

1. Introduction

- 1.1 The Council has a legal responsibility to make proper arrangements for the administration of its financial affairs, and must appoint an officer to undertake that responsibility. The officer so appointed is the Parish Administrator. In addition, since public money is involved, the Council should be able to demonstrate that members and officers are acting with openness, integrity and accountability.
- 1.2 Annex 1 sets out the key pieces of legislation on which these regulations are based.
- 1.3 These regulations set out a minimum level of good financial practice which must be adopted by all councillors and employees of the Council.
- 1.4 In this respect, particular (but not exclusive) attention should be paid to the following documents, which define the Council's control and main procedural environment. They are listed in the order of the precedence which should be followed in the event of any conflict between their provisions:
- (i) European and National Law
 - (ii) The Council's Standing Orders – including the constitution and reporting structure of the Council, requirements as to the procedure of meetings and the requirements for the tendering and letting of contracts by the Council.
 - (iii) Financial Regulations – this document.
 - (iv) Other Council procedures
- 1.5 These regulations, while allowing members and officers scope to manage their services effectively, have the aim of:
- (i) Identifying the various responsibilities of members and officers, thereby promoting a protective environment.
 - (ii) Requiring that decisions are given appropriate consideration before they are taken, and also reviewed later where appropriate.
 - (iii) Requiring that standards are complied with.
 - (iv) Promoting propriety.
- 1.6 No exceptions to the regulations will be authorised except by Full Council, although the Chairman of the Council can determine that an emergency situation exists. In this latter case, all agreed exceptions should be reported to Full Council at the earliest opportunity.
- 1.7 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

2. The Responsibilities of the Parish Administrator

- 2.1 The Parish Administrator will, as the officer carrying the responsibility for financial affairs of the Council:
- (i) Determine the form of the accounts and supporting records of the Council.

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- (ii) Determine the form of financial services and systems, including the procedures for reporting to councillors on financial matters.
 - (iii) Determine and, after consultation with councillors, issue any accounting and financial instructions considered necessary to supplement these regulations.
 - (iv) Ensure that a regular internal audit and examination of accounting, financial and other related operations of the Council is carried out, including reviewing compliance with the standards set out in these regulations
 - (v) Be accountable for the security of all resources (including cash and keys) and assets within their area of responsibility.
 - (vi) Account for, monitor and control budgets.
 - (vii) Maintain any accounts and records under their control to the standard required by these regulations.
 - (viii) Ensure that staff is aware of these regulations and their significance, and that they have access to copies.
 - (ix) Maintain an up to date scheme of delegation for financial matters
 - (x) Facilitate internal auditors or other representatives authorised by Council to:
 - enter at any time onto any premises or land used or owned by the Council without necessarily giving prior warning.
 - have access to any information that they require in order to carry out their duties, including access to all records, correspondence and computer systems.
 - make checks and seek explanations as they consider necessary.
 - require any employee to produce cash, stores or other Council property under their control, and to remove the same for a short period, having regard to the needs of the Council for the ongoing provision of services.
- 2.2 The Parish Administrator shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 2.3 If councillors are unclear about any aspects of these regulations or their interpretation, they must seek clarification. Failure to comply with them may result in maladministration or an illegal act, which might be the subject of an investigation by Internal Audit, External Audit, the Local Government Ombudsman and/or the Police.
- 3. Annual Estimates**
- 3.1 Each Committee shall formulate and submit proposals to the Finance and Resources Committee in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November each year.
- 3.2 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the Parish Administrator.

3.3 The Finance and Resources Committee shall review the estimates and submit them to the Council not later than the end of December in each year and shall recommend the precept to be levied for the ensuing financial year. The Parish Administrator shall supply each member with a copy of the approved estimates.

3.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

4. Authority to Spend Money – Capital

4.1 All Council expenditure is deemed to be revenue expenditure, to be met in the year of account in which it is incurred, unless it is specifically deemed to be capital expenditure by Finance and Resources Committee by inclusion in an approved capital programme.

4.2 Before expenditure can be included within a capital programme it must:

- (i) Be spent on an item of lasting nature, having benefit to the Council for more than one year of account.
- (ii) Be funded other than from:
 - The annual revenue budget (unless a specific resolution has been made by the committee to use an identified revenue sum in this way).
 - A revenue reserve or provision.

5. Authority to Spend Money - Revenue

5.1 Every committee must prepare a revenue budget of income and expenditure, in the form required by, and in consultation with, the Parish Administrator. No money can be spent out of that budget until the budget has been approved by the Council.

