

WILCOT and HUISH (with OARE) PARISH COUNCIL

STANDING ORDERS PART TWO

FINANCIAL REGULATIONS

1. GENERAL

- 1.1. These Financial Regulations shall govern the conduct of the financial transactions of the Wilcot and Huish (with Oare) Parish Council (the Council) and may only be amended or varied by resolution of the Council.
- 1.2. In the Wilcot and Huish (with Oare) Parish Council, the Clerk shall be the Responsible Financial Officer (RFO).
- 1.3. The RFO, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.
- 1.4. The RFO shall determine, on behalf of the Council, its accounting records and accounting control systems. The RFO shall ensure the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.
- 1.5. At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. In these Financial Regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of the Accounts and Audit Regulations 2003 as amended in 2006.
- 1.7. In these Financial Regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability in Local Councils in England and Wales – a Practitioners' Guide that is published jointly by NALC and SLCC and updated from time to time.

2. ANNUAL ESTIMATES (BUDGET) and PRECEPT

The preparation of an annual budget is one of the key statutory tasks to be undertaken by a local Council, irrespective of its size. The budget results in the Council setting the precept, it gives the Council authority to make spending commitments in accordance with the approved plans, and it provides a basis for monitoring progress during the year by comparing actual spend against planned spend.

- 2.1. Detailed estimates of income and expenditure on revenue services and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2. The Council shall review the estimates and recommend the precept to be levied for the coming financial year not later than the end of January in each year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3. The RFO will submit the annual Precept Requirement return to the unitary authority in time to meet its deadline (usually January).
- 2.4. The annual revenue budget shall form the basis of financial control for the coming year.
- 2.5. Each Committee (as and when set up) shall formulate and submit proposals to the Council 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 November each year.

3. BUDGETARY CONTROL

- 3.1. Expenditure on the revenue account may be incurred up to the amounts included in each approved budget heading
- 3.2. During the budget year and with the 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.
- 3.3. The RFO shall provide the Council with a statement of income and expenditure to date under each head of the approved annual revenue budget. These statements are to be

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prepared at least at the end of each financial quarter and presented at each Council meeting (excluding extraordinary and additional meetings).

- 3.3.1. Statements should include a comparison with the budget for the financial year.
- 3.4. The RFO may incur expenditure on behalf of the 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 £50.00. The RFO shall report the action to the Council as soon as practicable thereafter.
- 3.5. Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings made elsewhere within the Councils approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Council.
- 3.6. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.7. No expenditure shall be incurred in relation to any capital project, no contract entered into or tender accepted involving expenditure on capital account unless the Council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.8. All capital works shall be administered in accordance with the Council's Standing Orders 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 in force.
- 4.2. The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and before the end of the following month of May. The Statement of Accounts of the Council (which is subject to external audit), including the annual governance statement, shall be presented to the Council for formal approval before 30 June.
- 4.3. The following principles shall be observed in connection with accounting duties:
 - 4.3.1. The duty of providing information, calculating, checking and recording sums due to and from the Council should be separated as completely as possible from the duty of collecting or dispersing them.
 - 4.3.2. Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4. The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with the Accounts and Audit Regulations in force.
- 4.5. The Internal Auditor shall be appointed by, and shall 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 report to Council 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 Council.
- 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 the Audit Commission Act 1998 and the Accounts and Audit Regulations.
 - 4.6.1. Councillors and electors may inspect and copy the Council's accounts and/or orders of payments by appointment with the RFO.
- 4.7. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records, as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

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5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1. The Council's banking arrangements shall be made by the RFO and approved by the Council. One current account shall be maintained at the Bank.
- 5.2. A schedule of the payment of money shall be prepared by the RFO and, together with the relevant invoices etc, presented to the Council. If the schedule is in order it shall be proposed and seconded and authorised by a resolution of the Council.
- 5.3. Cheques drawn on the Treasurer's Bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two members of the Council.
- 5.4. Any Standing Order or Direct Debit set shall shall be approved by two members of the Council.

