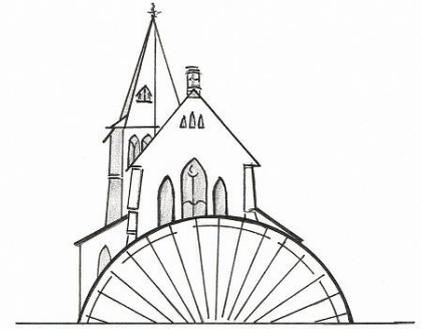


Annesley & Felley Parish Council

FINANCIAL REGULATIONS



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1. GENERAL

- 1.1 These Financial Regulations govern the financial management of the Council and may only be amended by resolution of the Council. The Council is legally responsible for ensuring that its financial management is adequate and effective. The Council must ensure that it has a sound system of financial control, including risk management for the prevention and detection of fraud and corruption. These Financial Regulations are designed to demonstrate how the Council meets these responsibilities.
- 1.2 The Responsible Finance Officer (RFO) is a statutory office and shall be appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly. The RFO, acting under the direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council, its accounting systems, accounting controls and financial records. The RFO shall ensure that all the accounting controls are observed and that the financial systems and records of the Council are maintained accurately and kept up to date.
- 1.3 The RFO shall produce financial management information as required by the Council.
- 1.4 Annually, prior to approving the Annual Return, the Council shall conduct a full review of the effectiveness of its financial systems and financial controls and also carry out the appropriate financial risk assessments for the prevention and detection of fraud and corruption.
- 1.5 In these Financial Regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of the Audit Commission.

2. BUDGETS

- 2.1 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.2 The Council shall review and approve the budget for the next financial year not later than the end of January and shall fix the Precept to be levied for the following financial year by the end of January. The RFO shall issue the Precept request to the billing authority (ADC) and shall supply each Councillor with a copy of the approved budget.
- 2.3 The annual budgets shall form an important part of the financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included for that category of expenditure in the approved budget.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget with the exception of those costs identified as essential to the running of the Council and the fulfilment of its legal and statutory obligations. During the budget year and with the approval of the Council, having considered fully the implications, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.
- 3.3 The RFO shall provide the Council with a statement of receipts and payments to date under each budget category, comparing actual expenditure to date against that budgeted. This statement shall be provided (i) in the papers for the Precept Meeting and (ii) at the half year.

- 3.4 Expenditure may be incurred on behalf of the Council, by any two of the following, Chairman, Vice Chairman and RFO, which is necessary to carry out any repair, replacement or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,500 per transaction. This expenditure shall be reported to the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council.
- 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 are available, or the requisite borrowing approval has been obtained and approved in the minutes of a Parish Council meeting.
- 3.7 All capital works shall be administered in accordance with the Council's standing orders and Financial Regulations.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall complete the annual financial statement for the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall complete 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 shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.
- 4.4 The RFO shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, administration and other operations. The Council or Councillors shall make available any documents or information that is requested by the RFO or Internal Auditor for the purpose of internal audit.
- 4.5 The Internal Auditor shall be appointed by and carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall complete the relevant sections of the Annual Return in respect of each financial year and shall in addition, report to the Council in writing on any areas where (in the opinion of the Internal Auditor), the internal control objectives are not to the standard required to meet the needs of the Council. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for display or publication of any Notices and statements of accounts required by Audit Commission.
- 4.7 The 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.

5. BANKING ARRANGEMENTS

- 5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be regularly reviewed for effectiveness.
- 5.2 The RFO will prepare a schedule of all payments, including electronic bank transfers, BACS, cheques, debit card, credit card, standing order and direct debit payments to be retrospectively approved. This shall form part of the Agenda for the Council Meeting. If the schedule is in order it shall be authorised by the Chair of the Council Meeting and recorded in the Minutes of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4 shall require authorised signatories as determined by the current bank mandates. The RFO can instigate and authorise BACS, standing orders, direct debits, electronic transfers of funds and debit and credit card payments. Any such payments will be retrospectively approved at the next Council Meeting.
6. PAYMENT OF ACCOUNTS
 - 6.1 All payments shall be effected by BACS, electronic funds transfer, cheque, standing order, direct debit, debit card, credit card or other order drawn on the Council's bankers. Sundry cash payments will only be made from the small cash float held by the Caretaker. These cash payments will be analysed and receipts provided to support the payments.
 - 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, to the defined payment terms.
 - 6.4 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act, and/or the due date for payment is before the next scheduled Meeting of the Council, where the Chairman and RFO certify that there is no dispute or other reason to delay payment, the RFO may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate Meeting of the Council.
 - 6.5 The Council will not maintain any form of cash float other than the cash float of £150 held by the Caretaker for the purchase of sundry cleaning/maintenance materials. Any payments made in cash by the RFO or Councillors (e.g. postage, stationery, consumable items and expenses), shall be refunded on a regular basis on the submission of an expenses form, with receipts as appropriate attached.
7. PAYMENT OF SALARIES
 - 7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by the Council.
 - 7.2 Payment of salaries and payment of deductions from salary such as income tax, national insurance and pension contributions, will be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified at 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 in accordance with Council policy.
- 8.2 The Council shall consider the need for an Investment Policy, which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Policy shall be reviewed at least annually.
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be affected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.
- 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, hiring fees, services rendered or goods supplied shall be agreed annually by the Council. The RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges on an annual basis.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the current financial year.
- 9.5 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, taking into account the requirements of the Council's insurers.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council unless approved by one of the following, Chairman, Vice-Chairman or RFO.
- 9.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claims due must be made in accordance with current HMRC legislation.

