

**NETTLESTEAD PARISH COUNCIL
FINANCIAL REGULATIONS
REVIEWED APRIL 2022**

These Financial Regulations were Reviewed by the Parish Council at its
Meeting held IN APRIL 2022

1. GENERAL

- 1.1 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.
- 1.2 The Clerk, under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information in accordance with the requirements of the Council.
- 1.4 The Council shall be responsible for ensuring that its financial management is efficient and effective and that the Council has a system of internal controls which facilitates the effective exercise of its functions and which manages in accordance with proper practice.

2. ANNUAL ESTIMATES

- 2.1 Each Committee (if any) shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of November each year.
- 2.2 Detailed estimates of all receipts and payments for the budget year shall be prepared each year by the Clerk
- 2.3 The Council shall review the estimates no later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.
- 2.4 The approved estimates shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 No expenditure may be incurred for a particular items or class of expenditure in the revenue budget, without prior permission and the approval of Council. The Council may approve the reallocation of funds between classes of expenditure where appropriate.

3.2 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.

3.3 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 in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

4.2 The Clerk 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.

4.3 The Clerk 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 timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.

4.4 The Council shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto and report to the full council.

4.5 An Internal Auditor shall be appointed to carry out the work required by the Clerk and the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as required 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 on the annual report in respect of each financial year.

4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

4.7 The Clerk 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 nature.

5. BANKING ARRANGEMENTS AND CHEQUES

5.1 The Council's banking arrangements shall be made by the Clerk and approved by the Council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the Clerk and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council. If more appropriate the detail may be shown in the Minutes of the Meeting. A statement will be reconciled monthly and presented to the full council.

5.3 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 members of Council who are authorised to do so.

6. PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers. This is to be confirmed each financial year in April.

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The Clerk 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.

6.4 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, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) 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.

6.5 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a monthly basis.

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

6.7 Council members shall submit receipts for reimbursement at the next meeting after the expenses have been incurred or as soon as is practicable. All such requests should be accompanied by a signed expenses form.

7. PAYMENT OF SALARIES

7.1 The payment of all salaries shall be made in accordance with the terms of the relevant employment contract.

8. LOANS AND INVESTMENTS

8.1 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.

8.2 The Council will reconsider the need for an Investment Policy annually.

8.3 All investments of money under the control of the Council shall be in the name of the Council.

8.4 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.

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

9. INCOME

9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk

9.2 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 Clerk and the Clerk shall be responsible for the collection of all accounts due to the Council.

9.3 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and may be written off in the year.

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

9.5 The origin of each receipt shall be entered on the paying-in slip.

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

9.7 The Clerk shall complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made six monthly.

10. INSURANCE

10.1 Following an annual risk assessment, the Clerk will affect all insurances and negotiate all claims on the Council's insurers

10.2 The Clerk shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.

10.3 The Clerk 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.

11. CONTRACTS AND ORDERS FOR WORK, GOODS AND SERVICES

11.1 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. Copies of orders shall be retained.

11.2 All members and Officers are 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 each transaction. If a similar product or service is available at similar costs and using local companies, these will be used.

11.3 Procedures for the award of contracts and orders for work, supplies and provision of services are as follows.

- (a) Every contract and order 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 utility 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 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 Council;
 - (v) For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
 - (vi) for the hire of the Village Hall

- (b) Where it is intended to enter into a contract exceeding £5000 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 written tenders or quotations from at least three firms. If it is intended to enter into a contract period exceeding one year then the tender process for that contract will only need to take place every 3 years.
- (c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d) Invitations to tender or quote shall specify the nature of the intended contract and the work to be done. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post.
- (e) If less than three tenders or quotations are received for contracts above £5000 or if all the prices are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (f) The Council shall not be obliged to accept the lowest or any tender, quote or estimate. The reasons for the choice should be recorded.

11.4 Payments on account of the contract sum for building or other construction work contracts shall be made within the time specified in the contract by the Clerk upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any retention as may form part of the particular contract).

11.5 Where contracts provide for payment by instalments the Clerk 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.

11.6 The Clerk shall verify as far as possible the lawful nature of any proposed purchase before the issue of any order.

12. PROPERTIES AND ESTATES

12.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned and leased and all other legal documents retained by the Council. The Clerk shall ensure a record is maintained of all properties owned or leased 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.

12.2 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 movable property does not exceed £10

13. RISK MANAGEMENT

13.1 The Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.

13.2 When considering any new activity the Clerk shall determine if a draft Risk Management policy for the activity is required, addressing the legal and financial liabilities and Risk Management issues that arise to the Council for consideration and, if thought appropriate, adoption at the next Council Meeting.

13.3 The Council shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

14. REVISION OF FINANCIAL REGULATIONS

14.1 It shall be the duty of the Council to request that a review of the Financial Regulations of the Council is carried out from time to time.

Signed

Chairman.....

Clerk.....

Date.....