

Pilning & Severn Beach Parish Council

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Financial Regulations

These Financial Regulations form part of the Standing Orders for Pilning & Severn Beach Parish Council.

1. General

- i. 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.
- ii. The Responsible Financial Officer (RFO), under the policy direction of the Finance Sub-Committee shall be responsible for the proper administration of the Council's financial affairs.
- iii. The RFO shall be responsible for the production of financial management information.

2. Annual Forecast

- i. Forecast of income and expenditure for the following year will be prepared each year by the RFO and given to the Finance Sub-Committee not less than 7 days prior to the precept meeting to help inform the decision of the setting of the budget and precept request.
- ii. The Finance Sub-Committee shall review the forecast and submit a proposed budget & precept amount to the Full Council for the following financial year in time for Full Council to agree a precept for submission to District Council by the January meeting of Full Council.
- iii. The annual budget shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- i. The Council will be made aware, through reports by the Clerk where budget headings are likely to overspend, so that appropriate decisions can be taken.
- ii. The Clerk may incur expenditure on behalf of the Council to the value of £400 with prior permission from the Chair, where this relates to routine works around the Parish or for the purchase of goods or services relating to the administrative functions of their role so long as there is provision for the expenditure.
- iii. The Clerk may incur expenditure for additional contracted maintenance in line with Council policy without consultation.
- iv. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the Council are satisfied and have resolved that it is contained in the rolling capital



programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.

Accounting and Audit

- v. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996.
- vi. 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 report to Full Council.
- vii. The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations as determined by the Full Council.
- viii. The RFO will provide to the Chairman of the Council (or other bank signatory in the absence of stated persons), copies of bank statements recording transactions up to the end of the previous calendar month. These will be accompanied by the corresponding copies of the bank reconciliations for the same period.

4. Banking Arrangements and Cheques

- i. The Council's banking arrangements shall be recommended by the Finance Sub-Committee, approved by Full Council and made by the RFO.
- ii. A schedule of the payment and receipt of monies and end of month bank balances shall be prepared by the RFO and together with the relevant invoices etc, presented quarterly to a meeting of the Full Council for information.
- iii. Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two members of the Council in accordance with the bank mandate.
- iv. All cheques shall be signed by a minimum of two councillors. The cheque stubs and the invoice shall be initialled by at least one signatory to the cheque.
- v. Bank mandates for setting up of standing orders or direct debits will be signed by two Councillors who are registered signatories and only following resolution of the Full Council to set up such mandates.
- vi. A nominated Councillor will be given 'read only' access to the Council's bank accounts via the internet.

5. Payment of Accounts

- i. Apart from petty cash payments, all payments shall be effected by cheque or other order drawn on the Council's bankers.
- ii. All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice, the officer shall be satisfied that the work, goods or services to which the invoice relates, have been received, carried out, examined and approved.
- iii. Duly certified invoices shall be examined by the RFO in relation to arithmetical accuracy and authorisation and shall code them to the appropriate expenditure category. The RFO shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- iv. Arrangement of the payment of invoices by Standing Order or Direct Debit will only be permitted with the express permission of the Full Council. This will only be resolved where there is a financial advantage to payment being made in this way or where the provider of the service will not permit payment by cheque.

6. Payment of Salaries and Wages

- i. The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records. A record of all payments should be freely available at all times for verification by Full Council
- ii. The payment of salaries will be made by cheque at the monthly meeting of Full Council. A record of all payments should be freely available at all times for verification by Full Council.

7. Electronic Internet Banking

- i. The Council permits the use of Internet Banking to allow the Clerk to monitor the accounts and to transfer money between the Council's accounts. The transference of money to outside accounts through Internet Banking is strictly prohibited other than through bank mandates approved by Full Council.
- ii. To ensure that the Council mandate of no one person being able to authorise a transaction, the Clerk will email invoices to the three approved signatories and will only action the payment once written agreement has been given by at least two of the three signatories.