5.2 Money may then be spent on any item considered by the appropriate committee to be reasonably required to carry out the policies of the Council and at any time in the financial year concerned provided that:

5.3 The item concerned is fit for the purpose, and,

EITHER

Enough money has been provided in the budget for the item,

OR

Enough money can be transferred (vired) from another budget head, subject to the virement rules set out below

5.4 Money may be transferred (vired) from one revenue budget head to another during the supplementary estimates review in November, subject to the following approvals:

Within the same Committee

No limit	By agreement of the committee and where Council policy is not changed and no increase in costs will result in future years.
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Between Committees

No limit	By agreement of both committees and where Council policy is not changed and no increase in costs will result in future years.
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5.5 Any budgets consistently under or over spent will be reviewed as part of the budget setting process, to ensure that budgets match the Council's requirements more closely.

5.6 All discussions and negotiations with the Inland Revenue and Customs and Excise on taxation related matters should be undertaken by the Parish Administrator, who shall also arrange for the completion of all taxation related returns on behalf of the Council.

6. Banking

6.1 Banking arrangements and the handling of cheques or other instruments of payment must be in accordance with standards and procedures determined by the Council. In particular:

6.2 Only the Parish Administrator in conjunction with the Finance and Resources Chairman may set up an official Council bank account.

6.3 Cheques must be signed by 2 councillors. 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 invoice. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment should not, under normal circumstances, be a signatory to the payment in question.

6.4 Any alterations to a cheque must be initialled by an authorised signatory.

6.5 The decision to use any form of payment other than a single, one-off crossed cheque shall be at the sole discretion of the Parish Administrator. No officer should thus enter into an agreement with a supplier to make any other form of payment without the Parish Administrator's written approval.

6.6 No officer shall arrange to make payments from any Council bank account other than in accordance with these regulations.

7. Income Collection

7.1 Councillors and officers are responsible for complying with any procedures and standards laid down for the collection of money due to the Council.

7.2 Where a situation arises after the raising of any "debt" that the "debt" appears not to be valid, the invoice may be cancelled by the Parish Administrator.

7.3 Where a debt is due, and has been pursued actively, but remains unpaid, the Finance and Resources Committee is authorised to write-off the debt, the value of which must subsequently be reported to Full Committee.

7.4 Councillors must review their fixed scales of external charges and fees at least annually.

7.5 All changes to fees and charges should be notified to Full Committee before implementation.

7.6 Personal cheques shall not be cashed out of money held on behalf of the Council.

8. Making and Receiving Payments

- 8.1 Any Debit/Credit Card issued for use will be specifically restricted to the Parish Administrator and will also be restricted to a single transaction maximum value of £500 unless authorised by Council in writing before any order is placed.
- 8.2 Any corporate credit card or trade account/card opened by the Council will be specifically restricted to use by the Parish Administrator and shall be subject to automatic payment in full at each month end. Personal credit or debit cards of members of staff shall not be used under any circumstances.
- 8.3 Payments made to the Council by Debit or Credit Cards , through a portable card machine, will be liable to a surcharge.

9. Stocks/Stores

- 9.1 In order to ensure that the financial affairs of their services are properly managed, the Parish Administrator will be accountable for the security of all resources and assets within their area of responsibility.
- 9.2 Any officer who holds items for future consumption, other than normal "office consumables", such as paper, pens, or computer consumables, must inform the Parish Administrator, who must then determine whether the provisions of these regulations will apply. All items for which such a determination has been made will be identified and referred to as "stock" for the purposes of these regulations.
- 9.3 An annual statement of quantities in stock as at 31 March, together with a valuation, must be supplied to the Parish Administrator, certified by the responsible officer, no later than two weeks after the end of the financial year, unless a specific exemption has been agreed in writing.
- 9.4 Stocks should be kept at a minimum level consistent with meeting service needs and represent best value for the authority.
- 9.5 Officers must be able to demonstrate that in disposals of surplus stores or other items officers have followed the procedures determined by the Parish Administrator.

10. Inventories

- 10.1 Inventories shall be maintained in a form to be determined by the Parish Administrator.
- 10.2 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except where a specific arrangement has been approved and evidenced in writing by the Parish Administrator (e.g. private use of Council telephones, subject to the reimbursement of call charges by staff).
- 10.3 The Parish Administrator shall also make such checks of the inventories as he/she considers necessary.

11. Orders for Work, Goods and Services and Payment of Accounts

- 11.1 No officer or councillor should enter into an agreement with a supplier to make an order or payment other than in accordance with these regulations and the Parish Administrator's approval.