6. PAYMENT OF ACCOUNTS

- 6.1. All payments shall be effected by cheque or other order drawn on the Council's Bankers.
- 6.2. All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice the officer shall satisfy him/herself that the work, goods or services to which the invoice relates 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. When the RFO is satisfied that invoices are in order s/he shall raise an outgoing sheet and satisfy the audit trail.
- 6.5. All duly certified invoices will then be entered on the schedule referred to in regulation 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. The payment of all salaries shall be made by cheque or other Bankers order using the schedule of the payment of money and presented to the Council in the normal way.
- 7.2. The payment sheet will be presented to the Council at the same time as the cheque and certified by the Chairman as to accuracy.
- 7.3. 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 salaries shall be as agreed by Council.
- 7.4. 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 stipulated in employment contracts, 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 by the RFO in the name of the Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.
- 8.2. All investments of money under the control of the Council shall be in the name of the Council.
- 8.3. All borrowings shall be effected in the name of the Council.
- 8.4. 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.

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- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately 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 and shall be written off in the year.
- 9.5. All sums received on behalf of the Council shall be banked by the RFO.
- 9.6. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.
- 9.7. Every transfer of official money from one member of the Council to another member shall be signed for by the receiving officer.
- 9.8. Personal cheques shall not be cashed out of money held on behalf of the Council.

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 e.g. petty cash purchases. Copies of orders shall be maintained.
- 10.2. Order books shall be controlled by the RFO.
- 10.3. The RFO is 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 cash transactions.

11. CONTRACTS

- 11.1. No set procedures as to contracts are laid down in the regulations as procedures for each individual contract will be laid down at a meeting of the full Council.
- 11.2. Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £60,000 shall be procured on the basis of a formal tender.
- 11.3. The Council may request a formal tender for any major purchase within the limits of its budget.
- 11.4. Any formal tender process shall comprise the following steps.
 - 11.4.1. A public notice of intention to place a contract to be placed in a local newspaper.
 - 11.4.2. A specification of the goods, materials, services and the execution of works shall be drawn up.
 - 11.4.3. Tenders are to be sent, in a sealed marked envelope, to the RFO by a stated date and time.
 - 11.4.4. Tenders submitted are to be opened, after the stated closing date and time, by the RFO and at least one member of the Council.
 - 11.4.5. Tenders are then to be assessed and reported to the appropriate meeting of the Council or Committee.
 - 11.4.6. Neither the Council, nor any committee, is bound to accept the lowest tender, estimate or quote.
 - 11.4.7. Where the value of a contract is likely to exceed £138,893 (or other threshold specified by the Office of Government Commerce from time to time) the Council must consider whether the Public Contracts Regulations 2006 (SI No 5, as amended) and the Utilities Contracts Regulations 2006 (SI No 6, as amended) apply to the contract and, if either of these Regulations apply, the Council must comply with EU procurement rules.

12. STORES AND EQUIPMENT

- 12.1. The RFO shall be responsible for the care and custody of stores and equipment.
- 12.2. Delivery notes must be obtained in respect of all goods received in to store and goods must be checked as regards quality at the time delivery is made.
- 12.3. Stocks shall generally be maintained at the minimum level consistent with operational requirements.

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12.4. The RFO shall be responsible for an annual check of all stocks and stores.

13. INSURANCE

- 13.1. The RFO shall effect all insurance and negotiate all claims on the Council's insurer.
- 13.2. The RFO shall ensure that all new risks, properties or vehicles which require to be insured are added to existing insurance.
- 13.3. The RFO shall keep a record of all insurance effected by the Council 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 effect likely to lead to a claim.
- 13.5. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. The RFO 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 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 estimated value of any one item of tangible moveable property does not exceed £50.
- 14.3. 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, possible in conjunction with a health and safety inspection of assets.

15. REVISION OF FINANCIAL REGULATIONS

- 15.1. It shall be the duty of the Council to review the Financial Regulations of the Council once per year. 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 financial regulations.

The Financial Regulations were approved and adopted by the Parish Council at a Meeting held on 18 February 2014 and come into immediate effect.

Signed by the Chairman: Dee Nix 18/02/2014