

## **Worth Parish Council**

### **Financial Regulations**

#### **1). General**

The financial transactions of the Council shall be conducted in accordance with these Regulations and such legislation and proper practices that are in vogue.

#### **2). Responsible Financial Officer**

- a) The Responsible Finance Officer to the Council shall be responsible for the proper administration of the Council's financial affairs in accordance with any directions of the Council and for the production of all necessary financial management information.
- b) The council shall appoint appropriate staff member(s) to undertake the work of the Responsible Financial Officer when the Responsible Financial Officer is absent.

#### **3). Accounts and accounting statements**

- a) "Proper practices" in standing orders refer to the most recent version of Governance and Accountability for Local Councils – a Practitioners' Guide (England).
- b) All payments by the council shall be authorised, approved and paid in accordance with the law, proper practices and the council's financial regulations.
- c) The Responsible Financial Officer shall supply to each councillor as soon as practicable after 30 June, 30 September and 31 December in each year a statement to summarise:
  - i) the council's receipts and payments for each quarter;
  - ii) the council's aggregate receipts and payments for the year to date;
  - iii) the balances held at the end of the quarter being reported

and which includes a comparison with the budget for the financial year and highlights any actual or potential overspends.

- d) As soon as possible after the financial year end at 31 March, the Responsible Financial Officer shall provide:
  - i) each councillor with a statement summarising the council's receipts and payments for the last quarter and the year to date for information; and
  - ii) to the full council the accounting statements for the year in the form of Section 1 of the annual return, as required by proper practices, for consideration and approval.
- e) The year end accounting statements shall be prepared in accordance with proper practices and applying the form of accounts determined by the council (receipts and payments, or income and expenditure) for a year to 31 March. A completed draft annual return shall be presented to each councillor before the end of the following month of May. The annual return of the council, which is subject to external audit, including the annual governance statement, shall be presented to council for consideration and formal approval before 30 June.

#### **4). Financial controls and procurement**

- a) The council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
  - i) the keeping of accounting records and systems of internal controls;
  - ii) the assessment and management of financial risks faced by the council;
  - iii) the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
  - iv) the inspection and copying by councillors and local electors of the council's accounts and/or orders of payments; and
  - v) procurement policies (subject to Financial Regulation 4c) below) including the setting of values for different procedures where a contract has an estimated value of less than £1,000. All contracts in excess of £1,000 shall be set up and decided by the General Purposes & Finance Committee.
- b) Financial regulations shall be reviewed regularly and at least annually for fitness for purpose.
- c) **Financial regulations shall confirm that a proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £1,000 shall be procured on the basis of a formal tender as summarised in Financial Regulation 4d) below.**
- d) Subject to additional requirements in the financial regulations of the council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:
  - i) a specification for the goods, materials, services or the execution of works shall be drawn up;
  - ii) an invitation to tender shall be drawn up to confirm (i) the council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
  - ii) the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
  - iv) tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
  - v) tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
  - vi) tenders are to be reported to and considered by the appropriate meeting of the council or a committee or sub-committee with delegated responsibility.
- e) Neither the council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.

- f) **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 those Regulations apply, the council must comply with EU procurement rules.**

**5) Budget Setting**

In accordance with the provisions of any of the Council's Standing Orders every Committee of the Council shall formulate and submit to the General Purposes and Finance Committee each year a budget with detailed estimates of the expenditure to be incurred in the next financial year on services for which the Committee is responsible and any income to be derived therefrom.

All budgets and estimates prepared by Committees and submitted to the General Purposes and Finance Committee as aforesaid shall be reviewed by that Committee and submitted to the Council by the end of January each year with a recommendation as to the Council's budget for the next following financial year and the precept to be levied therefor. Every member of the Council shall be supplied with copies of all budgets and estimates considered by the Council in accordance herewith.

**6). Budgetary Control**

Expenditure may be incurred each year up to the amounts included in the Council's approved budget and no expenditure shall be incurred above such amounts unless a virement has been approved by the General Purposes and Finance Committee or the Council.

**7). Accounting and Audit**

All accounting procedures and financial regulations of the Council shall be determined by the Clerk to the Council in accordance with any statutory provisions currently in force in respect thereof, in particular the Accounts and Audit Regulations, 1996.

The annual accounts of the Council shall be completed by the Responsible Finance Officer as soon as possible after the end of the financial year and submitted to the Council by not later than the end of May thereafter.

For the purposes of internal audit the Council's financial records shall be open to the inspection of any member of the Council at any time, and any two members of the Council, acting together, and on giving one day's notice of their intention to the Clerk to the Council, shall be at liberty to inspect any of the Council's records at any time for the purpose of investigating and reporting to the Council on the circumstances of any payments made to or by the Council, or any other matter relevant to the Council's finances.

**8). Banking**

The Council's banking arrangements shall be as determined by the Responsible Finance Officer and approved by the Council from time to time.

Cheques drawn on any of the Council's bank accounts shall be signed by the Clerk to the Council and signed by any two authorised members of the Council.

## **9). Payments**

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

All invoices for payment by the Council shall be examined, verified and checked for arithmetical accuracy by the Responsible Finance Officer who shall, before authorising payment, satisfy himself that the work, goods, or services to which the Invoice relates have been received or carried out.

A schedule of all payments authorised by the Responsible Finance Officer shall be submitted to the next following meeting of the Council for approval.

## **10). Salaries & Wages**

Salaries and wages shall be paid by the Responsible Finance Officer who shall maintain all appropriate records in respect thereof.

## **11). Loans and Investments**

All loans and investments shall be in the name of the Council and In accordance with any terms and conditions determined by it. Any investment certificates or documents relating to loans shall be retained in the secure custody of the Council.

## **12). Income**

The collection of all sums due to the Council shall be the responsibility of the Responsible Finance Officer.

All payments made to the Council shall be banked at the earliest opportunity, and a note as to the origin of such payments shall be made on the bank paying-in slip.

## **13). Works, Goods and Services**

Unless the subject of a formal contract, or to a value of less than £50, all works carried out for, or all goods and service supplied to the Council, shall be ordered only by the Clerk to the Council in writing.

All contracts entered into by or on behalf of the Council shall be executed In accordance with the provisions of the Council's Standing Orders.

## **14). Assets**

The Responsible Finance Officer shall maintain -

- a) a record of all plant and equipment owned by the Council and valued at the time of purchase at over £100; and
- b) a record of all property owned by the Council with details of the location and nature of each holding, with details of the purchase, nature of the interest of the Council, and particulars of any tenancies granted and rents payable.
- c) Title deeds of all properties owned by the Council shall be securely lodged with the Council for safe keeping.

## **15). Insurances**

The Responsible Financial Officer shall be responsible for effecting all Insurances in accordance with the Council's instructions, and negotiating all claims on the Council's

Insurers on the Council's behalf. All new risks and alterations to existing insurances shall be notified immediately to the Council's Insurers. All insurance cover maintained by the Council shall be reviewed annually.

**THESE REGULATIONS WERE ADOPTED BY THE PARISH COUNCIL ON:**

**DATE:**.....

**SIGNED:**.....