

WOODMANSEY PARISH COUNCIL FINANCIAL REGULATIONS (2022)

Introduction

These Financial Regulations were adopted by the Council at its Meeting held on April 2022.

General

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.

Woodmansey Parish Council does not engage a separate Clerk and Responsible Financial Officer and this role is carried out by a single Officer under the direction and instruction of the Council and shall be responsible for the proper administration of the Council's financial affairs, hereafter referred to as the 'Proper Officer'.

The PROPER OFFICER shall be responsible for the production of financial management information as detailed below

Annual Preparation of Budget Expenditure

Cllrs shall formulate and submit proposals to the Council in respect of capital / project costs for the following financial year not later than the end of December each year and in time for final agreement of the required precept for the new financial year. This is particularly required where new capital / project expenditure is proposed.

Where possible detailed estimates of proposed capital / project expenditure shall be prepared and submitted each year to the PROPER OFFICER which will be reviewed by Cllrs not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year. The PROPER OFFICER shall supply each member with a copy of the approved estimates.

The budget for the Parish Council will be established by the new financial year and during the period of January – March, Cllrs will submit proposals for budget changes outside of those capital / project spending already agreed by the Parish Council. Particular attention needs to be paid to the variance in the budget (spending v credit) and the annual budget shall form the basis of financial control for the ensuing year.

Budget Control

Expenditure on revenue items may be incurred up to the amounts included in the approved budget and no expenditure incurred will exceed the amount provided in the approved revenue budget unless with agreement of the council. The PROPER OFFICER shall provide Cllrs with a quarterly statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.

The Clerk may incur or authorise 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 £400. The Clerk shall report the action to the Council as soon as practicable thereafter.

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.

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

Accounting and Audit

All accounting procedures and financial records of the Council shall be determined by the PROPER OFFICER as required by the current Accounts and Audit Regulations. The PROPER OFFICER shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.

The PROPER OFFICER shall be responsible for completing 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 for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended or set by the Auditor.

The PROPER OFFICER shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 2015. Any officer or member of the Council shall, if the PROPER OFFICER or Internal Auditor requires, make available such documents of the Council which appear to the PROPER OFFICER or internal Auditor to be necessary for the purpose of the internal audit and shall supply the PROPER OFFICER or Internal Auditor with such information and explanation as the PROPER OFFICER or Internal Auditor considers necessary for that purpose.

The Internal Auditor shall carry out the work required by the PROPER OFFICER on behalf of the Parish the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the council, shall report to Council in writing with a minimum of one annual report in respect of each financial year (or as required by the Parish Council).

The PROPER OFFICER shall make arrangements for the opportunity for inspection of the accounts, books, and files required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended. The Internal Auditor will be appointed in writing and this will clearly set out the conditions of the appointment and duration.

The PROPER OFFICER 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.

Separate account sheets shall be held for the village allotments and employee payments / salaries.

Banking and Cheque Authorisation

The Council's banking arrangements shall be administered by the PROPER OFFICER in accordance with the Banking Mandate held between the Parish Council and the Bank, as approved by Council. They shall be regularly reviewed for efficiency.

A schedule of the payments required, forming part of the Agenda for the Meeting, shall be prepared by the PROPER OFFICER and together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by the resolution of the Council. The detail should be shown in the Minutes of the Meeting.

Cheques drawn on the bank account in accordance with the schedule referred to above shall be signed by two members of council who are authorised signatories as identified on the banking mandate.

Payment of Accounts

All payments shall be honoured by cheque or other order drawn on the Council's bankers.

All invoices for payment shall be examined, verified and certified by the PROPER OFFICER. The PROPER OFFICER shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved. The PROPER OFFICER shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted and which are in order, at the next available Council Meeting.

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 Council, or where to delay payment would cause hardship to the recipient or embarrassment to the Council then provided the PROPER OFFICER confirms that there is no dispute or other reason to delay payment, the PROPER OFFICER may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of council.

Payment of Salaries

As of 2022, Woodmansey Parish Council employees one paid member of staff and retains a payroll administrative service in order to facilitate this.

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.

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, provided that each payment is reported to and ratified by the next available Council Meeting.

Loans and Investments

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. All investments of money under the control of the Council shall be in the name of the Council. It is expected that any negotiations are conducted by senior Councillors supported by the Clerk – any negotiations should be led by the Parish Chair or Deputy Chair.

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.

All investment certificates and other documents relating thereto shall be retained in the custody of the PROPER OFFICER.

Incomes to the Parish Council

Wherever applicable, the collection of all sums due to the Council shall be the responsibility of and under the supervision of the PROPER OFFICER and particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council, notified to the PROPER OFFICER who will be responsible for the collection of all accounts due to the Council.

