



# BRAMPTON PARISH COUNCIL

## 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 shall be the Clerk to the Parish Council.
- 1.3 The Responsible Financial Officer, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The Responsible Financial Officer shall be responsible for the production of financial management information.

### 2. ANNUAL ESTIMATES

- 2.1 Each Committee shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the meeting of the Parish Council at 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 Responsible Financial Officer.
- 2.3 The Council shall review the estimates not later than the end of November each year and shall fix the Precept to be levied for the ensuing financial year. The Responsible Financial Officer 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 revenue items may be incurred up to the amounts included in the approved budget.
- 3.2 Except with the consent of the Parish Council, no expenditure may be incurred that will exceed the amount provided in the revenue budget.
- 3.3 The Responsible Financial Officer shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 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 urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £350. The Clerk shall report the action to the Finance and General Purposes Committee or the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.6 No expenditure shall be incurred in relation to any capital project, no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.7 All capital works shall be administered in accordance with the Council's Standing Orders relating to Contracts.

#### **4. ACCOUNTING AND AUDIT**

- 4.1 All accounting procedures and financial records of the Council shall be determined by the Responsible Financial Officer as required by the Accounts and Audit Regulations 2003.
- 4.2 The Responsible Financial Officer 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 Responsible Financial Officer 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 2003, or by the Auditor.
- 4.4 The Responsible Financial Officer 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 Regulation 6 of the Accounts and Audit Regulations 2003 as amended. Any officer or member of the Council shall, if the Responsible Financial Officer or Internal Auditor requires, make available such documents of the Council which appear to the Responsible Financial Officer or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Responsible Financial Officer or Internal Auditor with such information and explanation as the Responsible Financial Officer or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the Responsible Financial Officer, or by the Council, with a view to 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 Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The Responsible Financial Officer shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by section 15 of the Audit Commission Act 1998 and the Accounts and Audit Regulations 2003.
- 4.7 The Responsible Financial Officer 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 Responsible Financial Officer and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the payments made, forming part of the Agenda for the Meeting, shall be prepared by the Responsible Financial Officer and be presented to Finance and General Purposes Committee or the Council. If the schedule is in order it shall be approved by the Council and shall be shown in the Minutes of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 above shall be signed by two authorised members of Council.
- 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 All payments shall be effected by cheque, other order or direct debit drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the Responsible Financial Officer who 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 Responsible Financial Officer shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading and shall settle all invoices submitted, and which are in order, expeditiously.
- 6.4 The Responsible Financial Officer may provide an imprest, not exceeding £250, to officers for the purpose of defraying operational and other expenses in accordance with rules approved by the Council.

## **7. PAYMENT OF SALARIES AND WAGES**

- 7.1 The payment of all salaries and wages shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries and wages shall be as approved by Council.
- 7.2 Payment of salaries and wages and payment of deductions from salary and wage 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 that each payment is reported to and ratified by the next available 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 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 on an annual basis.
- 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 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.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Responsible Financial Officer.

## **9. INCOME**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Responsible Financial Officer.
- 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 Responsible Financial Officer and the Responsible Financial Officer shall be 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 Responsible Financial Officer.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the Responsible Financial Officer. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Responsible Financial Officer considers necessary.
- 9.6 The origin of each cheque shall be entered on the paying-in slip.
- 9.7 The Responsible Financial Officer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with section 33 of the VAT Act 1994 shall be made at least annually.

- 9.8 Where any significant sums of cash are regularly received by the Council, the Responsible Financial Officer shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **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.
- 10.2 Order books shall be controlled by the Responsible Financial Officer.
- 10.3 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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions.
- 10.4 The Responsible Financial Officer 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 Responsible Financial Officer 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**

Procedures as to contracts shall be as contained in the Standing Orders relating to Contracts.

## **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 Responsible Financial Officer 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 Responsible Financial Officer 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 by 5% or more a report shall be submitted to the Council.
- 12.3 Any variation or addition to, or omission from a contract must be approved, in writing, by the Council and Clerk to the Contractor, the Council being informed where the final cost is likely to exceed the financial provision.

## **13. STORES AND EQUIPMENT**

- 13.1 The Clerk shall be responsible for the care and custody of stores and equipment.
- 13.2 Delivery Notes shall, so far as possible, be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to quantity and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The Responsible Financial Officer shall be responsible for periodic checks of stocks and stores at least annually.

## **14. PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of and agreements relating to properties owned, leased or occupied by the Council and shall ensure a record is maintained of all such properties, recording their location, extent, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, together with a plan thereof, in accordance with Regulation 5(3)(b) of the Accounts and Audit Regulations 2003.
- 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 £50.

## **15. INSURANCE**

- 15.1 Following an annual risk assessment, the Responsible Financial Officer shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The Clerk shall give prompt notification to the Responsible Financial Officer of all new risks, properties, vehicles or other assets which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Responsible Financial Officer shall keep a record of all insurances effected by the Council and the property and risks covered thereby and shall review it annually.
- 15.4 The Responsible Financial Officer 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. CHARITIES**

Where the Council is sole trustee of a charitable body, the Responsible Financial Officer shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with charity law and legislation, or as determined by the Charity Commission. The Responsible Financial Officer shall arrange for any audit or independent examination as may be required by charity law or any governing document.

## **17. RISK MANAGEMENT**

- 17.1 The Clerk shall prepare and promote Risk Management Policy Statements in respect of all activities of the Council.
- 17.2 When considering any new activity, the Clerk shall prepare a draft Risk Management Policy statement for the activity and shall bring a draft thereof, addressing the legal and financial liabilities and risk management issues that arise, to Council for consideration and, if thought appropriate, adoption.

## **18. REVISION OF FINANCIAL REGULATIONS**

It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.

*These regulations were adopted by the Parish Council at its meeting on 28th February 2006.*