



BURTON JOYCE
PARISH COUNCIL

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FINANCIAL REGULATIONS

Adopted: 7th May 2024

These Financial Regulations were adopted by Burton Joyce Parish Council at its Meeting held on 16th May 2023.

1. GENERAL

- 1.1 These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.
- 1.2 The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the Council. The Parish Clerk has been appointed a RFO for this Council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.
- 1.3 The RFO shall produce financial management information as required by the Council.
- 1.4 At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its systems of internal control which shall be in accordance with proper practices.
- 1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of section 27 of the Audit Commission Act 1998 and then in force.
- 1.6 In these financial regulations the term 'proper practices' shall refer to guidance issued in 'Governance & Accountability in Local Councils in England and Wales – A Practitioners' Guide' which is published jointly by NALC and SLCC and updated from time to time.

2. ANNUAL ESTIMATES (BUDGETS)

- 2.1 Each committee shall formulate and submit proposals to the Council in respect of revenue and capital.

- 2.2 Detailed estimates of all receipts and payments, including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.3 The Council shall review the budget not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the Precept to the billing authority and shall supply each member with a copy of the approved budget.
- 2.4 The annual budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council or duly delegated committee. During the budget year and with the approval of the Council having fully considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.
- 3.3 The RFO shall each quarter provide the Council with a statement of receipts and payments to date under each head of the budgets comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.
- 3.4 The Parish Clerk may incur 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 a budgetary provision for the expenditure, subject to a limit of £1000. For expenditure above £1000 and no greater than £5,000 the Parish Clerk must receive the approval of two bank signatories before proceeding. The Parish Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council.
- 3.6 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 can be obtained.

- 3.7 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 3.8 Salary budgets are to be reviewed at least annually for the following financial year and such review shall evidence by a hard copy schedule signed by the Clerk and the Chair of council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4. ACCOUNTING & AUDIT

- 4.1 All accounting procedures and financial statements of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall complete 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 shall submit the Annual Return for approval and authorization by the Council within the timescales set by the Accounts & Audit Regulations.
- 4.4 The RFO shall ensure that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- 4.5 Council will appoint (at the Annual meeting of the Parish Council) **3** members of the Finance & General Purposes Committee to the role of Internal Audit Monitors who will be responsible for carrying out quarterly audits of practice and procedures with the RFO. At the Annual Parish Council meeting, one Internal Audit Monitor will be designated lead and will be responsible for co-ordinating/reporting on internal audit monitoring visits. Council will receive quarterly reports (via the F&GP Committee) on the outcome of each audit.
- 4.6 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence,

the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making or control of the Council.

- 4.7 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers for the display or publication of any notices or statements of account required by the Audit Commission Act 1988 and the Accounts & Audit Regulations.
- 4.8 The RFO, 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, CHEQUES & ELECTRONIC PAYMENTS

- 5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. The Parish Council will use the Unity Trust Bank for current account purposes and deposits will be held at the CCLA Investment Fund. These arrangements shall be reviewed annually for efficiency.
- 5.2 The Parish Clerk and Deputy Clerk will be able to access financial information on the account via Telephone Banking by using unique passwords to access account information. Any employee must be verified and approved by the signatories on the account before they are given access to the facility.
- 5.3 On approval by Full Council a LLOYDS CORPORATE card, with a fixed cash limit of £500 will be issued to the Clerk and with a fixed cash limit of £1000 to the Ground & Amenities Manager. This will allow payment of day to day activities without the need of having to manage a petty cash or an encashment facility. It will also assist in reducing back office administration by tracking expenses through detailed transactional spend, available online.
- 5.4 Requests for top up payments of the LLOYDS CORPORATE card must be signed in accordance with the bank mandate held with Unity Bank as this account will be the funding account. Forms received and processed by 3pm will be available on the Cardholder's fund by the end of the same day.
- 5.5 All Parish Councillors (during their term of office), the Parish Clerk and any appointed Deputy will be given access to **view** the account online
- 5.6 The Parish Clerk and appointed Deputy will be able to **view and submit payments** for authorisation but will not be able to authorise these