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- 11.2 Where items of anticipated value up to the sum set out at Annex 2, are contained in the current catalogue of the Council's approved purchasing organisations, and the goods are ordered from that source, orders may be placed direct by authorised officers without the need to obtain further competitive tenders or quotations.
- 11.3 Items up to the sum set out at Annex 2 may be ordered direct by authorised officers without the need to obtain competitive tenders or quotations, provided the ordering officer is satisfied that the Council has obtained good value for money. Items above the sum set out in Annex 2 may only be purchased after competitive quotations have been sought.
- 11.4 Orders must be placed with the supplier offering the most advantageous terms to the Council, having regard to price, delivery, availability and specification, provided the ordering officer is satisfied that the Council would obtain good value for money. Where the lowest quotation is not accepted this should be approved in writing by the Parish Administrator.
- 11.5 Where quotations are required by these regulations, three shall be obtained, each of which should be in writing. Quotations shall be retained for the current year and one previous year, or as otherwise directed by the Parish Administrator.
- 11.6 Where all items expected to be purchased as a result of a single quotation are anticipated to cost in excess of the value in Annex 2, quotations may only be obtained following consultation with the Parish Administrator.
- 11.7 In all cases, regardless of anticipated price, where a Council wide contract has been let, orders shall be placed against that contract, rather than separate quotations being obtained, unless otherwise agreed in writing by the Parish Administrator.
- 11.8 Where Council intend to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ['Regulations'] which is valued at £20,000 or more, the Council shall comply with the relevant requirements of the 'Regulations'.
- 11.9 The Parish Administrator shall be authorised to make any payments on behalf of the Council in settlement of amounts due to third parties.
- 11.10 Apart from payments from advance accounts the normal method of payment of money due from the Council shall be by crossed cheque drawn on the Council's Bank account(s), signed by two councillors, unless otherwise specified in the regulations. No other method of payment shall be used without the written approval of the Parish Administrator. In particular, no direct debits, standing orders or any form of deferred payment such as leasing or rental shall be used without the written permission of the Parish Administrator.
- 11.11 The appropriate officer shall be authorised to approve payment of supplier invoices, having satisfied themselves that:
- (i) The work, goods or services to which the account relates have been received, carried out, examined and approved, both as to quantity and quality;
 - (ii) The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct, having been checked against prior quotes, tenders or price lists;
 - (iii) Appropriate entries have been made in inventories, stores records or stock books as required;

- (iv) The account is an original, rather than any form of copy, has not been previously passed for payment and is a proper liability of the Council.
 - (v) Accounts shall be certified without delay in the format, and with any supporting documentation.
- 11.12 In certain circumstances, it will be necessary to make payments to external bodies where the placement of an order is not possible, and no invoice will be submitted to the Council for payment. In all other respects, these payments must be processed in the same way as payments to suppliers.
- 11.12 No officer shall certify any account for payment where that officer is to benefit from the payment. In such cases an independent certification must be obtained.

12. Travelling, Subsistence and Other Allowances

- 12.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the Parish Administrator in the approved form.
- 12.2 The certification shall be taken to mean the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
- 12.3 All claims received by the notified monthly deadline will be paid with that month's salary.
- 12.4 Payment of members' travelling or other allowances will be made by the Parish Administrator upon receipt of the prescribed form duly completed and submitted by the member. All claims received by the notified monthly deadline will be paid with that month's basic allowance.

13. Salaries, Wages and Pensions

- 13.1 The payment of all salaries, wages, pensions, compensation, allowances and other emoluments to all members, employees or former employees of the Council shall be made by the Parish Administrator who shall have the power to make changes to such payments reflecting changes in local or national pay rates or conditions of service. Such payments shall be made by BACS, unless otherwise agreed in writing by the Parish Administrator.
- 13.2 The Parish Administrator shall retain records of all matters affecting the payment of such emoluments and in particular:
- (i) Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (ii) Absences from duty for sickness or other reason which may affect payment.
 - (iii) Changes in remuneration;
 - (iv) Information necessary to maintain records of service for superannuation, income tax and national insurance.
- 13.3 Appointments of all employees shall be made only with written Council approval which should state grades and rates of pay.

14. Insurance

- 14.1 The Parish Administrator shall effect all insurance cover and undertake all liaison with the Council's insurers in respect of the negotiation and payment of all claims in consultation with Councillors where necessary.
- 14.2 No Council member or employee shall be permitted to discuss or admit liability to a third party, other than the Parish Administrator in the course of settling a claim.
- 14.3 Where claims under the Council's public liability policy fall below the excess limit, and accepted liability, the Parish Administrator shall consider, negotiate and make any payment due in settlement of the claim with approval from council.
- 14.4 All appropriate employees of the Council shall be included in suitable fidelity guarantee insurance.
- 14.5 The Parish Administrator shall annually, or at such other period as he/she may consider necessary, review all insurance.

