in conjunction with a health and safety inspection of assets.
- 14.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date.
- 14.4 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 £50.

15 Insurance

- 15.1 The RFO shall affect all insurances and negotiate all claims on the Council's insurers in consultation with the Chairman and the FWP.
 - 15.2 The RFO shall give prompt notification to the Chairman and the FWP of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it with the FWP.
- 15.4 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 the Council at the next meeting.

16 Risk Management

- 16.1 The council is responsible for putting in place arrangements for the management of risk. The RFO and FWP shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.
- 16.2 When considering any new activity the RFO, the FWP and the appropriate working party shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

17 Revision of Financial Regulations

- 17.1 It shall be the duty of the PC Governance Working Party (PCGWP) to review the financial regulations of the Council from time to time and to make such recommendations to the Council as they consider are required in the light of changes in law, practice and experience.