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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. Financial regulations must be observed in conjunction with the Council's Standing Orders.
- 1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective, and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3 The Council's accounting control systems must include measures:
- For the timely production of accounts
 - That provide for the safe and efficient safeguarding of public money; and
 - To prevent and detect inaccuracy and fraud.
- 1.4 These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control.
- 1.6 The Clerk has been appointed the Responsible Financial Officer (RFO) for this Council.
- 1.7 The Clerk;
- Acts under the policy direction of the Council;
 - Administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - Determines on behalf of the Council its accounting records and accounting control systems;
 - Ensures the accounting control systems are observed;
 - Ensures the accounting records of the Council are up to date; and
 - Produces financial management information as required by the Council.
 - Where possible, the Clerk recommends to the Council, arrangements for administration and application of these regulations in her absence.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.
- 1.11 The accounting records determined by the RFO shall in particular contain:

- Entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
- A record of the assets and liabilities of the Council; and
- Wherever relevant, a record of the Councils income and expenditure in relation to claims made, for any contribution, grant or subsidy.

1.12 The accounting control systems determined by RFO shall include:

- Procedures to ensure that the financial transactions of the Council are accurately recorded as soon as reasonably practicable;
- Procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct lost records;
- Identification of the duties of officers and members dealing with financial transactions and the division of responsibilities between them in relation to transactions;
- Procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
- Measures to ensure that risk is properly managed.

1.13 The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- Setting the final budget or the Precept (Council Tax requirement);
- Approving accounting statements;
- Approving the annual governance statement;
- Borrowing;
- Declaring eligibility for the General Power of Competence; and
- Addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.

1.14 In addition, the Council must;

- Determine and keep under regular review the bank mandate for all Council bank accounts;
- Approve any grant or a single commitment in excess of £500; except for contracts the Council has approved separately.
- In respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of Section 27 of the Audit Commission Act 1998, or any superseding legislation, then in force unless otherwise specified.

In these financial regulations the term ‘proper practice’ or ‘proper practices’ shall refer to guidance issued in Governance and Accountability for Local Councils – a Practitioners’ Guide (England) issued by the joint Practitioners Advisory Group (JPAG), available from the website of NALC and the Society for Local Council Clerks (SLCC).

2 ACCOUNTING AND AUDIT (INTERNAL & EXTERNAL)

- 2.1 All accounting procedures and financial records of the Council shall be determined by the Clerk in accordance with the Accounts and Audit Regulations, as determined for Parish Councils.
- 2.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations and the original bank statements (or similar document) as evidence of verification.
- 2.3 The Clerk shall complete the annual statement of accounts, and any related documents of the Council contained in the Annual Return as soon as is practicable after the end of the financial year, and having certified the accounts, shall submit them and report thereon to the Council within the timescale set by the Accounts and Audit Regulations.
- 2.4 The Council shall ensure there is an adequate and effective system of internal audit of its accounting records and system of internal control in accordance with proper practices. The Clerk will make the necessary documents available for the purpose of the audit, and as directed by the Council will supply the auditor, or external auditor with such information and explanation as required.
- 2.5 The internal auditor shall be appointed to carry out work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6 The internal auditor shall:
 - Be competent and independent of the financial operations of the Council,
 - Report to the Council a minimum of one annual report during each financial year;
 - Demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - Have no involvement in the financial decision making, management or control of the Council.
- 2.6 The Clerk shall make arrangements for the exercise of electors’ rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by the Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

3 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 The Clerk must each year, no later than January, prepare estimates of all anticipated receipts and payments and all sources of funding including the use of reserves for the following financial year in the form of a budget for the Council to consider.
- 3.2 The Council shall fix the precept for the ensuing financial year no later than the end of January each year. The Clerk shall issue the precept to the billing authority.
- 3.3 The approved annual budget shall form the basis of planned activities for the following year.