- 5.7 Four nominated Parish Councillors (during their term of office) approved by the full Parish Council will be able to **view and authorise payments**. The list of signatories will be presented to the full Parish Council for approval in May each year. Only two of the four nominees will be required to authorise any payment(s) at any one time.
- 5.8 If the signatories on the account change, the Parish Clerk or appointed Deputy, on receiving authorisation of changes by full Council, must advise the Unity Trust Bank by completing a change of signatories form.
- 5.9 Bank reconciliations and budget performance reports will be presented to full Council on a monthly basis.
- 5.10 Transfers to/from Unity Bank to the CCLA Investment Fund will be submitted and authorised as per 5.7
- 5.11 A balance of £30,000 to cover average expenditure will be available in the Unity Bank current account at the beginning of each month
- 5.12 A schedule of the payments required, forming part of the Agenda for the full meeting of the Parish Council, shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by resolution of the Council and shall be initialed by the Chairman of the meeting. If more appropriate the detail may be shown in the Minutes of the meeting.
- 5.13 Any cheque payments shall be drawn on the bank account in accordance with 5.7
- 5.14 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or other similar documentation, the signatories shall also initial the cheque counterfoil.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by electronic bank payment, cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the Parish Clerk. The Parish 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 RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Parish Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Parish Council meeting.

- 6.4 If 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 the full Parish Council, where the Parish Clerk and RFO certify that there is no dispute or other reason to delay payment, the Parish 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 meeting of the full Parish Council.
- 6.5 If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by 2 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 2 years.

7. PAYMENT OF SALARIES

- 7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. 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.
- 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 stipulated in employment contracts, provided that each payment is reported to and ratified by the next available meeting of the full Parish Council.
- 7.3 Payment of salaries for the 21st of each month will be made by electronic transfer to employee's designated bank account on the 25th day of each month (or up to 2 days earlier if the 25th is a Bank Holiday or weekend). A printed record of the bank transaction and a copy of the pay slips will be kept and be subject to quarterly monitoring by the Internal Audit Monitors.
- 7.4 Pension Regulations require that employee and employer pension contributions are paid into the Fund on a monthly basis and **must be received by the 17th of the following month**. The Fund is entitled to charge interest on any contributions remaining unpaid after this date.
- 7.5 Membership of pension schemes will be reviewed at least annually

8 LOANS & INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set periods in accordance with Council policy.
- 8.2 The Council shall consider the need for an Investment Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any policy shall be reviewed 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 the Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the 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.
- 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 RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges annually, following a report of the Parish Clerk.
- 9.4 Any sums found to irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The RFO, or designated agent, shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1993 (section 33) shall be made at least annually coinciding with the financial year end.

9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than 1 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.

10. ORDERS FOR WORK, GOODS & SERVICES

10.1 An official order or letter shall be issued for all a work, goods and services at a cost of £200 and above 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 shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining 3 or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in regulation 11 (1) below.

10.3 The RFO shall 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 RFO 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.

11. CONTRACTS

11.1 Procedures as to contracts are laid down as follows:

(a) Every contract 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 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 Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of the Council);
- (vi) For goods or material proposed 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 £25,000 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 Parish Clerk shall invite tenders from at least 3 firms to be taken from the appropriate approved list.
- (c) Where tenders have an estimated value of £25,000 or more, the requirements of the 2015 Public Contracts Regulation must be satisfied, in which the Contracts Finder Website must be used.
- (d) 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.
- (e) Such invitation to tender shall state the general nature of the intended contract and the Parish 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 Parish 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 remain sealed until the prescribed date for opening tenders for that contract.
- (f) All sealed tenders shall be opened at the same time on the prescribed date by the Parish Clerk in the presence of at least 1 member of the Council.
- (g) If less than 3 tenders are received for contracts above £25,000, 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.
- (h) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 61, 63 and 64.
- (i) When it is to enter into a contract less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Parish Clerk shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £500 the Parish Clerk shall strive to obtain 3 estimates. Otherwise, regulation 10 (3) above shall apply.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORK

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorized 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 installments, the RFO 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 variations, will exceed the contract sum of 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 Parish Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. STORES & EQUIPMENT

- 13.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time the delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. ASSETS, PROPERTY & ESTATES

- 14.1 The Parish Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO 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 Accounts & Audit Regulations.
- 14.2 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.
- 14.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the

Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. INSURANCE

- 15.1 Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.3 The RFO 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.
- 15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. CHARITIES

- 16.1 Where the Council is sole trustee of a charitable body, the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts that separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO shall arrange for any audit or independent examination as may be required by Charity Law or any governing document.

17. RISK MANAGEMENT

- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Parish Clerk shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.

18. REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Council to review the financial regulations of the Council at least annually. The Parish Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.