

## General

1. The Council shall consider and approve financial regulations drawn up by the Clerk/Responsible Financial Officer (RFO), which shall include detailed arrangements in respect of the following:
  - The administration of the Council's financial affairs
  - the production of financial management information
  - compliance with local government financial regulations
  - filing of the Annual Governance and Accountability Return

## Annual Budgets

2. Detailed estimates of all receipts and payments for the year shall be prepared each year by the Clerk/RFO in liaison with the Finance Sub-Group.
3. The Council shall review the estimates not later than the end of February each year and shall approve a budget. and the Council shall then determine the Precept to be levied for the ensuing financial year. The RFO shall supply each Member with a copy of the approved budget.
4. The annual budget shall form the basis of financial control for the ensuing year.

## Budgetary Controls

5. The Clerk/RFO shall provide the Finance Sub-Group, for their agreement, a copy of the monthly accounts and a financial statement representing the Parish Council's financial position prior to each monthly Council meeting.
6. The Clerk/RFO shall supply each councillor with a monthly financial statement representing the Parish Council's financial position. Additionally, as soon as practicable after 31<sup>st</sup> March, 30 June, 30 September and 31 December in each year a statement reconciling the bank balance at the quarter end to account statements that summarise the:
  - council's receipts and payments for each quarter
  - council's aggregate receipts and payments for the year to date;
  - balances held at the end of the quarter being reported; and which includes a comparison with the budget for the financial year and highlights any actual or potential overspends.
7. Commitment to expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
  - the Council for all items over £2,500;
  - the Finance Sub-Group for items over £1000;

- the Clerk, in conjunction with Chairman of Council or the Deputy Finance Officer for any items below £1,000.

All commitment to expenditure either retrospectively or forward shall be reported and confirmed at the next Council meeting

8. Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the RFO/Clerk, and also by the Council member.
9. Contracts may not be disaggregated to avoid controls imposed by these regulations. 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee
10. No expenditure shall be incurred in relation to any 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 has been obtained.
11. All works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

### **Accounting and Audit**

12. All accounting procedures and financial records of the Council shall be determined by the Clerk/RFO as required by the [Accounts and Audit Regulations 2015](#) and the [Local Audit and Accountability Act 2014](#). "Proper practices" in standing orders refer to the most recent version of Governance and Accountability for Local Councils – a Practitioners' Guide.
13. All payments by the council shall be authorised, approved and paid in accordance with the law, proper practices and the council's financial regulations.
14. The Clerk/RFO, supported by the Finance Sub Group, shall be responsible for completing the annual financial statements required for the Annual Governance and Accountability Return of the Council as soon as practicable after the end of the financial year.
15. As soon as possible after the financial year end at 31 March, the RFO shall provide:
  - each councillor with a statement summarising the council's receipts and payments for the last quarter and the year to date for information; and
  - the full council with the accounting statements for the year in the form of Section 2 of the annual return, as required by proper practices, for consideration and approval.
16. The Clerk/RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 2015 as amended, or set by the Auditor.

17. The year-end accounting statements shall be prepared in accordance with proper practices and applying the form of accounts determined by the council (receipts and payments, or income and expenditure) for a year to 31 March.
18. The annual return of the council, which is subject to external audit, including the annual governance statement, shall be presented to council for consideration and formal approval before 30 June.
19. The Clerk/RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations 2015.
20. The Internal Auditor shall carry out the work required to allow a 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.
21. The Clerk/RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Local Audit & Accountability Act 2014 Section 26 & 27 of the Accounts and the Audit Regulations 2015.
22. The Clerk/ RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

### **Banking Arrangements**

23. The Council's banking arrangements shall be made by the Clerk/RFO and approved by the Council.
24. A schedule of the payments required, forming part of the Agenda for the meeting, shall be prepared by the Clerk/RFO and, together with the relevant invoices, be presented to the Council. If the schedule is in order, it shall be authorised by a resolution of the Council and shown in the minutes of the meeting.
25. The authorised signatories for all banking transactions shall be the RFO, the Chair and a further Councillor. Cheques drawn on the bank account or bank transfers authorised in accordance with the agreement at the Council meeting and referred to in paragraph 22 above shall be require signed/authorised by the RFO and a member of the Council or two members of Council.