4 BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget.
- 4.2 No expenditure exceeding the amount included for that class of expenditure in the approved budget may be authorised other than by resolution of the Council, or duly delegated committee. During the budget year and with approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3 In cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerks judgement is necessary to carry out. Such expenditure includes repair, replacement or other work whether or not there is budgetary provision for the expenditure, subject to a limit of £600. The Clerk shall report such action to the Council as soon as is practicable thereafter.
- 4.4 The Clerk shall provide the Council with a statement of receipts and payments to date, under each heading of the budget, at Council meetings throughout the year (at least once a quarter).
- 4.5 Changes in earmarked reserves shall be approved by Council as a part of the budgetary control process.

5 BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1 All payments shall be effected by cheque, or if Council decides by electronic transfer or variable Direct Debit, provided that the instructions for each payment are signed by two authorised members of the Council.
- 5.2 The Clerk shall prepare payments, together with the relevant invoices and relevant supporting documentation to be signed by two members of the Council.
- 5.3 If considered appropriate by Council, payment for certain items may be made by electronic transfer provided that the instructions for each payment are signed by two members of Council.

- 5.4 If considered appropriate by the Council, payment for utility supplies may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to Council.
- 5.5 The Council will not maintain a cash float. Cash received shall be banked as soon as possible. Any payments made in cash by the Clerk (for example for postage or stationary items) shall be refunded as soon as is practicable.

6 PAYMENTS OF SALARIES

- 6.1 The payments of all salaries shall be made in accordance with payroll records and the rules of PAYE and national insurance currently operating.
- 6.2 Hours worked shall be approved by a member of the Council.
- 6.3 Any changes to salary shall be authorised by the Council.

7 LOANS AND INVESTMENTS

- 7.1 All loans and investments shall be negotiated in the name of the Council.
- 7.2 The Council shall consider the need for an Investment Strategy and Policy. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 7.3 All investments of money under the control of the Council shall be in the name of the Council.
- 7.4 All investment certificates, titles to property and other documents relating thereto shall be retained in the custody of the Clerk.

8 INCOME

- 8.1 The collection of all sums due to the Council shall be the responsibility of the Clerk.
- 8.2 The Clerk shall complete any VAT Return as required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually, coinciding with the financial year end.

9 ORDERS FOR WORK, GOODS AND SERVICES

- 9.1 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 appropriate. Copies of orders shall be retained.
- 9.2 Order books shall be controlled by the RFO.

- 9.3 All members and officers of the Council are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 10.1 below.
- 9.4 A member may not issue an official order or make any contract on behalf of the Council.
- 9.5 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.

10 CONTRACTS

- 10.1 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 services;
 - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - (iii) for work to be executed or goods or materials to be supplied which consist or 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 shall act after consultation with the Chairman and Deputy Chairman of the Council.
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold for a fixed price.
- b Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations.
- c Where it is intended to enter into a contract exceeding £6000 in the value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works as are excepted as set out in paragraph (a) the Clerk shall invite sealed quotations by publicising the contract on the Councils website and Village noticeboard.

- d Where 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.
- e Invitations to submit quotations 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. Invitations shall state that quotes must be addressed to the Clerk by post and by a specified date.
- f Sealed quotations shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.
- g If less than three quotes are received for contracts above £6000 or if all the quotes are identical the Council may make such arrangements as it thinks fit procuring the goods or materials or executing the works.
- h The Council shall not be obliged to accept the lowest priced quote for all contracts for goods and services.
- i All decisions made by the Council will be recorded in the minutes.

11 ASSETS, PROPERTIES AND ESTATES

- 11.1 The Clerk shall make the appropriate arrangement for the custody for 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 location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 11.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law.
- 11.3 The Clerk shall ensure an appropriate list of Register of Assets and Investments is kept up to date and verified annually.

12 INSURANCE

- 12.1 The Clerk shall effect all insurance, and negotiate all claims on the Council's insurers and keep a record of all insurance effected by the Council.
- 12.2 If the Clerk is notified of any loss liability or damage or of any event likely to lead to a claim the Clerk shall report these to Council at the next available meeting.

13 RISK MANAGEMENT

- 13.1 The Council is responsible for putting in place arrangements for the management of risk, and shall review annually.