



## **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 Clerk, under the direction of the council, shall be responsible for the proper administration of the council's financial affairs.

1.3 The Clerk 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 Clerk.

2.2 The council shall use the estimates as guidance to recommending the precept to be levied for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.

### **3. Budgetary Control**

3.1 The council's Finance and Resources Advisory Group shall work with the Clerk to prepare a budget for the forthcoming financial year, to be approved at a council meeting.

3.2 The Clerk shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual and capital budgets, normally this will be on a quarterly basis.

3.3 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 any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the council as soon as practicable thereafter.

3.4 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital accounts unless the council is satisfied that it is contained in the capital programme and that the necessary capital funds are available or borrowing approval can be obtained.

3.5 All works shall be administered at the direction of the council and carried out in adherence to 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 Clerk as required by the Accounts and Audit Regulations 1996 as amended by the Accounts and Audit Regulations 2003.

4.2 The Clerk 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 Clerk 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 the Accounts and Audit Regulations (as amended).

#### **5. Banking Arrangements and Cheques**

5.1 The council's banking arrangements shall be made by the Clerk and approved by the council.

5.2 All invoices for payment shall appear on a monthly meeting agenda (except as necessary under clause 3.2 above) and be approved for payment by a majority of the members present and voting at a meeting.

5.3 Cheques drawn on the bank account shall be signed by two councillors on the bank mandate. Payments made by electronic transfer shall be authorised and then paid by two councillors on the bank mandate (except as necessary under clause 3.2 above).

#### **6. Payment of Accounts**

6.1 Payment shall be made by cheque, electronic payment or by other means, drawn on the council's bankers.

6.2 Prior to approval of invoices for payment, the Clerk shall be satisfied that the work, goods or services to which the invoice related has been received, carried out, examined and approved.

6.3 Invoices approved for payment shall be settled within 30 days of receipt wherever practicable.

6.4 Cash income shall be paid into the bank at the earliest practical opportunity.

#### **7. Loans and Investments**

7.1 All loans and investments shall be negotiated by the Clerk upon instructions from the council.

7.2 All investments of money under the control of the council shall be in the name of the council.

7.3 All borrowings shall be executed in the name of the council.

7.4 All investments certificated and other documents relating thereto shall be retained in the custody of the Clerk.

## **8. Income**

8.1 The collection of all sums due to the council shall be the responsibility of the Clerk.

8.2 All fees or rents charged will be reviewed annually following a report by the Clerk.

8.3 Bad debts shall be reported to the council.

8.4 The Clerk shall bank all sums received on behalf of the council.

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

8.6 The Clerk shall be responsible for initiating recovery of VAT incurred. This shall take place periodically at a frequency dictated by the value of recoverable items but shall in any event be done on an annual basis.

## **9. Orders for Work, Goods and Services**

9.1 An official order or letter shall be issued for all goods and services unless a formal contract is to be prepared. Copies of orders shall be retained.

9.2 The Clerk shall endeavour to obtain value for money at all times.

## **10. Contracts**

10.1 Where it is intended to enter into a contract for the supply of goods or materials or for the execution or works or specialist services, for values:

- (i) exceeding £10,000, the Clerk shall invite tenders from at least three firms;
- (ii) between £1,000 and £10,000, formal tenders are not necessary but estimates for comparison purposes should be obtained wherever possible;
- (iii) for less than £1,000, the Clerk shall ensure that all items ordered represent good value for money.

10.2 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 in a full meeting.

10.3 Invitations 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 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.

10.4 All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or properly authorised deputy in the presence of at least one member of the council.

10.5 If less than three tenders are received for contracts valued above £10,000 or if all the tenders are identical, the council may make such arrangements as it thinks fit for procuring the goods or executing the works.

10.6 Any invitation to tender issued under these provisions shall contain a statement to the effect that:

- Prior to entering into a contract over £10,000, the Clerk will carry out a credit check on the preferred provider.
- The council shall not be obliged to accept the lowest of any tender, quote or estimate.

10.7 Where estimates are obtained for contracts up to £10,000 in value, the council shall not be obliged to accept the lowest of any quote or estimate.

## **11. Payment under Contracts for Building or other Construction Works**

11.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk upon authorised certificates of the architect or other consultants engaged to supervise the contract.

## **12. Properties and Estates**

12.1 The Clerk shall make the appropriate arrangements for the custody of all title deeds of properties owned by the council and a record of ownership, location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payments and purpose for which shall be kept.

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

## **13. Insurance**

13.1 The Clerk shall effect all insurance and negotiate all claims on the council's insurers in consultation with the council.

13.2 The Clerk shall keep a record of all insurances effected by the council, the property and risks covered thereby, and annually review it.

13.3 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

## **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 and to make such amendments as are required.

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Financial Regulations adopted at the Annual Meeting of Aberford & District Parish Council held on  
18<sup>th</sup> May 2021.

Chairman David Howson

Clerk Peter Wigglesworth