### **Payment of accounts**

26. All invoices for payment shall be examined, verified and certified by the RFO/Clerk. The RFO/Clerk shall satisfy himself that the work, goods or services, to which the invoice relates shall have been received, carried out, examined and approved and the invoice is arithmetically correct.
27. The RFO/Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting. In the event that an invoice is for less than

£350 and that the expenditure has been previously authorised by Council the RFO/Clerk may use discretion to pay the invoice provided that a list of such payments shall be submitted to the next appropriate meeting of Council

28. If a payment is necessary to avoid a charge to interest, or for other financial benefit, and the due date for payment is before the next scheduled Meeting of Council and the Council has previously agreed the expenditure, where the Clerk/RFO agrees that there is no dispute or other reason to delay payment, the Clerk/RFO may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
29. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

### **Payment of salaries**

30. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Council.
31. Payment of salaries and payment of deductions from salary such as may be made for tax, National Insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to the next available Council Meeting.

### **Loans and Investments**

32. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
33. All investments of money under the control of the Council shall be in the name of the Council.
34. All borrowings shall be made in the name of the Council, after obtaining any necessary borrowing approval.
35. Any application for borrowing approval shall be approved by the Council as to terms and purpose.
36. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO/Clerk.

### **Incomes**

37. The collection of all sums due to the Council shall be the responsibility of the RFO.
38. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
39. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

40. The origins of each receipt shall be entered on the paying-in slip.
41. Personal cheques shall not be cashed from funds held on behalf of the Council.
42. The Clerk or RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually.

### **Orders for work, goods and services**

43. 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. Copies of orders shall be retained.
44. All Councillors and Officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de-minimus provisions set out in paragraph 46 below.
45. The RFO shall review 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.

### **Contracts**

46. Subject to additional requirements in the financial regulations of the council, the tender process for contracts exceeding £50,000, for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:
  - i) A specification for the goods, materials, services or the execution of works shall be drawn up;
  - ii) an invitation to tender shall be drawn up to confirm (a.) the council's specification (b) the time, date and address for the submission of tenders (c) the date of the council's written response to the tender and (d) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
  - iii) the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
  - iv) tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
  - v) tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
  - vi) tenders are to be reported to and considered by the appropriate meeting of the council or a committee or sub-committee with delegated responsibility.

- vii) if less than three tenders are received for contracts above £50,000 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.
- viii) when it is to enter into a contract of a value £50,000 or below for the supply of goods or materials or for the execution of works or specialist services the RFO or Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £250 the RFO or Clerk shall use his/her best endeavours to obtain 3 estimates. Where it is not possible to do so, paragraph 46 vii) above shall apply. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

### **Payments of contracts for building or construction works**

- 47. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO 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)
- 48. Where contracts provide for payment by instalments 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 contracts sum by 10% or more a report shall be submitted to the Council.
- 49. Any variation to a contract or addition to or omission from a contract must be approved by the Council and reported by the Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

### **Properties and Estates**

- 50. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations 2015.
- 51. No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by the law, save where the estimated value of any one item of tangible movable property does not exceed £500.

### **Insurance**

- 52. In accordance with risk management policy in paragraph 54 below - the Clerk/RFO shall obtain insurance cover and negotiate all claims on the Council's insurers in consultation with Councillors.
- 53. Councillors shall give prompt notification to the Clerk/RFO of all potential new risks, and/or properties which require to be insured and of any alterations affecting existing insurances. These to be added to the Council's Risk Register.
- 54. The Clerk/RFO shall keep a record of all insurance policies held by the Council and the property and risks covered thereby and annually review it.

55. The Clerk/RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.

56. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

### **Donations**

57. When local bodies make an application for financial assistance from the Council for an event the Council will require a written application supported by previous accounts and/or a budget for the proposed event. In addition, accounts for the event must be submitted to the Council within 3 months of the event. It will be for the Clerk/RFO to advise Councillors on the overall limits of free resource which can be used for the purpose of making Donations or Grants in any one financial year.

Could you review this next one? I have a vague recollection that there may be some rule about how frequently this has to be done either in our standing orders or in some statutory place

### **Revision of financial regulations**

58. It shall be the duty of the Council to review the Financial Regulations of the Council within 2 years and after the election of a new Council as a minimum.

Adopted by the Council on 10 May 2021