

# Martham Parish Council

## Financial Regulations

### 1. General

- 1.1 These financial regulations shall govern the conduct of the financial transactions of the Council and shall only be amended by resolution of the Council.
- 1.2 The Clerk/Responsible Financial Officer (CRFO) under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The CRFO shall be responsible for the production of financial management information.

### 2. Annual Estimates

- 2.1 Any committee or working party desiring to undertake works incurring cost must give the Clerk an estimate of expenditure.
  - 2.1.1 A budget shall be prepared by the CRFO for presentation to the Finance Committee for agreement prior to full Council for precept setting in good time.
- 2.2 The Council shall review and set the budget, as recommended by the Finance Committee for the coming financial year no later than the December meeting in each year and shall set the precept to be levied for the ensuing financial year.
  - 2.2.1 The budget shall form the basis of the financial control for the ensuing financial year and income and expenditure figures shall be available at every Parish Council meeting.

### 3. Budgetary Control

- 3.1 Revenue expenditure may be incurred up to the amounts included in the Council's budget.
- 3.2 The CRFO shall provide the Council with a statement of income and expenditure and bank statement at each meeting.
- 3.3 Except as provided in paragraphs 3.3.1 and 3.3.2 of these regulations or by statute, all accounts for payment and claims upon the Council shall be laid before the Council.
  - 3.3.1 The Clerk shall be allowed to spend up to £250.00 per item without prior approval of the Council. All such payments shall be included in the next schedule of payments laid before the Council.
  - 3.3.2 Where it is necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness and urgency by the Clerk. Such payment shall be made with the approval of the Chairman and one other signatory of the Council. All payments ratified under this regulation shall be included in the next schedule of payments laid before the Council.
- 3.4 No expenditure shall be incurred in relation to any capital project and no contracts entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval can be obtained.
- 3.5 The Clerk shall supply to each member a copy of the Council's annual accounts when they are submitted for audit and a copy of the approved accounts and comments upon completion. This will be reviewed at full Council.
- 3.6 Income revenue shall be provided regularly to the full Council meeting.

#### **4. Accounting and Audit**

- 4.1 The Council will appoint an internal auditor to carry out checks on the financial and governance arrangements of the Council in accordance with practices and procedures recommended by the Audit Commission.
- 4.2 All accounting procedures and financial records of the Council shall be determined by the CRFO as required by the Accounts and Audit Regulations (England) or other Statutory Instruments.
- 4.2 The CRFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and by the statutory date and submit such accounts and report thereon to the Council.
- 4.3 The CRFO 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 Accounts and Audit Regulations. These documents to be available upon request by any Councillor.

#### **5. Banking Arrangements**

- 5.1 The Council's banking arrangements shall be made by the CRFO and approved by the Council.
- 5.2 Relevant invoices shall be available to two Councillors and if in order shall be authorised for payment by a resolution of the Council.
- 5.3 Orders for the payment of money shall be authorised by resolution of the Council and signed by two signatories from three named councillors on the online bank account.
- 5.4 To indicate agreement and provide an audit trail the initials of the two signatories to all cheques and BACS payments shall be recorded on the cheque/payments list.

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

- 6.1 All payments shall be made by BACS transfer, cheque or by direct debit drawn on the Council's bank accounts.
- 6.2 All invoices for payment shall be examined verified and certified by the CRFO as evidenced by the presentation to Council for payment. Before such certification the CRFO shall be satisfied that the works, goods or services to which the invoice relates have been received, carried out, examined and approved.

#### **7. Payment of Salaries and Wages**

- 7.1 It shall be the responsibility of the CRFO to calculate payment of salaries and wages in accordance with the rates in force as evidenced by the presentation to Council for payment. Payment to be made by either BACS transfer or Standing Order for all employees.
- 7.2 The Clerk's salary should be reviewed annually in line with recommendations from NALC and NCAPTC.

#### **8. Loans and Investments**

- 8.1 All loans and investments shall be negotiated by the CRFO in the name of the Council after approval by the Council and shall be for a set period of time as agreed 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 in the name of the Council.
- 8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the CRFO.

## **9. Income**

- 9.1 The collection of all sums due to the Council shall be the responsibility, and under the supervision of the CRFO.
- 9.2 Any bad debts shall be reported to the Council.
- 9.3 All sums received on behalf of the Council shall be banked promptly.

## **10. Contracts**

- 10.1 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 regulations, and no exception from any of the following provisions of these regulations shall be made otherwise than by the direction of the Council or in an emergency by such Committee as aforesaid, provided that these regulations shall not apply to contracts which relate to items (i) to (v) below:

- i. the supply of gas, electricity, water, sewerage and telephone services;
- ii. specialist services such as are provided by solicitors, architects, surveyors and planning consultants;
- iii. 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. work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council - the value of the extension to be no more than 50% of the original contract: and
- v. goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.

- 10.2 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 10.1:

- vi. For expenditure of up to £250 the chairman of the Finance committee together with one other member of the committee shall have executive power.
- vii. For expenditure of between £250 and £2000 prior approval of Council shall be required.
- viii. For expenditure exceeding £2000 per contract the clerk shall invite tenders from at least three firms.
  - a. When applications are made to waive regulations relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
  - b. Every exception made by a 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.
  - 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 post. Each tendering response received should be presented to Council in a 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 in the presence of at least one Council Member.

- e. If less than three tenders are received for contracts valued above £2,000 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 (e.g. seeking further tenders or proceeding with number received.)
- f. Any invitation to tender issued under these regulations shall contain the statements:
  - i. "Council is not obliged to accept the lowest or any tender submitted."
  - ii. Council does not accept any costs incurred in the preparation and submission of any tender."

10.3 Council members shall not be precluded from tendering for supplies or services to the Council provided that the requirements of Standing Orders are complied with on all occasions.

## **11. Insurance**

- 11.1 The CRFO shall be responsible for effecting all insurance and negotiating all claims against the Council's insurers. Asset register and insurance cover to be reviewed by the Finance Committee annually.
- 11.2 The RFO shall give prompt notification to the Council of all new risks and of any amendments affecting existing cover.
- 11.3 All appropriate employees of the Council shall be included in suitable fidelity guarantee cover.
- 11.4 Insurance cover should be reviewed annually.

## **12. Revision of Financial Regulations**

- 12.1 It shall be the duty of the Council to review these financial regulations regularly.

## **13. Risk**

- 13.1 An Asset Register shall be maintained and the tangible assets verified and reviewed annually in conjunction with adequate cover.

The Council will ensure that an annual review of the management of risk is carried out.