

DEDHAM
PARISH COUNCIL
FINANCIAL REGULATIONS

Adopted on 8th April 2013
Effective from April 2013
Reviewed May 2018

DEDHAM PARISH COUNCIL FINANCIAL REGULATIONS

1. General

- a. These financial regulations shall govern the conduct of the financial transactions of Dedham Parish Council and may only be amended or varied by resolution of the Council.
- b. 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.
- c. The RFO shall be responsible for the production of financial management information.

2. Annual Estimates

- a. Where committees and working groups exist, each group shall formulate and submit proposals to the Council in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November each year
- b. Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- c. The estimates shall be reviewed by the Council at an appropriate time in the financial year to enable the Council to recommend the precept to be levied for the ensuing financial year in line with the timetable set by the District Council. The RFO shall supply each member with a copy of the approved estimates.
- d. The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- a. Expenditure on the revenue account may be incurred up to the amounts included in each approved committee budget, if any.
- b. No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the Council.
- c. The RFO shall regularly provide the Council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.
- d. The Clerk to the Council may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of extreme urgency and must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £300.00. The Clerk shall report the action to the Council or to the appropriate committee as soon as practicable thereafter.
- e. Where expenditure is incurred in accordance with regulation 3d above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Council.

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- f. 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 committee concerned is satisfied 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.
- g. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4. Accounting and Audit

- a. 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 2001 Amendments), and submitted to the Council for approval.
- b. 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.
- c. The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's account, financial and other operations in accordance with regulation 5 of the Accounts and Audit Regulations 1996. Any members of the Council shall, if the RFO requires, 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

- a. The Council's banking arrangements shall be made by the RFO and approved by the Council. At least two current accounts shall be maintained at the bank, a current business account and an investment account.
- b. A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc. presented to the Parish Council at their monthly meeting. If the schedule is in order it shall be authorised by a resolution of the Parish Council and signed by two of the duly authorized councillors.
- c. Cheques drawn on the bank accounts in accordance with the schedule referred to in the previous paragraph shall be signed by two of the duly authorised councillors.

6. Payment of Accounts

- a. Apart from petty cash payments all payments shall be effected by cheque or other order drawn on the Council's bankers.
- b. All invoices for payment shall be examined, verified and certified by the Clerk issuing the order. Before certifying an invoice the Clerk shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- c. Duly certified invoices shall be passed to the RFO who shall examine them

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in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. He shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.

- d. When the RFO is satisfied that invoices are in order he shall pass them for final certification.
- e. All duly certified invoices will then be entered on the schedule referred to in 5b above.
- f. The RFO may provide petty cash to councillors for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
 - (i) The RFO shall maintain a petty cash float to a limit of £120 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - (ii) Income received must be shown separately and paid into the petty cash float.
 - (iii) Payments to maintain the petty cash float shall be shown separately in the schedule of the payment of money presented to the council (under 6b above).

7. Loans and Investments

- a. All loans and investments shall be negotiated 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 reported to the Council at the earliest opportunity.
- b. All investments of money under the control of the Council shall be in the name of the Council.
- c. All borrowings shall be effected in the name of the Council.
- d. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8. Income

- a. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- b. 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 collection of all accounts due to the Council.
- c. The Council will review all fees and charges annually, following a report of the Clerk.
- d. Any bad debts shall be reported to the Council.
- e. All sums received on behalf of the Council shall be paid to the RFO for banking. In all cases all cash/cheques shall be deposited with the Council's bankers within seven days.
- f. A reference to the related debt, or otherwise, indicating the origin of each

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cheque, shall be entered on the paying in slip.

- g. Personal cheques shall not be cashed out of money held on behalf of the Council.

9. Chairman's allowance

- a. A sum of £100 shall be allowed as a 'Chairman's allowance.' The purpose of this is to allow the Council to spend lawfully in such circumstances where no legal power to incur expenditure exists.
- b. This allowance will be paid on request in line with expenditure incurred.

10. Orders for Work, Goods and Services

- a. 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, e.g., petty cash purchases. Copies of orders issued shall be maintained.
- b. Order books shall be controlled by the RFO.
- c. All Councillors are responsible for obtaining value for money at all times. The RFO 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

- a. Procedures as to contracts are laid down as follows:—
 - i. Every contract whether made by the Council or by a committee to which the power of making contracts has been delegated shall comply with these standing orders and no exception from any of the following provisions of these standing orders shall be made otherwise than by direction of the Council or in an emergency by such a committee as aforesaid provided that these standing orders shall not apply to contracts which relate to items (1) to (5) below:
 - (1) for the supply of gas, electricity, water, sewerage and telephone services
 - (2) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
 - (3) 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
 - (4) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council
 - (5) 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:

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- (1) exceeding £1,000.00 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 i. The Clerk shall invite quotes from at least three firms.
- (2) for expenditures of £300.00 or less in value the Clerk shall have delegated power, later reported to the Council.
- (3) A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds in standing order 18(f) is subject to Regulations 109-114 of the Public Contracts Regulations 2015 which include a requirement on the Council to advertise the contract opportunity on the Contracts Finder website regardless of what other means it uses to advertise the opportunity.

Subject to additional requirements in the financial regulations of the Council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:

- a. a specification for the goods, materials, services or the execution of works shall be drawn up;
 - b. an invitation to tender shall be drawn up to confirm (i) the Council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the Council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
 - c. the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
 - d. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
 - e. tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
 - f. tenders are to be reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.
- a. Neither the Council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.

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- iii. When applications are made to waive standing orders relating to contract to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- iv. Every exception made by the committee to which the power of making contracts has been delegated shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.
- v. 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.
- vi. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of the Council.
- viii. If fewer than three tenders are received for contracts valued above £1,000.00 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. The Council shall not be obliged to accept the lowest or any tender.

12. Payments Under Contracts for Building or Other Construction Works

- a. 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.
- b. 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 sum by 5% or more a report shall be submitted to the Council or to the appropriate committee.
- c. Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the Council or appropriate committee being informed where the final cost is likely to exceed the financial provision.

13. Stores and Equipment

- a. The Clerk shall be responsible for the care and custody of stores and equipment.
- b. 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.
- c. Stocks shall generally be maintained at the minimum levels consistent with operational requirements.

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- d. The RFO shall be responsible for an annual check of all stocks and stores.

14. Properties

- a. The Clerk shall make appropriate arrangements for the custody of all title deeds of land and properties owned by the Council. The RFO shall ensure a record is maintained of all land and 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 '96.
- b. No property or land shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £50.00.

15. Insurance

- a. The RFO/Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- b. The Clerk shall give prompt notification to the RFQ of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- c. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- d. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- e. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

16. Revision of Financial Regulations

- a. It shall be the duty of the Council to review the financial regulations of the Council from time to time and to amend where appropriate.