

Ribble Banks Parish Council
Financial Regulations
Adopted 12-11-2013

1. General

- a. 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.
- b. The Responsible Financial Officer (RFO) under the 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.
- d. These financial regulations replace all earlier drafts (including those as reviewed in February 2011 and November 2011).

2. Annual Estimates

- a. Detailed estimates of income and expenditure shall be prepared each year by the RFO
- b. The Council shall use the estimates as guidance to recommending the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.

3. Budgetary Control

1. The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budget.
2. 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. All works shall be administered at the direction of the council and financial regulation 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 as amended by the Accounts and Audit Regulations 2003 and 2006.
- b. The RFO shall be responsible for completing the annual accounts of the council by 30 June after the end of the financial year and shall submit them 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 accounting, financial and other operations in accordance with the Accounts and Audit Regulations (as amended).
- d. The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1995 as amended. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- e. The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who

shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

- f. The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by Audit Commission Act 1998 S15 and the Accounts and Audit Regulations 2003 as amended.
- g. The RFO shall, as soon as practicable, bring to the attention of all councilors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. Banking Arrangements and Cheques

- a. The Council's banking arrangements shall be made by the RFO and approved by the Council.
- b. All invoices for payment shall be agendered and approved for payment by a majority of the members present and voting at a meeting.
- c. Cheques drawn on the bank account shall be signed by a Councillor and countersigned by the Clerk.
- d. The Clerk and RFO is authorised to change the correspondence address of the Council on its behalf without any further authorisation of other members needed.

6. Payment of Accounts

- a. Apart from petty cash, payment shall be effected by cheque or other order drawn on the Council's bankers.
- b. Prior to approval of invoices for payment the RFO shall satisfy themselves that the work, goods or services to which the invoice related has been received, carried out, examined and approved.
- c. Invoices approved for payment shall be settled within 30 days of receipt wherever practicable.
- d. Cash income received shall be paid into the bank.
- e. Petty cash shall be recorded separately in the cash book if introduced (not currently used)

7. Payment of Salaries

- a. The payment of salaries shall be made by the RFO following approval of payment by the Council. Salaries shall be paid by PAYE.

8. Loans and Investments

- b. All loans and investments shall be negotiated by the RFO upon instructions from the Council.
- c. All investments of money under the control of the Council shall be in the name of the Council.
- d. All borrowings shall be effected in the name of the Council.
- e. All investments, certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. Income

- a. The collection of all sums due to the Council shall be the responsibility of the RFO
- b. All fees or rents charged will be reviewed annually, following a report from the RFO. The Council may make exceptions to this in other policies, but if there is no reference elsewhere this regulation shall be the default.
- c. Bad debts shall be reported to the Council.

- d. The RFO shall bank all sums received on behalf of the Council.
- e. Personal cheques shall not be cashed out of money held on behalf of the Council.

10. Orders for Work, Goods or Services

- a. Where a formal tender has not taken place, an official order or letter shall be issued for all work, goods and services (this can include email). Copies of orders shall be retained.
- b. Where a formal tender has taken place, an award letter (this can include email) shall be issued and a copy of the award letter retained with the contract documentation.
- c. The Clerk, RFO and Council shall endeavour to obtain value for money at all times. Award on the basis of lowest cost shall only be used in circumstances where the exact service, supply or works can be specified in the invitation to tender.
- d. Order books shall be controlled by the RFO
- e. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11. Contracts

- a. Every contract shall comply with these financial regulations and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items i to vi below:
 - i. For the supply of gas, electricity, water, sewerage and telephone services;
 - ii. For specialist services including (but not limited to) solicitors, accountants, surveyors and planning consultants and insurance;
 - 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 additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice-Chairman of the Council)
 - vi. For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b. 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.
- c. Proposed contracts for the supply of goods, materials, services and the execution of works with an estimated value in excess of £60,000 shall be procured on the basis of a formal tender using the following process:
- d. A public notice inviting applicants to apply to be invited to tender may be placed in a local newspaper and advertised locally in the parish. The RFO may also place other notices in places appropriate to the nature of the goods, materials, services and works proposed in the tender.
- e. A specification of the goods, materials, services and the execution of works shall be drawn up
- f. Tenders are to be sent in one of the following ways:
 - i. In a sealed envelope, to the Clerk by a stated date and time;
 - ii. In *.pdf format to a nominated dedicated email address specified in the tender documents by a stated date and time. The Clerk will be the only person with access to this email account and the emails will not be opened until after the stated closing date and time.

- g. Tenders submitted are to be opened after the stated closing date and time, by the Clerk and at least one member of the Council;
- h. Tenders are then to be assessed on the previously advertised award criteria and reported to the appropriate meeting of Council or Committee
- i. The Council is not bound to accept the lowest tender, estimate or quote.
- j. When the Council is to enter into a contract valued at less than £10,000 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 these regulations the RFO shall obtain three estimates.
- k. When the Council is to enter into a contract valued at less than £1,000 and more than £500 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 these regulations the RFO shall strive to obtain three estimates but no less than two.
- l. Contracts for the following shall follow the tender process as set out in regulation X:
 - i. Grass cutting
 - ii. Lengthsman
 - iii. Street lighting maintenance
- m. Where the value of a contract is likely to exceed £138,893 (or other threshold specified by the Office of Government Commerce from time to time) the Council must consider whether the Public Contracts Regulations 2006 (SI No.5, as amended) and the Utilities Contracts Regulations (SI No.6, as amended) apply to the contract and, if either of those regulations apply, the Council must comply with EU procurement rules.

12. Payment under Contracts for Building or other Construction Works

- a. Payment on accounts of the contract sum shall be made by the RFO within the time specified in the contract and upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- b. Where contract provide for payment by installments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- c. Any variation to a contract or omission from a contract must be approved by the Council and Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. Properties and Estates

- a. The Clerk shall make 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 payment and purpose for which shall be kept.
- b. No property shall be sold, leased or otherwise disposed of without a resolution of the Council, together with any consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £75.

14. Insurance

- a. The RFO shall effect all insurance and negotiate all claims on the Council's insurers in consultation with the Council.
- b. The RFO shall keep a record of all insurances effected by the Council, the property and risks covered thereby and annually review it.

- c. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

15. Risk Management

- a. The Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.
- b. When considering any new activity the Clerk / RFO shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

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 make such amendments as are required.

Reviewed and re-adopted by the Council on

Signed:

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