

# **HIGH BICKINGTON PARISH COUNCIL**

## **STANDING ORDERS FINANCIAL REGULATIONS**

**These Financial Regulations were adopted by the Council at its meeting held on 10<sup>th</sup> May 2006 (Minutes ref: 14(b))**

Reviewed: 9 March 2016 – minute ref 9(c) – page 996

Reviewed: 10 May 2017 - minute ref 11(c) – page 1060

Reviewed: 21 August 2019 - added reference to transparency – page 3

# **HIGH BICKINGTON 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 Any amounts specified within the document may be varied by resolution of the Council.
- 1.3 The designated Responsible Financial Officer (RFO) under the policy direction of the Council 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 Proposals shall be submitted by the RFO in respect of revenue and capital budgets in time for The November meeting of the Council each year.
- 2.2 Detailed estimates of all receipts and payments shall be prepared each year by the RFO.
- 2.3 The Council shall review all the estimates and suggestions and not later than the end of December each year shall recommend 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 capital and revenue budgets shall form the basis of control for The ensuing year.

### **3. BUDGETARY CONTROL**

- 3.1 The Council shall ensure that revenue and capital expenditure will not exceed its approved total. Overspends under a particular heading may be offset by under spends under other headings at the discretion of the Council
- 3.2 The RFO shall provide the Council at quarterly intervals or more often with a statement of receipts and payments to date under each heading of the approved annual revenue and capital budgets.
- 3.3 Unspent provisions in the revenue budget shall return to the general reserves.
- 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 RFO as required by the Accounts and Audit Regulations 1996, as amended, and submitted to the Council for approval.

- 4.2 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 and report thereon to the Council.
- 4.3 The RFO 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 1996 as amended, or set by the Auditor.
- 4.4 The Council 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 5 of the Accounts and Audit Regulations 1996 as amended. 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 that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as complied 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 RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 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 matter.
- 4.8 The Council shall follow all guidelines with regard to transparency.

## **5. BANKING ARRANGEMENTS AND CHEQUES**

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the council.
- 5.2 A schedule of payments required, forming part of the agenda for the relevant council meeting, shall be prepared by the RFO and together with the relevant invoices, be presented to the council at each meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 shall be signed by two of the duly authorised councillors.
- 5.4 To indicate agreement of the details shown on the cheque or order for payment each signatory shall each also initial the cheque counterfoil.
- 5.5 The RFO will reconcile the Council's bank statements monthly, on receipt of the bank statements.

## **6. PAYMENT OF ACCOUNTS**

- 6.1 All payments shall be effected by cheque drawn on the Council's bankers.
- 6.2 The clerk shall be responsible for ensuring that all invoices for payment are examined and confirmation sought that the work, goods or services to which the invoice relates shall have been received, carried out examined and approved.
- 6.3 The RFO shall examine invoices in relation to arithmetical accuracy and shall analyse them to the appropriate expenditure heading. All invoices submitted, and which are in order, shall be settled at the next available meeting of the Council.
- 6.4 All invoices or financial instruments which are in order will be entered on the schedule referred to in 5.2 above.
- 6.5 Where it is necessary to make a payment before it has been authorised by the Council, the Finance Committee will be given authority by the Council to authorise any such payment

## **7. INCOME**

- 7.1 The collection of all sums due to the Council shall be the responsibility of the RFO.
- 7.2 All sums received on behalf of the council shall be banked intact as quickly as possible and in all cases within seven days.
- 7.3 The origin of each receipt shall be entered on the paying-in slip.
- 7.4 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

## **8. CONTRACTS/TENDERS**

- 8.1 Where it is intended to enter into a contract for the supply of goods or services:
  - (i) exceeding £10,000 the Clerk shall invite formal tenders from at least three firms;
  - (ii) between £1000 and £10,000 formal tenders are not necessary, but estimates for comparison purposes should be obtained where ever possible;
  - (iii) for less than £1000, the Clerk shall ensure that all items ordered represent good value for money.
- 8.2 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 resolution.
- 8.3 Formal invitations to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification on appropriate cases. The invitation shall in addition state that the tenders must be addressed to the Clerk 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.

All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of the Council.

If less than three tenders are received for contracts valued above £10,000 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.

- 8.4 The Council shall not be obliged to accept the lowest or any tender, quote or estimate but shall have due regard to best practice requirements.

## **9. INSURANCE**

- 9.1 Following an annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 9.2 The Clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 9.3 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 9.4 The Clerk 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.
- 9.5 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.

## **10. RISK MANAGEMENT**

- 10.1 The Clerk, with advice from relevant sources, prepare and promote Risk assessment policy statements in respect of all activities of the Council.
- 10.2 When considering any new activity the Clerk 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.
- 10.3 To comply with the Transparency Code regulations, from 1 April 2015 an asset register, any cheque issued over £100 and details of Councillor Declarations of Interest will be compiled and made available for public scrutiny; they will be published on the Parish Council website.

## **11. REVISION OF FINANCIAL REGULATIONS**

- 11.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time, and at least every five years.