

# BARNBY IN THE WILLOWS PARISH COUNCIL

## Financial Regulations

### 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 Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- 1.3. The RFO shall be responsible for the production of financial management information.
- 1.4. For the time being the role of Responsible Financial Officer is fulfilled by the Clerk.

### 2. Annual Estimates

- 2.1. Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO/Clerk.
- 2.2. The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO/Clerk shall supply each member with a copy of the approved estimates.
- 2.3. The annual budget shall form the basis of financial control for the ensuing year.

### 3. Budgetary Control

- 3.1. The RFO/Clerk will regularly provide the Council with a statement of receipts and payments to date under each head of the budget, comparing actual expenditure against planned.
- 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.

### 4. Accounting and Audit

- 4.1. All accounting procedures and financial records of the Council shall be determined by the RFO/Clerk as required by the Accounts and Audit Regulations 1996 as amended.
- 4.2. The RFO/Clerk shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of financial year and shall submit them and report thereon to the Council.
- 4.3. The RFO/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 timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4. The RFO/Clerk 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 1996 as amended. Any officer or member of the Council shall, if the

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RFO/Clerk or Internal Auditor requires, make available such documents of the Council which appear to the RFO/Clerk or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO/Clerk or Internal Auditor with such information and explanation as the RFO/Clerk or Internal Auditor considers necessary for that purpose.

- 4.5. The Internal Auditor shall carry out the work required by the RFO/Clerk, or by 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 the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6. The RFO/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 1996 as amended
- 4.7. The RFO/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 matter.

## **5. Banking Arrangements and Cheques**

- 5.1. The Council's banking arrangements shall be made by the RFO/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 RFO/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 and shall be initialled by the Chairman of the Meeting.
- 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, and countersigned by the Clerk.
- 5.4. To indicate agreement of the detail show on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

## **6. Payment of Accounts.**

- 6.1. Payments may be made by bank transfer / online banking following approval by the Council. A copy of the bank's transaction confirmation will be attached to the invoice and both documents signed by two members of the Council and countersigned by the Clerk. A list of authorised signatures will be held by the Clerk and updated annually. Payments may be effected by cheque or other order drawn on the Council's bankers, where bank transfers / online banking isn't possible.
- 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 at the approved.
- 6.3. The RFO shall examine invoices in relation to arithmetical 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.

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- 6.4 If a payment is necessary before the next scheduled meeting of the Council, where there is no dispute or other reason to delay payment, the Clerk may (notwithstanding paragraph 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 or RFO (for example for postage on minor stationery items) shall be refunded on a regular basis, at least annually.

## **7. Payment of Salaries**

- 7.1. 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. The payment of salaries shall be made by bank transfer / online banking in accordance with the payroll records.
- 7.2. 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.

## **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's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least 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 effected 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 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/Clerk. Income from Village Hall lettings to be banked monthly.
- 9.2. The Council will review all fees and charges annually, following a report of the Clerk.
- 9.3. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.4. All sums received on behalf of the Council shall be banked intact as directed by the RFO/Clerk. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO/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.

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9.7. The RFO/Clerk shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

## 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. Copies of orders shall be retained.

10.2. 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.

10.3. The RFO/Clerk shall verify the lawful nature of any proposed purchase before the issue of any order.

## 11. Contracts

11.1. Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exception 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 gas, electricity, water, sewerage and telephone services;
  - (ii) for specialist services such as 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 additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the RFO/CLERK shall act after consultation with chairman and vice-chairman of Council);
  - (vi) for goods of materials propose to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b. Where it is intended to enter into a contract exceeding £20,000 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 tenders from at least three firms to be taken from the list maintained by Newark & Sherwood District Council.
- 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. Such invitation to tender shall state the general nature of the intended contract and Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remained sealed until the prescribed date for opening tenders for that contract.

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- e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.
- f. If less than three tenders are received for contracts above £20,000 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.
- g. When it is to enter into a contract of less than £20,000 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 RFO/CLERK shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £500 and above £100 the RFO/CLERK shall strive to obtain three estimates. Otherwise regulation 10 (3) above shall apply.
- h. The Council shall not be obliged to accept the lowest of any tender, quote or estimate.

## 12. Payments under Contracts for Building or Other Construction Works

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO 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).
- 12.2. Where contracts provide for payment by instalments the RFO/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 by 5% or more a report shall be submitted to the Council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## 13. Properties and Estates

- 13.1. The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO/CLERK 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.
- 13.2. 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 £50.

## 14. Insurance

- 14.1. Following an annual risk assessment, the RFO/Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 14.2. The RFO/Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

## 15. Charities

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- 15.1. Where the Council is sole trustee of a charitable body the RFO/Clerk shall ensure that separate accounts kept of the funds held on charitable trusts and separate financial report made in such form and shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO/Clerk shall arrange for any audit or Independent Examination as may be required by Charity Law or any Governing Document.

### **16. Risk Management**

- 16.1. The RFO/Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 16.2. When considering any new activity, the RFO/Clerk 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.

### **17. Revision of Financial Regulations**

- 17.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time.

*Document last reviewed 10<sup>th</sup> May 2022.*