

## WYBUNBURY PARISH COUNCIL FINANCIAL REGULATIONS

### Contents

1. General .....	2
2. Risk management and internal control .....	3
3. Accounts and audit .....	3
4. Budget Control and Authority to Spend .....	4
5. Budget and precept .....	4
6. Procurement .....	5
7. Banking and Electronic payments.....	5
8. Cheque payments .....	6
9. Petty Cash.....	6
10. Payment of salaries and allowances .....	6
11. Loans and investments .....	6
12. VAT Reclaims .....	6
13. Assets, properties and estates.....	6
14. Insurance .....	6
15. Suspension and revision of Financial Regulations.....	7
Appendix - Tender process.....	8

These Financial Regulations were adopted by the council at its meeting held on 8<sup>th</sup> July 2024

## 1. General

- 1.1. These Financial Regulations govern the financial management of the Parish Council and may only be amended or varied by resolution of the Parish Council. They are one of the Parish Council's governing documents and shall be observed in conjunction with the Parish Council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
  - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
  - "Approve" refers to an online action, allowing an electronic transaction to take place.
  - "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
  - 'Proper practices' means those set out in *The Practitioners' Guide*
  - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
  - 'Must' and **bold text** refer to a statutory obligation the council cannot change.
  - 'Shall' refers to a non-statutory instruction by the council to its members and staff.
- 1.5. The Clerk has been appointed as Responsible Financial Officer (RFO) and these regulations apply accordingly. The RFO;
  - acts under the policy direction of the council;
  - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the council its accounting records and control systems;
  - ensures the accounting control systems are observed;
  - ensures the accounting records are kept up to date;
  - seeks economy, efficiency and effectiveness in the use of council resources; and
  - produces financial management information as required by the council.

- 1.6. The Parish Council must not delegate any decision regarding:
- setting the final budget or the precept (council tax requirement);
  - the outcome of a review of the effectiveness of its internal controls
  - approving accounting statements;
  - approving an annual governance statement;
  - borrowing;
  - declaring eligibility for the General Power of Competence; and
  - addressing recommendations from the internal or external auditors

## 2. Risk management and internal control

- 2.1. The Parish Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.
- 2.2. At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.
- 2.3. The accounting control systems determined by the RFO must include measures to:
- ensure that risk is appropriately managed;
  - ensure the prompt, accurate recording of financial transactions;
  - prevent and detect inaccuracy or fraud; and
  - allow the reconstitution of any lost records;
  - identify the duties of officers dealing with transactions and
  - ensure division of responsibilities.

## 3. Accounts and audit

- 3.1. The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:
- day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;
  - a record of the assets and liabilities of the council;
- 3.2. The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.
- 3.3. Any officer or member of the council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit.

#### 4. Budgetary Control and Authority to Spend

Expenditure on items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- the Clerk, in conjunction with Chair or Deputy Chair of the Council for any items below £500
- the Clerk, in conjunction with the Chair or Deputy Chair of the Council, plus one other Member for items over £500 but no more than £750
- the Council for all other items over £750

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chair/Deputy Chair and/or additional Member.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.1. No expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure other than by resolution of the Council. During the budget year and with the approval of Council having 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 ('virement').
- 4.2. In cases of an extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Parish Council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £250. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.
- 4.3. The RFO shall regularly provide the Parish Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned as shown in the budget.

#### 5. Budget and precept

- 5.1. **Before setting a precept, the council must calculate its [council tax (England)/budget (Wales)] requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 5.2. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.**
- 5.3. On behalf of the Parish Council, the RFO shall **issue the precept to the billing authority no later than the end of February.**

## **6. Procurement**

- 6.1. Members and officers are responsible for obtaining value for money at all times.**
- 6.2. For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
- 6.3. For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation<sup>1</sup> regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- 6.4. Contracts must not be split into smaller lots to avoid compliance with these rules.**

## **7. Banking and payments - Electronic payments**

- 7.1. Where internet banking arrangements are made with any bank, the Clerk and Responsible Financial Officer shall be appointed as the Service Administrator. The bank mandate agreed by the Parish Council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.
- 7.2. All authorised signatories shall have access to view the Parish Council’s bank accounts online.
- 7.3. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, approve that payment.
- 7.4. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the Parish Council or a duly delegated Committee.
- 7.5. The Service Administrator shall set up all items due for payment online.
- 7.6. Two councillors who are authorised signatories shall check the payment details before approving each payment using the online banking system.
- 7.7. A full list of all payments made in a month shall be provided to the next Parish Council meeting.

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<sup>1</sup> The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

## **8. Cheque payments**

- 8.1. Cheques or orders for payment in accordance in accordance with a resolution or delegated decision shall be signed by the requisite members of the Parish Council.
- 8.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

## **9. Petty Cash**

- 9.1. The council will not maintain any form of cash float and the Clerk and Responsible Financial Officer will not receive any cash. Any payments made in cash by the Clerk and Responsible Financial Officer (for example for postage or minor stationery items) shall be refunded on a monthly basis.

## **10. Payment of salaries and allowances**

- 10.1. **As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.**
- 10.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 10.3. The Parish Council will employ an independent qualified organisation to provide payroll services.

## **11. Loans and investments**

- 11.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the Parish Council and recorded in the minutes. All borrowing shall be in the name of the Parish Council, after obtaining any necessary approval.
- 11.2. All investment of money under the control of the Parish Council shall be in the name of the Parish Council.

## **12. VAT Reclaims**

- 12.1. The Clerk and Responsible Financial Officer shall ensure that any VAT Return is submitted at least annually.

## **13. Assets, properties and estates**

- 13.1. The Clerk and Responsible Financial Officer shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date.

## **14. Insurance**

- 14.1. The Clerk and Responsible Financial Officer shall keep a record of all insurances effected by the council and the property and risks covered. These will be reviewed by the Parish Council annually.

## **15. Suspension and revision of Financial Regulations**

- 15.1. The Parish Council shall review these Financial Regulations annually and following any change of Clerk or Responsible Financial Officer. The Clerk shall monitor changes in legislation or proper practices and advise the Parish Council of any need to amend these Financial Regulations.
- 15.2. The Parish Council may, by resolution duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.
- 15.3. The Parish Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

## **Appendix 1 - Tender process**

- 1) Any invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
- 3) Where a postal process is used, 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. 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.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to the relevant Standing Order and shall refer to the terms of the Bribery Act 2010.
- 6) Where the Parish Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.