

# **GERMOE 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 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.
- 1.3 The RFO shall be responsible for the production of financial management information.

### **2. Annual Estimates**

- 2.1 Detailed estimates of income and expenditure shall be prepared each year by the RFO.
- 2.2 The annual revenue budget shall form the basis of financial control for the coming year.

### **3 Budgetary Control**

- 3.1 No expenditure can be incurred which cannot be met from the amount provided in the appropriate revenue budget unless the council has approved a virement.
- 3.2 The RFO shall provide the council at least quarterly with a statement of income and expenditure to date under each head of the approved annual revenue budget.
- 3.3 The Clerk may incur expenditure on behalf of the council, which relates to repair, replacement or other work, which is of such extreme urgency that it must be done at once, whether or not there is any budget provision for the expenditure, subject to a limit of £500.00. The Clerk shall report the action to the council as soon as practicable thereafter.
- 3.4 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.5 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 is satisfied that it is contained in the capital programme and the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.6 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 REO as required by the Accounts & Audit Regs 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 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 Reg. 5 of the Accounts & Audit Regs 1996.

### **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 the payment of money shall be prepared by the RFO together with the relevant invoices etc and presented to the council for approval.

5.3 Cheques drawn on the bank account in accordance with the schedule referred to at para 5.2 shall be signed by two authorised members of the council.

## **6. Payment of Accounts**

6.1 Apart from petty cash payments all payments shall be effected by cheque drawn on the council's bankers.

6.2 All invoices shall be entered on the schedule referred to in 5.2 above.

6.3 The RFO shall maintain a petty cash float to a limit of £100.00 for the purpose of defraying operational and other expenses. A book recording all such payments shall be maintained by the RFO.

6.4 Income received must not be paid into the petty cash float but must be separately banked.

6.5 Payments to maintain the petty cash float shall be shown on the schedule referred to in 5.2 above.

## **7. Payment of Salary**

7.1 The payment of salary shall be shown on the schedule referred to in 5.2 above and approved by the council.

## **8. Loans and Investments**

8.1 All loans and investments shall be negotiated by the RFO and approved by the council.

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 documents referring 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 Any bad debts shall be reported to the council.

9.3 All sums received on behalf of the council shall be promptly banked by the RFO.

9.4 Personal cheques shall not be cashed out of money held on behalf of the council.

## **10. Contracts**

10.1 Procedures as to contracts are laid down in the council's standing orders as follows:

(a) Every contract made by the council shall comply with these standing orders, and no exceptions shall be made other than by direction of the council provided that these standing orders shall not apply 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, 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 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

(b) Where it is intended to enter into a contract:

(i) exceeding £2500.00 in value for the supply of goods or materials or for the execution of works or specialist services other than as set out above the Clerk shall invite tenders

- from at least three firms, such firms to be taken from the approved list as maintained by Kerrier District Council
- (ii) for expenditures of £2500.00 or less in value the Clerk shall invite tenders from at least two firms.
  - (c) 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 the 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.
  - (d) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk at the next council meeting after the closing date for tenders to be received.
  - (e) If less than three tenders are received, 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.
  - (f) Any invitation to tender issued under this standing order shall contain a statement of the effect of standing order nos. 57, 58, & 59
  - (g) The council shall not be obliged to accept the lowest or any tender but they must indicate a valid reason why they have not done so.

## **11. Payments Under Contracts for Building or Other Construction Works**

- 11.1 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.
- 11.2 Where contracts provide for payment by instalments the REO shall maintain a record of all such payments.
- 11.3 Any variation to a contract or addition to or omission from a contract must be approved by the council in writing.

## **12. Properties and Estates**

- 12.1 No property shall be sold, leased or otherwise disposed of without the authority of the council.

## **13. Insurance**

- 13.1 The RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 13.2 The RFO shall identify all new risks and report them and any alterations affecting existing insurances to the council.
- 13.3 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

## **14. Revision of Financial Regulations**

- .1 It shall be the duty of the council to annually review these financial regulations and make such amendments as are required.

Chairman.....

Adopted by the Council on.....

Minutes reference.....