

Overton Parish Council – Financial Regulations – amended 10.06.07

1. General

- 1.1 These financial regulations shall govern the conduct of the financial transactions of Overton Parish Council (the council) and may only be amended or varied by resolution of the council.
- 1.2 The Clerk and the Responsible Financial Officer (RFO) are one and the same and shall be referred to hereafter as the Clerk. The Clerk, ~~under the policy direction of the Financial and General Purposes Committee (FGP)~~, 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 Councillors shall formulate and submit proposals ~~to the FGP Committee~~ in respect of revenue services and capital projects for inclusion in the rolling programme not later than the end of October each year.
- 2.2 Detailed estimates of income and expenditure on revenue services and receipts and payment on capital council shall be prepared each year by the Clerk.
- 2.3 ~~The FGP committee shall review the estimates and submit them to the November meeting of the council.~~ The estimates will be finalised at the December meeting of the full council and the precept levied for the ensuing financial year. This information can then be passed to Basingstoke and Deane Borough Council for early January.
- 2.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3. Budgetary Control

- 3.1 The Clerk shall provide the ~~FGP Committee~~ **parish council** with a quarterly statement of income and expenditure to date under each head of the approved revenue and capital budget.
- 3.2 The Clerk may incur expenditure on behalf of the council, which is necessary to carry out any repair, replacement, maintenance or other work that 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 £500.00 per incident. The Clerk shall report the action to the appropriate committee as soon as practicable thereafter.
- 3.3 When expenditure is incurred in accordance with regulation 3.2 above and the sum required cannot be met from savings made elsewhere within the committees approved budget, it shall be met from the general fund reserve.
- 3.4 Unspent provisions in the revenue budget may be carried forward to a subsequent year – or become part of the general fund reserve.
- 3.5 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.
- 3.6 All capital works shall be administered in accordance with the council's standing orders and financial regulations 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~~ **2003**.
- 4.2 The Clerk will prepare the annual accounts of the council for approval by Full Parish Council by the end of May and before they are inspected by the Internal Auditor. FPC must approve and sign the Annual Return before ~~September 30th~~ **August 31st** before submission to the External Audit.

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 regulation 5 of the Accounts and Audit Regulations ~~1996~~ **2003**.

5. Banking arrangements and cheques and Payments of Account

5.1 The council's banking arrangements shall be made by the Clerk and approved by ~~FPC Committee~~ **the parish council**. One current account shall be maintained for the parish council, ~~one for St Mary's Hall~~ and one by the Overton Village Website Group. No petty cash system shall be maintained.

5.2 Approval for routine, non-routine and/or non-budget expenditure (payment of grants, work for which quotations have been received etc) shall be made ~~either by FGP committee (with seven councillors present) or~~ at the FPC meeting.

5.3 All invoices for payments shall be verified by the Clerk who will satisfy herself that the work, goods or services to which the invoice relates has been received, carried out, examined and approved. The invoices will also be checked for arithmetical accuracy.

5.4 A schedule of payments shall be prepared by the Clerk and together with relevant invoices and written cheques be presented for signature by two councillors at the monthly ~~FPC committee~~ **parish council** meeting ~~except in December when it will be made at the FPC meeting. The minutes for the FGP meeting will include a cheque list and will be approved and signed.~~

5.5 No councillor can sign a cheque that is payable to themselves or any group, society, charity, or employer with which then have an association.

5.6 Where expenditure has been approved at a parish council meeting and a payment needs to be made, an interim cheque can be paid if it is signed by the Chair ~~of FGP~~ the parish council and one other councillor.

6. Payment of salaries and wages

6.1 The payment of salary to the Clerk **and any other staff** will be made by ~~cheque~~ **standing order and approved at the monthly parish council meeting**. ~~at the FGP meeting each month except in December when it will be made at the FPC meeting.~~

6.2 Pension payments shall be made on a monthly basis to Hampshire County Council. Tax and National Insurance shall be paid quarterly to the Inland Revenue.

7. Loans and investments

7.1 All loans and investments shall be negotiated by the Clerk 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 ~~FPC committee~~ **parish council** at the earliest opportunity.

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

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

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

7.5 There are currently two loans to Basingstoke and Deane Borough council – a General Reserve Fund for the parish council and a New Hall Fund. Where necessary the Clerk will authorise monies to be transferred between funds and from either fund to the parish council's current account to meet the payments due.

8. Income

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

8.2 All sums received on behalf of the council shall be banked by the Clerk. Receipts shall be deposited as frequently as the Clerk feels necessary (but within a month of receipt).

8.3 A reference to each payment shall be entered on the paying in slip.

9. Orders for work, goods and services

9.1 An official order with order number or letter shall be issued for all work, goods and services unless a formal contract is prepared.

9.2 The Clerk is responsible for obtaining Best Value at all times.

10. Contracts

10.1 Procedures as to the contracts are laid down in the council's standing orders as follows:

- a) Where necessary, councillors should represent the parish council in contract negotiations.
- b) 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 proved that~~ These standing orders shall not apply to contract which relate to items (i) to (iv) below:
 - i) For the supply of gas, electricity, water, sewerage and telephone services
 - ii) For specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
 - iii) For work to be executed or goods and materials to be supplied which consist of repairs to or parts of 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 goods and materials proposed to purchased which are proprietary articles and/or which are sold only at a fixed price
- c) Where it is intended to enter into a contract:
 - i) Exceeding £500.00 in value for the supply of goods and materials or for the execution of works or specialist services other than such goods, materials, work or specialist services as are excepted as set out in para a), the Clerk shall invite tenders from 3 firms.
 - ii) For expenditure of £500.00 ~~in~~ or less in value one tender shall be sought and approved at a full parish council meeting ~~or at FGP Committee~~.
- d) When applications are made to waive standing orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- ~~e) — 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.~~
- e) 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 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.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of the council.

- g) If less than 3 tenders are received for contracts valued at £500.00 or if all tenders are identical the council may make arrangements as it thinks fit for procuring the foods or materials or executing the works.
- ~~i) Any invitation to tender issued under the standing order shall contain a statement of the effect of standing order nos AA, BB and CC.~~
- h) The council shall not be obliged to accept the lowest of any tender.

11. Payments 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.
- 11.2 Where contracts provide for payment by instalments the Clerk shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under contract excluding fluctuation clauses will exceed the contract sum by 5% or more a report shall be submitted to the ~~appropriate committee~~ parish council.
- 11.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the ~~appropriate committee~~ parish council being informed where the final cost ins **are** likely to exceed the financial provision.

12. Properties and Estates

- 12.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the council. The Clerk shall ensure a record is maintained of all properties owned by the council, recording the locations, extend, plan, reference, purchase details, nature of interest, tenancies granted, rent payable and purpose for which held in accordance with regulation 4(3)(b) of the Account and Audit Regulations ~~1996~~ **2003**.
- 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 insurances and negotiate claims on the council's insurers.
- 13.2 The Clerk will notify the insurance company of any changes to the existing insurance.
- 13.3 The Clerk shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 13.4 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

14. Revision of financial regulation

- 14.1 It will be the duty of the ~~FGP Committee~~ **parish council** to review the financial regulations on an annual basis and on the appointment of a new Clerk.