

Churchill Parish Council

Adopted by Churchill Parish Council 11th September 2023



CHURCHILL 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 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.4 Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.5 The RFO holds a statutory office to be appointed by the council.
- 1.6 The RFO shall be responsible for the production of financial management information.
- 1.7 The Council shall be responsible for ensuring that the financial management is adequate and effective, and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- 1.8 The Council shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts.

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 year shall be prepared each year by the RFO.
- 2.3 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 shall supply each member with a copy of the approved estimates.
- 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 in the approved budget.

- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget. The Clerk may, with the approval of Council, vire between subheads.
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.4 The 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 any budgetary provision for the expenditure, subject to a limit of £500. The 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.
- 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 has been obtained.
- 3.7 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 as required by the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.
- 4.2 The RFO 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 RFO 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 RFO 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 2003 and 2006, and any subsequent amendments thereto. 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 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.
- 4.6 The Internal Auditor shall carry out the work required by the RFO and 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 Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.7 The RFO 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.
- 4.8 The RFO 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 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 and 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. If more appropriate the detail may be shown in the Minutes 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.
- 5.4 A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 5.5 Payments may be made by electronic banking by the RFO. The RFO will present to two signatories of the council's bank account (by email if appropriate) all invoices for payment together with the payment arrangements for those invoices. The signatories shall examine that detail, and if satisfied that the invoices and payment arrangements are correct, then authorise the RFO in writing (either by email or by initialling the invoices) to make those payments. The RFO is also required to arrange circulation of all payments authorised by the RFO and the bank account signatories on a schedule to all councillors prior

to the meetings of full Council and, if the schedule is in order and agreed, it shall be authorised by a resolution of the Council and shown as authorised in the minutes of that meeting.

6. Payment of accounts

6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers. Online purchases without an account will be made by a prepaid credit card. This allows protection for the Council if the purchases fail to be delivered. The Council will keep a balance of £300 which will be reconciled each month. The transfer of funds will be added to the payment schedule and approved by two signatories.

6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO 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 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 and RFO certify that there is no dispute or other reason to delay payment, the RFO 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 or RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

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. This will be provided by an outside provider-PATA Payroll who will submit payslips and reports each month. All end of year process and reports/submissions will be carried out by PATA Payroll.

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 All investments of money under the control of the Council shall be in the name of the Council.
- 8.3 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.
- 8.4 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 Clerk/RFO.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 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 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.
- 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 one 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 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 Order books shall be controlled by the RFO.
- 10.3 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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11 below.
- 10.4 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 and orders for works goods and services

1. All members and officers of the Council are responsible for obtaining value for money at all times.
2. The RFO may award a contract (or order for works goods or services) under £1,000, provided that there is budgetary provision, at least one quote is obtained and after consultation with the Chair of the appropriate committee. Any such award shall be reported to the next meeting of the committee, and at the next meeting of the full Council.
3. Contracts and orders for works goods or services for amounts exceeding £1000 but not exceeding £1999 shall be awarded by the relevant committee (providing there is budget provision) or by full Council. The procedures to be followed are set out below.
4. Contracts and orders for works goods or services exceeding £1999 shall only be awarded by full Council
5. The procedures set out below shall not apply to contracts of the following types:
 - for the supply of gas, electricity, water, sewerage and telephone services;
 - for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - 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;
 - for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;

- 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 Council);
 - for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price
 - for purchases required as a matter of urgency resulting from an incident which could not have been foreseen, and occurred as a result of circumstances beyond the Council's control, and financial loss or damage to persons or property would otherwise arise (any such purchases shall be reported to the next meeting of Full Council)
6. In some cases 'framework' or collaborative purchasing arrangements are available (for example, from the Office of Government Commerce) to public sector bodies. The appropriate committee may authorise access to such arrangements, where the conditions of the arrangements permit such access, in place of the procedures set out below.
 7. Full Council (but not any committee) may suspend any provision within Regulation 11 of these Financial Regulations where in an exceptional case the regulation is inappropriate.
 8. Where it is intended to issue contracts and orders for works goods or services of a value exceeding £1,000 but not exceeding £4,999, at least one written estimate must be obtained but as far as is reasonable and practicable the RFO should attempt to obtain three written estimates. The appropriate committee (as above – where not exceeding £1,999) or full Council may agree to accept estimates by fax or email, or by reference to a catalogue, or may require a formal letter. Any estimates obtained shall be reported to the next meeting of the appropriate committee or full Council.

