

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 Clerk shall be the Responsible Financial Officer (RFO).
- 1.3 The 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 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2 The Council shall review the estimates and recommend the precept to be levied for the ensuing financial year, not later than January in each year. The RFO shall supply each Member with a copy of the approved estimates.
- 2.3 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 each approved budget heading.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget heading unless a virement has been approved by Council.
- 3.3 The RFO shall periodically provide the Council with a statement of income and expenditure to date under each heading of the approved annual revenue and capital budgets.
- 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 extreme urgency that it must be done at once. Whether or not there is a budgetary provision for the expenditure, subject to a limit of £100. The Clerk shall report the action to the Council 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 elsewhere within the Council's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Council.
- 3.6 No expenditure shall be incurred in relation to a capital project, no contract entered into or tender accepted involving expenditure on capital account. Unless the Council is satisfied that it is contained in the rolling capital programme and that the necessary funds are available, or the requisite borrowing can be obtained.

3.7 All capital works shall be administered with accordance 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 and the Accounts and Audit Regulations 2003.

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 to 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 make available such documents of the Council which relate to their accounting and other records, as 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 shall be made by the RFO and approved by Council. One current account and one deposit account shall be maintained at Lloyds Bank.

5.2 A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc. presented to Council. If the schedule is in order it shall be proposed and authorised by a resolution of the Council.

5.3 Cheques drawn on the current bank account, in accordance with the schedule referred in the previous paragraph, shall be signed by two Members of the Council who propose and second that item.

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 RFO. Before certifying an invoice the RFO shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.3 Duly certified invoices shall be settled and which are in order within 30 days of their receipt.

6.4 When the RFO is satisfied, that invoices are in order he shall raise an outgoing sheet and satisfy audit trail.

6.5 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.

7. PAYMENT OF SALARIES

- 7.1 The payment of all salaries shall be made by cheque using the schedule of the payment of money and presented to the Council in the normal way.
- 7.2 The payment sheet will be presented to the Council at the same time as the cheque and certified by the Chairman as to its accuracy.
- 7.3 The review of salaries, allowances and expenses shall be reviewed in February of each year.

8. LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated by the RFO, in the name of the Council, and shall be set for a period of time in accordance with Council policy. Change to loans and investments should 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 after obtaining necessary borrowing approval 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 The Council will review all fees and charges following a report by the Clerk.
- 9.3 Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in that year.
- 9.4 All sums received by the council shall be banked intact. In all cases receipts, shall be deposited with the council's bankers with such frequency as the RFO considers necessary. The origin of each receipt to be recorded in the paying-in slip.
- 9.5 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.6 The RFO shall promptly complete any VAT return that is required. Any payment claim due in accordance with the VAT Act 1994, Section 33 shall be made annually and coinciding with the financial year end.

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 all orders should be retained.
- 10.2 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 for each transaction, usually by obtaining, de minimis provisions in Regulation 11 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 laid down as follows:

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 relate to the following items:

- For the supply of gas, electricity, water, sewerage and telephone services;
- For specialist services, such as provided by solicitors, surveyors and planning consultants;
- For work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant;
- For work to be executed or goods or materials supplied which constitute an extension of an existing contract by the Council;
- For additional work of the External Auditor up to the estimated value of £250 (in excess of that sum the Clerk/RFO shall act in consultation with the Chairman and Vice Chairman of the Council);
- For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

11.2 Where it is intended to enter into a contract exceeding £50,000 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 excepted as set out in paragraph 11.1 the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.

11.3 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.

11.4 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 in appropriate cases. The invitation shall, in addition, state that tenders must be addressed to the Clerk in the ordinary course of post.

11.5 All sealed tenders must be opened at the same time on the date prescribed by the Clerk in the presence of at least one Member of the Council.

11.6 If less than three tenders are received for contracts over £50,000, or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or services or executing the works.

11.7 Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Order 28.

11.8 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 for such goods, materials, works or specialist services as are excepted as set out in paragraph 11.1 above, the Clerk/RFO shall obtain three quotations (priced descriptions of proposed supply); where the value is below £1000 and above £100 the Clerk/RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 above shall apply.

11.9 The Council shall not be obliged to accept the lowest tender, quote or estimate.

12. INSURANCE

12.1 Following an annual risk assessment, the RFO shall affect all insurances and negotiate all claims on the Council's insurers.

12.2 The RFO shall identify all new risks which require to be insured and any alterations affecting existing insurances.

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

12.4 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 available meeting.

12.5 All appropriate employees of the Council shall be included in a fidelity guarantee insurance which will cover the maximum risk exposure as determined by the Council.

13. RISK MANAGEMENT

13.1 The Clerk/RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.

13.2 When considering any new activity, the Clerk/RFO 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 the Council for consideration and if thought appropriate, adoption.

14. REVISION OF FINANCIAL REGULATIONS

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