

**LITTLE YELDHAM, TILBURY, JUXTA CLARE AND OVINGTON PARISH COUNCIL**  
**FINANCIAL REGULATIONS**

These Financial Regulations were adopted by the Council at its meeting held on 6<sup>th</sup> January 2004.

**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) under the policy direction of the Council shall be responsible for the proper administration of the Council's affairs.
- 1.3. The RFO shall be responsible for the production of financial management information.

**2. ANNUAL ESTIMATES**

- 2.1. Each Committee (if any) shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of October 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 the estimates not later than the end of January each year and shall fix 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 annual budgets shall form the basis of financial control for the ensuing year.

**3. BUDGETARY CONTROL**

- 3.1. Expenditure on revenue 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 revenue budget unless a virement has been approved by the Council.
- 3.3. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets.
- 3.4. The Clerk and Chairman 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 £250. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.5. The Chairman/Vice Chairman may incur emergency expenditure on behalf of the Council, subject to a limit of £1,000 (One thousand pounds).
- 3.6. No expenditure shall be incurred in relation to any capital project and 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 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.
- 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 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 1996. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

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

- 5.1. The Council's banking arrangements (currently with Barclays Bank PLC, Business Banking, Leicester LE87 2BB) shall be made by the RFO and approved by the Council.
- 5.2. A schedule of the payments made shall 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 members of the Council and the chequebook counterfoils shall be initialled.

#### **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 Parish Council shall satisfy themselves 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 in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4. The Council will not maintain any form of cash float. All cash received (if any) must be banked.

#### **7. PAYMENT OF SALARIES**

- 7.1. The payment of all salaries shall be made in accordance with payroll records, and salaries shall be as agreed by the Council.

#### **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. Changes to loans and investments shall be reported to the Council at the earliest opportunity.
- 8.2. All investments of money under the control of the Council shall be in the name of the Council.
- 8.3. All borrowings shall be effected in the name of the Council.
- 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 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 a report from the Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council.
- 9.5. All sums received on behalf of the Council shall be banked as soon as practicable.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

## **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 maintained.
- 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 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 from appropriate suppliers.

## **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 by direction of the Council.
  - b) The size of contract to go out to tender shall be as the Parish Council decides.
  - c) Where it is intended to enter into a contract exceeding £1000 in value for the supply of goods or materials for the execution of works or specialist services other than such goods, materials, works or specialist services as are expected as set out in paragraph (a), the Clerk shall invite tenders from at least three firms.
  - d) 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.
  - e) Such invitation 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.
  - f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of the Council.

- g) If less than three tenders are received for contracts above £1000 or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials for executing the works.
- h) Any invitation to tender issued under this regulation shall contain a statement to the effect of this Regulation.
- 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 two Councillors upon authorised certificates of the architect or other consultants engaged to supervise the 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 fluctuation clauses, will exceed the contract sum by 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 Chairman in writing, the Council being informed where the final cost is likely to exceed the financial provision.

**13. STORES AND EQUIPMENT**

- 13.1. Stores and equipment owned by the Council shall be inspected by the Chairman and/or Vice Chairman annually.

**14. PROPERTIES AND ESTATES**

- 14.1. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. (These deeds are currently held in the strong room of the Council's Solicitors, Messrs. Birkett Long, Solicitors, 1 Amphora Place, Sheepen Road, Colchester CO3 3WG free of charge). The Clerk 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 1996.
- 14.2. No property shall be sold, leased or otherwise disposed of without the authority of the Council.

**15. INSURANCE**

- 15.1. The RFO shall effect all insurances and negotiate all claims on the Council's behalf in consultation with the Clerk.
- 15.2. The Clerk shall give prompt notification to the RFO 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 effected by the Council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 15.5. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

**16. REVISION OF FINANCIAL REGULATIONS**

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

Little Yeldham, Tilbury Juxta Clare and Ovington Parish Council - Financial Regulations - 6<sup>th</sup> January 2004.