The Council will review all fees and charges annually, following a report of the PROPER OFFICER.

All sums received on behalf of the Council shall be banked intact as directed by the PROPER OFFICER. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the PROPER OFFICER considers necessary. The origin of each receipt shall be entered on the paying-in slip.

Personal cheques shall not be cashed out of money held on behalf of the Council under any circumstances

Where any significant sums of cash are regularly received by the Council, the PROPER OFFICER 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.

Orders for Works and Services (Contract Procedure)

An official order / quote / 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 such documentation shall be retained. All Councillors are responsible for obtaining value for money at all times. The Clerk / FRO should ensure as far as reasonable and practicable that the best available terms are obtained in

respect of each transaction, by obtaining three or more quotations or estimates from appropriate suppliers – this condition applies to any purchase / order over £2,000 or an amount determined by Councillors subject to the circumstances at the time.

The PROPER OFFICER shall make all reasonable steps to 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 PROPER OFFICER 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.

Every contract shall comply with these financial regulations and no exceptions shall be made otherwise than in an emergency as authorised by the Parish Chair and seconded by the Deputy Chair.

Contracts should be in place for the following services:

1. for the supply of gas, electricity, water, sewerage and telephone services;
2. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
3. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
4. for work to be executed or goods or materials to be supplied that constitute an extension of an existing contract by the Council;
5. for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk / PROPER OFFICER shall act after consultation with the Chairman and Vice Chairman of the Council);
6. for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

If less than three tenders are received for contracts above £2,000 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.

If a candidate for any contract or supplier of goods to the Council is, to their reasonable knowledge related to any member of or the holder of any office under the Council, he and the person to whom he is related shall disclose the relationship in writing to the Clerk. This condition also applies to if it is known that a Cllr / Officer of the Parish Council has any form of interest in the business, (with the exception of recommendation of service).

A candidate who fails so to do shall be disqualified for such appointment and, if appointed, may be dismissed without notice. The Clerk shall report to the Council or to the appropriate committee any such disclosure. Where relationship to a member is disclosed, this Regulation shall apply. The Clerk shall make known the purpose of the Regulation to every candidate.

When it is to enter into a contract more than £2,000 in value for the supply of goods or materials or for the execution of works or specialist services the Clerk or PROPER OFFICER shall obtain two quotations (priced descriptions of the proposed supply). Where the value is below £2,000 and above £100 the Clerk or PROPER OFFICER shall obtain at least one written estimate.

No written estimate is required for services below £100 unless Cllrs dictate otherwise.

The Council shall not be obliged to accept the lowest or any tender, quote or estimate and all quotes shall be considered and voted on by Cllrs and the number of estimates required may vary dependant on the circumstances of the project and subject to a Councillor vote.

Payment under Contracts for Building or other Construction Works.

Payments on account of the contract sum shall be made within the time specified in the contract by the PROPER OFFICER 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). Where contracts provide for payment by instalments the PROPER OFFICER 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 of 5% or more a report shall be submitted to the Council.

Any variation to a contract or addition to or omission from a contract must be approved by the Council to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

Properties and Estates

The Proper Officer shall make appropriate arrangements for the custody of all title deeds of properties and assets owned by the Council and 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 Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.

No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law.

Insurance

Following an annual risk assessment, the PROPER OFFICER shall affect all insurances and negotiate all claims with Council's insurers (in consultation with and approval of, Cllrs).

The Clerk / PROPER OFFICER shall give prompt notification to the Council of all new identifiable risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances. The PROPER OFFICER shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.

The PROPER OFFICER shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.

Risk Management

The Clerk / PROPER OFFICER shall prepare and promote risk management policy statements in respect of all activities of the Council. This will be reviewed annually. When considering any new activity, the Clerk / PROPER OFFICER 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.

Revision of these Regulations

It shall be the duty of the Council to review the Financial Regulations of the Council at least annually.

Financial Regulations and Cllr Responsibilities

A copy of these Financial Regulations shall be given to each Cllr annually by the Clerk upon delivery to them of the member's Declaration of Acceptance of Office.

All Cllrs will be required to sign to acknowledge receipt of and confirmation of understanding and agreement.

These Financial Regulations were reviewed and approved by the Parish Council, noted in the minutes of the **April 2022 Parish Meeting**, and signed by the Parish Chair, on behalf of all Councillors as a true document.

Signed ... *Andrew Crabbe* ... Date *April 2022*.....
Parish Clerk (Andrew Crabbe)

Approved by

Signed *Kerri Harold* Date *April 2022*.....
Parish Chair (Kerri Harold)