**MARLDON PARISH COUNCIL**

**FINANCIAL REGULATIONS**

1. **GENERAL**
   1. These financial regulations govern the conduct of the financial transactions for Marldon Parish Council and may only be amended or varied by resolution of the full Parish Council.
   2. These financial regulations supersede and overrule any non-statutory rules within Marldon Parish Council’s Standing Orders (to be reviewed and adopted).
   3. The Responsible Financial Officer, RFO (who is the Clerk/The Proper Officer); under the policy direction of the FULL PARISH COUNCIL shall be responsible for the proper administration of Marldon Parish Council’s affairs.
   4. The RFO shall be responsible for the production of financial management information including the budget and the Precept, the latter of which requires full council authorisation.
2. **ANNUAL ESTIMATES**

2.1 The RFO and the full Parish Council, will, no later than end of November each year, formulate proposals in respect of revenue and capital costs for the following financial year.

2.2 Detailed estimates and receipts for the year shall be prepared by the RFO each year. This will be used by the RFO to produce the draft annual budget for the ensuing year to form the basis to set the Precept.

2.3 The annual budget 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 No expenditure should be incurred that will exceed the amount provided in the revenue budget.

3.3 The RFO 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 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, subject to notification being sent to all Councillors stating the reasons and that a retrospective resolution be made at the next full council meeting.

3.5 No expenditure shall be incurred in relation to any capital project and no tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been passed by the Full Council.

3.6 All capital works shall be administered in accordance with the Council’s Standing Orders or if the Standing Orders dictate that the Financial Regulations supersede such.

4. **ACCOUNTING AND AUDIT**

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO by the Accounts and Audit Regulations 1996 as amended.

4.2 The RFO 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 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 RFO shall be responsible for ensuring that there are adequate and effective systems 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 the Internal Auditor requires, make available such documents of the Council which appear to the RFO or the 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 RFO shall assist the Internal Auditor and provide any required documentation required for the satisfactory completion of the Internal Auditors Report section of the Annual Return (AGAR) as complied with 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 of his findings during the Annual Audit.

4.6 Arrangements for the Opportunity for inspection of the accounts, books and vouchers required by the 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 purely administrative matters.

5. **BANKING ARRANGEMENTS & CHEQUES**

5.1 The Council’s banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency

5.2 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may 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 in accordance with paragraph 6.4, shall be signed by two signatories out of a minimum of 4 names signatories (as risk assessed by the RFO)

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.

5.6 All cheques, where possible, should be photocopied and attached to the original invoice document.

5.7 The RFO should be provided with unlimited access to the Councils bank accounts, be able to talk to bank personnel regarding these accounts, request and rename accounts for the benefit ease of management of such accounts, with the prior agreement of the full council, or retrospective agreement if an action requires immediate or urgent attention. The RFO is not provided with the facility to move funds or transfer funds.

5.8 The RFO/Clerk/Proper Officer, will never be a signatory to any of the Council’s bank accounts.

5.9 The RFO shall ensure that the Council’s reserves do not drop below a minimum of six months operating costs. The RFO must alert the Chairman immediately if the balance is likely to drop beneath this threshold and request an Extraordinary Meeting is requested immediately.

6. **PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque or other order drawn on the Council’s bankers

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been receive, carried out, examined and approved.

6.3 The RFO/Clerk shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk/RFO shall take steps to settle all invoices submitted and which are in order, either by the required settlement and submitted with the monthly financial records at the next full council meeting for retrospective approval.

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 Meeting of the Council, the Clerk/RFO may (not withstanding the above) take all necessary steps to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council

6.4 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made by cash by the Clerk/RFO (for example, stationery, stamps or other office or required administration actions) will be paid by the Council to the Clerk/RFO on production of the relevant receipts.

6.5 The Clerk/RFO is given delegated authority to instruction financial actions up to and including £350 – to be reviewed on annual basis.

7. **PAYMENT OF SALARIES**

7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and NI currently operating, and salaries paid as agreed and in accordance with any Statutory minimum for the role of Clerk/RFO/Proper Officer as dictated by the Secretary of State or the Society of Local Council Clerks. All annual increase to be recognised. The Council has its payroll services administered by its District Council, who produce the Clerk’s monthly payslip.

7.2 Payment of salaries and payment of deductions from salary such as for tax, NI and pension contributions, if appropriate, may be made in accordance with the payroll records of the District office and on the appropriate dates, provided each payment is made and signed off prior to the 30th of the month. All monthly salary payments shall be retrospectively ratified at the full Council Meeting of the following month.

8. **LOANS & 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 a Resolution set at bespoke full Council Meeting.

8.2 The Council does not have any investments. However, any investments received or purchased in the future, shall be in accordance with the Trustee Act 2000, and shall be reviewed on at an annual basis.

