

Financial Regulations

1. GENERAL

1.1 These financial regulations govern the conduct of financial management by the Parish Meeting and may only be amended or varied by resolution of the Parish Meeting. The Parish Meeting is responsible in law for ensuring that its financial management is adequate and effective and that the Parish Meeting has a sound system of financial control which facilitates the effective exercise of the Parish Meeting's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Parish Meeting meets these responsibilities.

1.2 The Responsible Financial Officer (RFO) be appointed by the Parish Meeting. The RFO, acting under the policy direction of the Parish Meeting, shall administer the Parish Meeting's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Parish Meeting its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Parish Meeting are maintained and kept up to date in accordance with proper practices.

1.3 The RFO shall present financial management information to each Parish Meeting, including schedules of all payments made, income received and balances for all bank accounts. The RFO shall also report on any expenditure or monies due. Bank balances will be independently verified by a second Parish Representative by logging in to the on-line accounts to ensure there is alignment between balances and management information.

1.4 At least once a year, prior to approving the annual return, the Parish Meeting shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of section 27 of the Audit Commission Act 1998 and currently in force.

1.6 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to the formal guidance issued in Governance and Accountability in local Councils in England and Wales – a Practitioners' Guide which is published jointly by NALC/SLCC and updated from time to time.

2. ANNUAL ESTIMATES (BUDGET)

2.1 Each Committee shall formulate and submit proposals to the Parish Meeting in respect of revenue and capital including the use of reserves and sources of funding for the following financial year not later than the end of September each year.

2.2 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 full Parish Meeting.

2.3 The Parish Meeting shall review the budget not later than the end of October each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

2.4 The annual budgets shall form the basis of financial control for the ensuing year.

2.5 The Parish Meeting shall consider the need for and shall have regard to a three year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual Budget.

3 BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred by the Parish Meeting up to the amounts included for that class of expenditure in the approved budget.

3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure. During the budget year and with the approval of Parish Meeting 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.

3.3 The RFO shall regularly provide the Parish Meeting with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.

3.4 The commitment of Parish Funds will be agreed by the Parish Meeting, either through budgetary planning meetings (e.g. to enable payment of recurring invoices, such as utility bills or grass cutting), or through specific resolution at Parish Meetings (for one-off expenditure or project activities, however, two Representatives of the Parish Meeting may incur expenditure on behalf of the Parish Meeting 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 £500. The Clerk shall report the action to the Parish Meeting 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 Parish Meeting.

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 Parish Meeting is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

3.7 All capital works shall be administered in accordance with the Parish Meeting's standing orders and financial regulations relating to contracts.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Parish Meeting shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

4.2 The RFO shall complete the annual financial statements of the Parish Meeting, including the Parish Meeting's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Parish Meeting.

4.3 The RFO shall complete the Accounts of the Parish Meeting 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 Parish Meeting at a full Parish Meeting within the timescales set by the Accounts and Audit Regulations currently in force.

4.4 The RFO shall ensure that there is adequate and effective system of internal audit of the Parish Meeting's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Parish Meeting shall, if the RFO or Internal Auditor requires, make available such documents of the Parish Meeting which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.5 The Internal Auditor shall be appointed by and shall carry out the work required by the Parish Meeting in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Parish Meeting, shall report directly to Parish Meeting in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. 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 Parish Meeting.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for the display or publication of any Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations currently in force.

4.7 The RFO shall, as soon as practicable, bring to the attention of all councillors any other correspondence or report received from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

5.1 The Parish Meeting's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Parish Meeting. They shall be regularly reviewed for efficiency. Signatories on the mandate shall be as agreed by resolution of the Parish Meeting.

5.2 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 be signed by two Representatives of the Parish Meeting.

5.3 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 also initial the cheque counterfoil and relevant invoice or other documentation.

6 PAYMENT OF ACCOUNTS

6.1 Payments should normally be made by electronic methods (BACS, card etc.). Use of cheques or cash should be avoided if possible, save for minor expenses

6.2 All invoices for payment shall be examined, verified and certified by the a Representative of the Parish Meeting who shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved prior to any payment being made.

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 Parish Meeting.

6.5 The RFO may provide petty cash to one officer 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) Payment of up to £100, as authorised by the Parish Meeting, can be made annually. Payment shall be by BACS.

b) At the end of the Financial year the RFO shall be provided with a summary statement with attached receipts of all annual petty cash expenditure. A maximum of £20 can be accepted without receipts.

c) Any petty cash not spent shall be returned to the Parish account by BACS.

6.6 General expenses incurred on behalf of the Parish Meeting or for Village events may be reimbursed either through electronic transfer, deduction from raised funds (e.g. in cash prior to bank deposit from an event), or cheque. The payment will be recorded and authorised by two Parish Representatives (in line with Appendix A). For the purposes of authorisation of event expenditure, organisers of the events acting on behalf of the Parish Meeting will be considered Parish Representatives.

6.7 If thought appropriate by the Parish Meeting, payment for utility supplies (energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to Parish Meeting as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the Parish Meeting at least every two years.

7 PAYMENT OF SALARIES

7.1 All Representatives of the Parish Meeting currently act in a voluntary basis.

8 LOANS AND INVESTMENTS

8.1 All loans and investments shall be negotiated in the name of the Parish Meeting and shall be for a set period in accordance with Parish Meeting policy.

