

WICKWAR PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its Meeting held on 1st March 2017. Where the term Responsible Financial Officer (RFO) is used below this refers, in the case of the Council, to the Clerk.

1. GENERAL

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

2. ANNUAL ESTIMATES

- 2.1 Each Working Party (if any) shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of December each year.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.3 The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.4 The annual budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items should as far as possible be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget. Unless authorised at a Council meeting (see 3.5 below)
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the Budgets, comparing actual expenditure against that planned.
- 3.4 The Clerk may incur expenditure on behalf of the Parish Council which is necessary to carry out any repair, replacement or other work which 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 **£200**. The Clerk shall seek approval of two Parish Councillors as soon as practical thereafter.
- 3.5 Unspent provisions in the revenue budget may be utilised by virement in a subsequent financial year.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds available, or the requisite borrowing approval has been obtained.

- 3.7 All capital works shall be administered in accordance with the Councils Standing Orders, procurement Policy and Financial Regulations relating to contracts.

4. ACCOUNTING AND AUDIT

- 4.1 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.
- 4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practical after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 4.4 The Council shall ensure that there is adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 4.5 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 Auditors Report section of the Annual Return as compiled annually. The Internal Auditor, who shall be a competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers, subject to information from the Internal Auditor as to times and dates.
- 4.7 The RFO shall, as soon as practical, bring to the attention of all Councillors any correspondence or report the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Councils banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of payments required, forming part of the Agenda for the Meeting, shall be prepared by the 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 shall be initialled by the Chairperson at the meeting. If more appropriate the detail may be shown in the minutes of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with paragraph 5.2 or in accordance with paragraph 6.4 shall be signed by two members of the Council who are signatories on the account.
- 5.4 To indicate agreement of the details shown on the cheque (or order for payment) with the counterfoil and the invoice or similar documentation, the signatories shall each initial the cheque counterfoil.

6. PAYMENT OF ACCOUNTS

- 6.1** All payments shall be made by the method acceptable to the Council and bankers, subject to 6.5 and 6.6 below.
- 6.2** All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services, to which the invoice relates, shall have been received, carried out, examined and approved.
- 6.3** The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4** If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (interest) Act 1998, and the due date for payment is before the next scheduled Meeting of the Council, where the RFO certify that there is no dispute or other reason to delay payment, the RFO may (notwithstanding para. 6.3) settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- 6.5** The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
- a. The RFO shall maintain a petty cash float of (£100) for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b. Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c. Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to the Council under 5.2 above.
- 6.6** All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

7. PAYMENT OF SALARIES

- 7.1** The payment of salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and all salaries shall be as agreed by the Council.
- 7.2** Payment of salaries and payment of deductions from Salary such as made 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 and ratified by the next available Council meeting.

8. LOANS AND INVESTMENTS

- 8.1** All loans and investments shall be negotiated in the name of the Council and shall be for a set period as agreed by the Council.
- 8.2** The Councils investment shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- 8.3** All investments of money under control of the Council, after obtaining any approval as to terms and purpose.
- 8.4** All borrowings shall be effected in the name of the Council, after obtaining any approval as to terms and purpose.

- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered by the Council, shall be notified to the RFO, who shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges annually, following a report of the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council for a formal discussion.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In cases, all monies shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of all monies shall be entered on the paying in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Parish Council.
- 9.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 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. Copies of orders retained.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 The Council are responsible for obtaining value for money at all times. The RFO 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 minimis provisions in Regulations 11.1 below.
- 10.4 A member may not issue an official order or make any contract on behalf of the Council.
- 10.5 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

- 11.1 Procedures as to contracts are laid down as follows: -
- 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.

- (ii) For specialist services, such as are provided by solicitors, accountants, surveyors and planning consultants;
 - (iii) For works 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 an external Auditor up to an estimated value of £250.00 (in excess of this sum the RFO shall act after consultation with the Chairperson and Vice Chairperson 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. Where it is intended to enter into a contract exceeding £1000 in value for the supply of goods or materials or for the execution of works or specialist's services other than such goods, materials, works or specialist services other than such goods, materials, works or specialist services are expected as set out in paragraph (a) the RFO shall invite tenders from at least three sources.
 - c. 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.
 - d. Such invitation to tender shall state the general nature of the intended contract and the RFO shall obtain necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the RFO in the ordinary course of post. Each tendering source 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.
 - e. All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one member of the Council.
 - f. If less than three tenders are received for contracts over £1000 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.
 - g. Any invitation to tender issued under this regulation shall contain a statement to the effect of the relevant Standing Orders, if necessary.
 - h. The Council shall not be obliged to accept the lowest or any tender quote or estimate.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1 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).
- 12.2 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 the work carried out under a contract, excluding agreed variations, will exceed the contact sum 5% or more a report shall be submitted to the Council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and confirmed to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

- 13.1 The Clerk shall be responsible for the care and custody of stores and equipment of the Council.
- 13.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The Clerk shall be responsible for periodic checks of stocks and stores at least annually.

14. ASSETS PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of a 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 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.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the Council, together with any other consents required by law, save where the estimated value of any one item tangible moveable property does not exceed £50.00
- 14.3 The Council retains the right to dispose of any property or land in its actual direct or constructive ownership in any way it deems appropriate having due regard to seeking best value.
- 14.4 As per NALC Model.

15. INSURANCE

- 15.1 Following an annual risk assessment, the RFO shall affect all insurances and negotiate all claims on the Councils insurers.
- 15.2 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby annually review it.
- 15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report thee to the Council at the next available meeting.
- 15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance, which covers the maximum risk exposed as determined by the Council.

16. CHARITIES

- 16.1 Where the Council is sole trustee of a charitable body the Clerk shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports are made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk shall arrange for any audit or independent examination as Charity Law and Governing Document if required.

17. RISK MANAGEMENT

- 17.1 The Clerk shall prepare and promote a risk management policy statements in respect of all activities of the Council.

- 17.2 When considering any new activity, the Clerk 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.

18. REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Council to review the Financial Regulations of the Council prior to the Annual Meeting of the Parish Council.
- 18.2 The Council may by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of the Council.

Signed..... Chairperson

Date.....