8. Loans and Investments

- i. All loans and investments shall be administered by the RFO in the name of the Council, and shall be for a set period of time, in accordance with Council policy. Changes to loans and investments should be agreed by Full Council.
- ii. All investments of money under the control of the Council shall be in the name of the Council.
- iii. All borrowings shall be made in the name of the Council.
- iv. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. Income

- i. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- ii. 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 ultimately responsible for the reconciliation of all accounts due to the Council.
- iii. The Full Council will review all fees and charges periodically, following a report from the Clerk.
- iv. Any bad debts, with an age of more than 2 months shall be reported to the full Council.
- v. All cash and cheques received on behalf of the Council shall be deposited with the Council's bankers with such frequency as the RFO considers necessary but no more than 14 days.
- vi. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- vii. Every transfer of official money from one member of staff or Councillor to another shall be signed for by the receiving member of staff or Councillor and a record kept.
- viii. Personal cheques shall not be cashed out of money held on behalf of the Council.
- ix. Cash payments being made to the office will be recorded in the receipts book.

10. Orders for Work, Goods and Services

- i. All 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.

11. Contracts – Quotations

- i. Procedures for contracts are as follows:

Every contract shall comply with these regulations, and no exception from any of the following provisions of these regulations shall be made otherwise than by direction of the Council provided that these regulations shall not apply to contracts which relate to items (i) to (v) below: -

- i. for the supply of gas, electricity, water, sewerage and telephone services.
 - ii. for specialist services such as are provided by solicitors and accountants.
 - 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 an extension of an existing contract by the Council.
 - v. for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
 - ii. Where it is intended to enter into a contract 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 shall invite quotations as follows:- (i) value of £1,000 - £1,999: from at least two firms and (ii) value over £2,000: from at least three firms.
 - a) When applications are made to waive standing orders to enable a tender to be negotiated without competition, the reason shall be embodied in a recommendation to the Council.
 - b) If fewer than three quotations are received for contracts valued above £2,000 or if all the quotations are similar, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- i. The Council shall not be obliged to accept the lowest or any quotation.

12. Contracts - Tenders

- i. Where it is intended to enter into a Contract exceeding twenty thousand pounds (£20,000) in value for the supply of goods, materials, services and the execution of works, the Clerk shall give at least three weeks public notice of such intention in the same manner as public notice of meetings of the Council is given.
- ii. An invitation to tender shall be required for any contract for amounts exceeding £50,000.
 - a) 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 and the last date by which such tenders should reach the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specially marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

- b) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy and in the presence of at least one member of the Council.
- c) If fewer than three tenders are received for contracts valued above £50,000 or if all the tenders are similar, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- d) The Council shall not be obliged to accept the lowest or any tender.

13. Payments Under Contract for Building or Other Construction Works

- i. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract.
- ii. Where contracts provide for payment by instalments, the RFO shall maintain a record of all such payments. In any case, when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract by 5% or more, a report shall be submitted to the Full Council.
- iii. Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the Council being informed where the final cost is likely to exceed the financial provision.

14. Stores and Equipment

- i. Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time delivery is made.
- ii. Stocks shall generally be maintained at the level consistent with operational requirements.

15. Properties and Estates

- i. The Clerk shall make appropriate arrangements for the custody of all title deeds or properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, 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.
- ii. No property shall be purchased, sold, leased or otherwise disposed of, without the authority of the Full Council.

16. Insurance

- i. The Clerk shall affect all insurances and negotiate all claims on the Council's insurers.
- ii. The Clerk shall give prompt notification to the Full Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- iii. The Clerk shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- iv. The Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- v. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

17. Community Infrastructure Levy ("CIL")

- a. Receipts of CIL from the Principal Authority (South Glos. Council) must only be used to support the development of the local area by funding:

- b. The provision, improvement, replacement, operation or maintenance of infrastructure;
or
- c. Anything else that is concerned with addressing the demands that development places on an area.'
- d. To ensure transparency:
- e. The Clerk must at the direction of the Council publish each year the Council's total CIL receipts; total expenditure; a summary of what the CIL was spent on; and the total amount of receipts retained at the end of the reported year from that year and previous years.
- f. The Report referred to in a) above should be uploaded to the Council's web site and a copy of the report should be sent to the Principal Authority.
- g. All CIL receipts must be recorded by the Clerk in a separate nominal account within the Council's accounting records/software.

Revision of Financial Regulations

It shall be the duty of the Full Council to review the financial regulations of the Council annually in December to ensure the regulations remain relevant to the operations of the Council.