15. Accounts and Internal Audit

- 15.1 All accounting procedures and financial records of the Council shall be determined by the Parish Administrator as required by the Accounts and Audit Regulations.
- 15.2 The Parish Administrator shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Finance and Resources Committee and subsequently Full Council.
- 15.3 The following principles shall be observed in connection with accounting duties.
- (i) The duty of providing information, calculating, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them.
 - (ii) The Parish Administrator who is charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 15.4 The Parish Administrator shall be responsible for maintaining an adequate and effective system in internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations. Any officer or member of the Council shall, if the Parish Administrator requires, make available such documents of the Council which relate to their accounting and other records as appear to the Parish Administrator to be necessary for the purpose of the audit and shall supply the Parish Administrator with such information and explanation as the Parish Administrator considers necessary for that purpose.
- 15.5 The internal audit function must be sufficiently independent from the management of financial controls and procedures of the council which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the council.
- 15.6 To meet legal requirements the Council should employ a competent internal auditor with sufficient organisational independence and status to undertake the role.
- 15.7 The work of internal audit should be subject to approval by Full Council and an engagement letter on first appointment setting out the terms of the appointment.

- 15.8 At the start of each financial year it should be recorded on a Full Council agenda the name of the Internal Auditor and the dates the audit will be undertaken. .
- 15.9 Engagement terms to include:
- roles and responsibilities;
 - audit planning;
 - reporting requirements;
 - assurances around independence and competence;
 - access to information, members and officers;
 - period of engagement;
 - remuneration; and any other matters required for the management of the engagement by the council.
- 15.10 Internal Audit is an independent appraisal function responsible for examining and evaluating the adequacy and effectiveness of internal controls in the Council's systems and making recommendations to management where appropriate.
- 15.11 In order to perform their duties, internal auditors shall have authority to:
- (i) enter at all reasonable times, on any Council's premises or land;
 - (ii) have access to all records, documents, correspondence and computer systems relating to the Council;
 - (iii) require and receive such explanations as necessary concerning any matter under examination;
 - (iv) require any employee of the Council to produce records, cash, stores or any other Council property under his/her control, necessary to carry out the duties required of him/her.
 - (v) have the right to report direct to the Council or District Auditor, as necessary, if the Internal Auditor determines that an investigation would be prejudiced by the use of normal management reporting lines.
- 15.12 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.

16. Irregularities

- 16.1 Any officer who suspects that these regulations have been or may be breached, or that resources of the Council have been or may be stolen, should immediately notify the Parish Administrator personally, or any specific officer designated by him, and confirm this in writing.
- 16.2 The Parish Administrator shall take such steps as he considers necessary by way of investigation and report, including the involvement of the police where necessary, and shall have the right to be represented at any proceedings under the Council's disciplinary procedures for the officer suspected of the breach.

17. Revision of Financial Regulations

- 17.1 It shall be the duty of the Council to review the Financial Regulations of the Council at least every two years.

Annex 1**A. The Legal Framework****1. S151 - Local Government Act 1972**

"... every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."

[repeated in S73 Local Government Act 1985, & S112 Local Government Finance Act 1988]

2. The Accounts and Audit Regulations 1996**1. S4 - Accounting records and control systems**

"Subject to... any instructions given by a relevant body... to their responsible financial officer, the body's accounting systems and the form of their accounts and supporting records shall be determined by the responsible financial officer, and he shall ensure that the accounting systems determined by him are observed and that the accounts and supporting records of the body are maintained in accordance with proper practices and kept up to date."

2. S5 - Internal Audit

"A relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems and any officer or member of the body shall, if the body requires, make available such documents of the body which relate to their accounting and other records as appear to that body to be necessary for the purpose of the audit and shall supply the body with such information and explanation as that body considers necessary for that purpose."

3. S114 - Local Government Finance Act 1988

"(1) ... the person having responsibility for the administration of a relevant authority ... shall have the duties mentioned in this section ... and in this section he is referred to as the chief financial officer.

(2) The chief financial officer ... shall make a report under this section if it appears to him that the authority ..."

(a) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,

(b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or

(c) is about to enter an item of account the entry of which is unlawful.

(3) The chief financial officer ... shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

(4) Where a chief financial officer ... has made a report under this section he shall send a copy of it to -

(a) the person who has the duty to audit the authority's accounts, and

(b) each member

Annex 2**A. VALUES REFERRED TO WITHIN FINANCIAL REGULATIONS****Effective from 1st April 2016**

<u>Item</u>	<u>Value</u>
Threshold below which items may be purchased from the Council's approved purchasing organisation's catalogue with no further requirement for obtaining quotes.	£500
Threshold below which items may be purchased other than from the Council's approved purchasing organisation's catalogue with no further requirement for obtaining quotes or tenders.	£100
Threshold above which 3 quotations must be obtained in consultation with the Parish Administrator.	£1,000
Thresholds above which tenders must be obtained for the purchase of goods or services.	£20,000
<u>Credit/Debit Cards</u>	
User Paying for Event Charges [Credit Card]	2.0% Surcharge
Users Paying for Event Charges [Debit Card]	No Surcharge
Bar Transactions Minimum Transaction £10 [Credit or Debit Card]	No Surcharge
<u>Cash Floats</u>	
Bar Float	£300
Additional Bar Float for Functions	£250
Petty Cash	£500