8.2 The Parish Meeting 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 Parish Meeting shall be in the name of the Parish Meeting.

8.4 All borrowings shall be effected in the name of the Parish Meeting, and only after obtaining any necessary 'borrowing approval' consents from the government. Any application for borrowing approval shall be approved by full Parish Meeting as to terms and purpose prior to such application being made. 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 Parish Meeting 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 or goods supplied shall be agreed annually by the Parish Meeting, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Parish Meeting.

9.3 The Parish Meeting will review all fees and charges annually, following a report of the RFO.

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Parish Meeting and shall be written off in the year.

9.5 All sums received on behalf of the Parish Meeting shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Parish Meeting's bankers with such frequency as the RFO considers necessary.

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 Parish Meeting.

9.9 Wherever possible, electronic means will be offered and encouraged for all regular receipts and payments in order to minimise handling of large sums of cash and minimise exposure by encouraging pre-payments ahead of events. Where the Parish Meeting or its representatives have no choice but to handle cash, appropriate steps must be taken to ensure suitable controls are in place, such as there being more than one person present when the cash is counted in the first instance, any cash is banked in a timely manner, is securely stored in the meantime and the safety of individuals banking such cash is considered.

10 ORDERS FOR WORK, GOODS AND SERVICES

10.1 An official order or letter shall be issued for all work (in line with Appendix B), goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

10.2 Order books shall be controlled by the RFO.

10.3 All members and Officers 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 or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (i) below.

10.4 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 legal power being used to incur such expenditure.

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 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 urgent 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 Parish Meeting;

(v) for additional audit work of the External Auditor up to an estimated value of £250 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Parish Meeting);

(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 £50,000 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 Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.

(c) When applications are made to waive Financial Regulations relating to contracts to enable a price to be negotiated without such competition the reason shall be embodied in a recommendation to the Parish Meeting.

(d) 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 at least two Parish Representatives.

(g) If less than three tenders are received for contracts above £50,000 or if all the tenders are identical the Parish Meeting may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

(h) Any invitation to tender issued under this regulation shall contain a statement to the effect of any Standing Orders created by the Parish Meeting in respect of canvassing and undue influence.

(i) When it is intended to enter into a contract less than £50,000 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 Representative shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £2,000 and above £500 the Representative shall strive to obtain 2 estimates. Otherwise, Regulation 10 (3) above shall apply.

(j) The Parish Meeting shall not be obliged to accept the lowest or any tender, quote or estimate.

12 ASSETS, PROPERTIES AND ESTATES

12.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Parish Meeting. The RFO shall ensure a record is maintained of all properties owned by the Parish Meeting, 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.

12.2 No property shall be sold, leased or otherwise disposed of without the authority of the Parish Meeting, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed [£50].

12.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

13 INSURANCE

13.1 Following the annual risk assessment (per Financial Regulation 15), the RFO shall effect all insurances and negotiate all claims on the Parish Meeting's insurers [in consultation with the Clerk].

13.2 Representatives shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

13.3 The RFO shall keep a record of all insurances effected by the Parish Meeting and the property and risks covered thereby and annually review it.

13.4 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 Parish Meeting at the next available meeting.

14 CHARITIES

14.1 Where the Parish Meeting is sole trustee of a Charitable body the Clerk and 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. The Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

15 RISK MANAGEMENT

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

15.2 When considering any new activity, the Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Parish Meeting.

16 REVISION OF FINANCIAL REGULATIONS

16.1 It shall be the duty of the Parish Meeting to review the Financial Regulations of the Parish Meeting from time to time. The Clerk 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 financial regulations.

Appendix A

Pro-Forma – Authorisation of Expenses Payment To be retained with financial records

<i>Payment description</i>	<i>[What the payment is for]</i>
<i>Payment made to</i>	<i>[Print Name]</i>
<i>Payment sum</i>	£
<i>Receipt</i>	<i>Yes / No – please attach copy to this payment record</i>
<i>Date</i>	<i>[Date Authorised]</i>
<i>Authorised by</i>	<i>[Name of Parish Representative 1]</i>
	<i>[Name of Parish Representative 2]</i>
<i>Payment received by</i>	<i>[Print Name] if Electronic payment made, record reference no</i>
	<i>[Signature] if Electronic payment made, record reference no</i>
<i>Date</i>	<i>[Date received]</i>

Appendix B

Pro-Forma – Order for Goods or Services

To be retained with financial records

Order Reference	[Year – Number, e.g. 2020-001]
Description of Goods or Services	[What is being provided]
Name of Service Provider	[Which company or individual is providing the service]
Price	£
Key Dates	[When the Goods or Services are due to commence, end or be complete]
Quotation	[Reference of quotation in which the price, goods or services are agreed]
Authorisation	[How order is authorised, e.g. refer to Parish Meeting minute]
Order Instructed by	[Name of Parish Representative ordering the goods or services]
	On behalf of Springthorpe Parish Meeting
Date Instructed	[Date order for Goods or Services issued]
Order Completion	[Sign off as Complete, Partially Complete or Cancelled]
Date	[Date]
By	[Name of Parish Representative closing the order / making comment]
Notes	[Any explanatory notes necessary]