8.3 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 the Council as to terms and purpose.

8.4 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 and under the supervision 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 and the RFO 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 are report from the Clerk.

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council by the RFO and consideration taken to write off the debt or proceed with recoverable legal actions as directed by the RFO/Clerk.

9.5 The origin of all receipts shall be entered on the paying-in slip and recorded the Income and Expenditure sheet under the appropriate heading.

9.6 The RFO shall complete any VAT return within the maximum time permitted by HMRC. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at to coincide the financial year end.

10. **ORDERS FOR WORK, GOODS & SERVICES**

10.1 An official order or letter shall be issued for all work, goods and services unless a formal contact 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 RFO.

10.3 All Members and Officers are responsible for obtaining value for money at all times. An Officer (RFO/Clerk or Proper Officer) issuing an official order is to ensure as far as 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, if possible, subject to any de minimis provisions in Regulation 11 (1) below.

10.4 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 laid down as follows:

(a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which related to items (i) and (vi) below:

(i) for the supply of gas, electricity, water sewerage 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 and extension of an existing contract by the Council;

(v) for additional audit work of the external Auditor up to an estimated value of £400 (in excess of this sum the Clerk/RFO shall act after consultation with the Chairman or the Vice-Chairman in the event the Chairman is unavailable);

(vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

(b) Where it is intended to enter into a contract exceeding £50,000 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 Clerk/RFO shall invite tenders from at least three firms to be taken from the appropriate approved Contractors for the works required.

(c) 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 recommendation to the Council.

(d) Such invitation to tender shall state the general nature of the intended contract and the Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation to tender shall in addition state, that tenders much be addressed to the Clerk/RFO in the post or via email. Tenders for specialist works need not be sealed as costings may need to be negotiated or a wider specification has been given or needs to be amended.

(e) If sealed tenders are required, the tenders must be submitted either in specially marked envelopes or password protected files attached to the email. All sealed tenders must be opened at the same time and in the presence of at least one Member of the Council.

(f) If less than three tenders are received for contracts above £50,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or execution the works.

(g) Any invitation to tender is issued under these financial regulations and supersedes previous statements.

(h) When it is to enter into a contract less than £50,000 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 in paragraph (a) the Clerk/RFO shall obtain 3 quotes (prices descriptions of the proposed supply); where the value is below £1000 or above £350 the Clerk/RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

(i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

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 within the Contract by the RFO 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 RFO 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 of 5% or more a report shall be submitted to the Council.

12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and The clerk/RFO to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. **PROPERTIES, ESTATES, LAND**

13.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties, estates or land owned by the Council, recording 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 2996 amended.

13.2 The Clerk/RFO shall ensure that all clauses and conveyances are adhered to unless application is made to amend such in relation to benefit the purpose of the original conveyance.

13.3 No property, estate or land shall be sold, leased or otherwise disposed of without the authority of the Council together with any consents required by law, save where the estimated value of any one item of tangible moveable asset does not exceed £50. Here it must be noted that there exists an agreement that should the building, estate or land known as the Court Room cease to be the facility of a village/community hall, it be sold back to the church commissioners for the sum of £5o.

14. **INSURANCE**

14.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council’s insurers.

14.2 The Clerk shall give prompt notification the RFO if not of the same, of all new risks or properties, estates or land which require to be insured and of any alterations affecting existing insurances.

14.3 The RFO will undertake a bi-annual valuation of all buildings, estates and land owned by the Council for insurance purposes and to ensure activities in same are covered for any claim.

14.4 The RFO shall keep a record of all insurances effected by the Council and the risks covered thereby and annually review.

14.5 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 available meeting.

14.6 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.

14.7 The RFO shall ensure that all sub-contractors and volunteers are covered either by their own insurance policies, copies of which shall be kept by the RFO and ensure that annual renewal polices are provided. Volunteers using and working on behalf of the Council must be covered under the same terms as employees with regards to accidents whilst volunteering under the Council’s umbrella.

15. **RISK MANAGEMENT**

15.1 The Clerk/RFO shall prepare and promote risk management policy statements in respect of all activities of the Council. The Financial Regulations and Financial Risk Assessment supersede clauses held within Standing Orders until Standing Orders have been reviewed, amended and adopted by the full Council on an annual basis.

15.2 When considering any new activity the Clerk/RFO shall prepare a draft Risk Management policy for the activity and shall bring that draft addressing the legal and financial liabilities and Risk Management issues that arise to Council and, if thought appropriate, adoption.

16. **REVISION OF FINANCIAL REGULATIONS**

16.1 The RFO shall make it their duty to bring to the attention of the Council any review of the Financial Risk Assessment and the financial regulations should be reviewed by full Council from time to time.

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