10 ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 All work, goods and services will be ratified at the monthly Council meeting and will then be ordered by the RFO or Councillors.
- 10.2 All Councillors and the RFO are responsible for obtaining value for money at all times. The RFO should ensure that when issuing a purchase order, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction.
- 10.3 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

11 PURCHASES and CONTRACTS

11.1 Procedures as to purchases and contracts are laid down as follows:

(a) Every Purchase or Contract shall comply with these Financial Regulations, and no exceptions shall be made other than in an emergency. These regulations shall not apply to purchases or contracts which relate to items (i) to (vi) below:

- (i) for the supply of gas, electricity, water, sewage 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 of repairs to or parts for existing premises, machinery, equipment, plant or other assets;
- (iv) for work to be executed or materials to be supplied which constitutes 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 RFO shall act after consultation with the Chairman and Vice Chairman of Council);
- (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (vii) for goods or materials proposed to be purchased from the Councils "preferred suppliers" for electrical work, plumbing work and tree maintenance, a quote should be obtained before any order is raised.

(b) Where it is intended to enter into a transaction exceeding £5,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the RFO shall invite tenders from at least three appropriate suppliers who are experienced and legally competent in that sphere of work.

(c) When applications are made to waive Financial Regulations, relating to purchases or contracts, to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council and recorded in the appropriate Council meeting minutes.

(d) All 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

(e) If less than three tenders are received for transactions above £5,000 or if all the tenders are identical, the Council may make such other arrangements as it thinks fit for procuring the goods or materials or executing the works.

(f) When it is to enter into a contract less than £5,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials or specialist services as are excepted as set out in paragraph (a) the RFO shall strive to obtain at least 2 quotations (priced descriptions of the proposed supply). Where the value is below £2,500 it is not necessary to obtain more than one estimate or quotation but the RFO and Councillors should always endeavour to get value for money.

(g) The Council shall not be obliged to accept the lowest of any tender, quote or estimate.

(h) All contractors shall carry a minimum of £1M public liability insurance cover.

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 work carried out under a contract, excluding agreed variations, will exceed the contract sum a report shall be submitted to the Council prior to the work being carried out.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and the Contractor shall be informed in writing, so that the Council may be informed, where the final cost is likely to exceed the financial provision.

13. EQUIPMENT

- 13.1 The RFO and Councillors are responsible for the care and custody of equipment owned, rented or leased by the Council.
- 13.2 Goods received must be checked as to conformity to the requirements of the order and as to quality, as soon as it is practically possible after delivery is made.
- 13.3 Stocks of minor consumable items shall be kept at the minimum level consistent with operational requirements.

14 ASSETS, PROPERTIES AND ESTATES

- 14.1 The RFO shall make appropriate arrangements for the custody of all title Deeds of property owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, in accordance with the Accounts and Audit Regulations.
- 14.2 No assets 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 estimated value of any one item of tangible movable property does not exceed £500.
- 14.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is maintained and kept up to date. The continued existence of tangible assets shown in the register shall be verified at least annually.
- 14.4 The RFO shall ensure that all assets, property and estates are suitably maintained in accordance with Statutory or Legal requirements to prevent insurance invalidation and that any failings regarding of the same are brought to the Councils attention.

15. INSURANCE

- 15.1 Following an annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall be advised promptly of all new risks, properties or other assets which require to be insured and of any alterations affecting existing insurances.
- 15.3 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- 15.4 The 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 the Council at the next available meeting.

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

16. CHARITIES

16.1. Where the Council is sole trustee of a Charitable or Voluntary body the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission.

16.2. The RFO shall arrange for any Audit or Independent examination as may be required by Charity Law or any Governing Document.

17. RISK MANAGEMENT

17.1. The Council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.

17.2. When considering any new activity the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. REVISION OF FINANCIAL REGULATIONS

18.1. It shall be the duty of the Parish Council to review the Financial Regulations of the Council from time to time. The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these regulations.

18.2. The Parish Council will review the effectiveness of these Financial Regulations at least every 3 years.

Adopted: November 2023