Contracts and orders for works goods or services £5,000 - £24,999

9. The RFO must obtain quotations from not less than three organisations that could undertake the contract.
10. The invitation to quote must include as a minimum:
 - (a) Specification
 - (b) Conditions of Contract
 - (c) Quotation Assessment Criteria
 - (d) Insurance requirements
 - (e) Time & place for return of quotations and a statement that the envelope must have no marks, details or other information to identify the tenderer.
11. Quotations must be opened at the appointed time in the presence of the RFO and one member of the Council. Those present shall sign the front page of the quotation, including the date of opening, and initial any priced pages.

- 12.. If fewer than three quotations are received Council may decide to award the contract to one of the organisations that has tendered, or to repeat the tender process.

Contracts over £25,000 SI 2021 No 1221 - The Public Procurement (Agreement of Government Procurement) (Thresholds) (Amendment) Regulations 2021 came into force on 1 January 2022 and increases the threshold in sub paragraph a) for public works contracts from £4,733,252 to £5,336,937), and the threshold in subparagraph c) for goods and services from £189,330 to £213,477.

SI 2022 No 1390 - Amendments to the Public Contract Regulations 2015 came into force on 21 December 2022 and increases the threshold over which contracts must be competitively purchased from £25,000 to £30,000.

13. An Options Appraisal may be undertaken to ensure that the most effective route to deliver the requirements is being progressed.
14. Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £30,000 or more, the council shall comply with the relevant requirements of the Regulations.
15. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)
16. 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.
17. A minimum of 3 organisations which could undertake the contract shall be invited to tender. The invitation to tender shall state the general nature of the intended contract. The RFO shall obtain any technical assistance necessary to prepare a specification.
18. The invitation to tender must include as a minimum:
 - (a) Specification
 - (b) Conditions of contract
 - (c) Assessment criteria
 - (d) Insurance requirements
 - (e) Submission information
19. Every tender submitted must have a red label bearing the word TENDER followed by a description of the subject matter of the tender/quotation. All envelopes shall be dated, time-stamped and initialled by the RFO who shall secure the tenders.

20. Tenders must be opened at the appointed time in the presence of the RFO and a member of the Council Those present shall sign the front page of the tender, including the date of opening, and initial any priced pages.
21. At the time of opening the RFO shall maintain a register of all such tenders received including brief particulars of the tenders.
22. If fewer than three tenders are received Council may decide to award the contract to one of the organisations that has tendered, or to repeat the tender process.
23. The contracts shall be assessed to identify if a performance bond or parent company guarantee is required.

Statement to be included on invitations

24. Any invitation to tender or quote must contain the following statement:

'If any person making a tender or quotation is to their knowledge related to any member or officer of the Council, they and the person to whom they are related shall disclose the relationship in writing to the Clerk. A tenderer who fails so to do shall be disqualified for the contract and, if they are awarded the contract it may be terminated without notice. The Clerk shall report to the Council or to the appropriate committee any such disclosure.

Canvassing of members of the Council or of any committee, directly or indirectly, for any contract to be awarded by the Council shall disqualify the tenderer for the award of the contract.

A member of the Council or of any committee shall not solicit for any person any contract to be awarded by the Council or recommend any person for the award of such contract; but, nevertheless, any such member may give a written testimonial of a tenderer's ability, experience or character for submission to the Council with a tender or quotation.

The Council is not obliged to accept any tender/quotation, or the lowest tender/quotation.'

Discrepancies

25. If checking of any tenders or quotations received identifies any errors or discrepancies affecting any tender sum, the tenderer is to be given details of the error. The tenderer is to be offered three choices:
 - (a) confirming the tender offer, as written and submitted;
 - (b) withdrawing; or;
 - (c) correcting the error.

This choice shall be offered to the tenderer in writing and confirmation of the tenderer's option shall be made in writing.

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 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.
- 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 before any work has begun, the Council being informed where the final cost is likely to exceed the financial provision.

13. Stores and 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 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. Properties and estates

- 14.1 The 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 Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.
- 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.

15. Insurance

- 15.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers
- 15.2 The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- 15.4 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.
- 15.5 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 Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and 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 Clerk and 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 Clerk with the RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity the Clerk and RFO 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.
- 17.3 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.

18. Revision of financial regulations

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

CHAIR :- Cllr J Bush
DATE :- 06th September 2021