

Ribchester Parish Council

COUNCIL STANDING ORDERS: NO. 1 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 by resolution of the Council.
- 1.2 The Responsible Financial Officer, 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**

- 1.4 In October each year the RFO shall prepare detailed estimates of income and expenditure.
- 1.5 Members of the Council shall meet in committee to review the estimates and submit them to the November meeting of the Council, and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimate.
- 1.6 For the purposes of the review of estimates no business can be transacted unless a quorum of four councillors is present at the committee meeting.

2. **Budgetary Control**

- 2.1 The RFO shall periodically provide the Council with a statement of income and expenditure to date under each head of the approved annual budget.
- 2.2 No expenditure shall be incurred in excess of the amount provided in the budget head unless a virement can be made from savings made elsewhere in the budget.
- 2.3 Where, under regulation 3.2, no such savings are available the expenditure to be incurred shall be subject to the provisions of a supplementary estimate approved by the Council.
- 2.4 Unspent provisions in the budget shall not be carried forward to a subsequent year.
- 2.5 No expenditure shall be incurred in relation to any capital project and no contract or tender accepted involving expenditure on capital account unless the Council is satisfied that the necessary capital funds are available, or the requisite borrowing approval can be obtained.

3. **Accounting and Audit**

- 3.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations (as amended).
- 3.2 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.
- 3.3 The Council shall appoint an internal auditor who shall be responsible for maintaining an adequate and effective system of internal audit of the Council's financial and other operations as required by the Audit Code of Practice 2002.

4. Banking Arrangements

4.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. Two accounts shall be maintained at the bank, a general account and deposit account.

4.2 A schedule of payment of money shall be prepared by the RFO and together with the relevant invoices etc presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council and signed by the Chairman or Vice-Chairman.

4.3 Two duly authorised members of the Council shall sign cheques.

5. Payment of Accounts

5.1 Apart from petty cash payments all payments shall be effected by cheques

5.2 The RFO shall maintain a petty cash float to a limit of £30 for the purpose of defraying minor operational and other expenses not exceeding £15 for each individual transaction (unless such transaction is authorised by the Council). Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the Council (under 5.2 above).

5.3 Reimbursement of any small cost expenditure incurred by the Clerk (telephone, copying, mileage etc) shall be made at regular quarterly intervals.

5.4 A separate account shall be maintained of expenditure and income under Local Government Act 1972 section 137. The Council shall ensure that the power to make payments is being properly used and that the cash limit is not exceeded.

6. Loans and Investments

6.1 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.

6.2 All investments of money under the control of the Council shall be in the name of the Council.

6.3 All borrowings shall be effected in the name of the Council.

6.4 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

7. Income

7.1 The collection of all sums due to the Council shall be the responsibility of the RFO.

7.2 The Council will review all fees and charges annually, following a report by the Clerk.

8. Orders for Work , Goods and Services

8.1 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 (petty cash purchases).

8.2 Where it is intended to issue an order for work, goods or services exceeding £100 in value the Clerk shall invite quotations from at least three individuals or firms approved by the Council. This standing order shall not apply to orders, which relate to items (i) to (iv) below.

- (ix) For specialist services such as provided by solicitors, accountants, surveyors or planning consultants.
- (x) 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.
- (xi) For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council
- (xii) For goods or materials proposed to be purchased which are propriety articles and/or which are sold only at a fixed price.

xii.1 The Council shall make further regulations where it is intended to enter into a contact for goods or the execution of works or specialist services exceeding £2500 in value. Such regulations shall follow the form recommended by the Chartered Institute of Public Finance and Accounting.

10. Stores and Equipment

xii.2 The Clerk shall be responsible for the care and custody of stores and equipment held by the Council.

11. Properties and Estates

xii.3 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council, and shall maintain a full record of all such properties.

xii.4 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 insurance and negotiate all claims on the Council's insurers.

13.2 The RFO shall give to the insurers prompt notification of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurance.

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

14. Revision of Financial Regulations

14.1 The Council shall from time to time review the financial regulations and make such alterations as are considered necessary.