



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS

V04

Date of review	September 2022
Date of next review	September 2023
Previous	
V02 Adopted	May 2019
V03 Adopted	August 2021

These regulations are based on the NALC model document and are to be reviewed annually.

This document is version v04.



**STUDLEY PARISH COUNCIL
FINANCIAL REGULATIONS 2022**

Section	Contents	Page
1	General	3
2	Accounting and audit (internal and external)	5
3	Annual estimates (budget) and forward planning	6
4	Budgetary control and authority to spend	7
5	Banking arrangements and authorisation of payments	8
6	Instructions for the making of payments	9
7	Payment of salaries	12
8	Loans and investments	13
9	Income	13
10	Orders for work, goods and services	14
11	Contracts	15
12	Payments under contracts for building / construction	16
13	Stores and equipment	17
14	Assets, properties and estates	17
15	Insurance	18
16	Charities	18
17	Risk management	18
18	Suspension and revision of Financial Regulations	18

1. General



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 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. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders¹ and any individual financial regulations relating to contracts.
- 1.2 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 internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk. These regulations should be read alongside the council's adopted Internal Controls, Risk Management Policy and associated risk assessments.
- 1.3 The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4 These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7 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.
- 1.8 The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Clerk has been appointed as RFO for this council and these regulations will apply accordingly.
- 1.9 The Clerk/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 accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the council up to date in accordance with proper practices;



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the council.
- 1.10 The accounting records determined by the Clerk/RFO shall be sufficient to show and explain the council's transactions and ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.
- 1.11 The accounting records determined by the Clerk/RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the council; and
 - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12 The accounting control systems determined by the Clerk/RFO shall include:
- procedures to ensure the financial transactions of the council are recorded as soon and as accurately as reasonably practicable;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the Clerk/RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13 The council may delegate some decisions, but is not empowered by these Regulations or otherwise to delegate any decision regarding:
- setting the final budget or the precept (council tax requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the General Power of Competence; and
 - addressing recommendations in any report from internal or external auditors, all of which shall be for full council decision only.
- 1.14 In addition, the council must:



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or single commitment in excess of £5,000; and
- in respect of the annual salary for any employee, have regard to recommendations about annual salaries of employees made by the Staffing Committee in accordance with its terms of reference.

- 1.15 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of the National Association of Local Councils (NALC) and the Society for Local Council Clerks (SLCC) and e-circulated to members annually.

2. Accounting and audit (internal and external)

- 2.1 All accounting procedures and financial records of the council shall be determined by the Clerk/RFO in accordance with the current Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2 On a regular basis, at least once in each quarter, and at each financial year end, two members of the Council shall be appointed to together verify bank reconciliations for all accounts produced by the Clerk/RFO. The members shall sign the reconciliations and the original bank statements and any related document as evidence of verification. This activity shall on conclusion be reported to and noted by the council, including any exceptions.
- 2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices and as directed by the External Auditor) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.4 The council shall ensure there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the Clerk/RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 2.5 The internal auditor shall be appointed by the council and shall carry out the work in relation to internal controls in accordance with proper practices.
- 2.6 The internal auditor shall:
- be competent and independent of the financial operations of the council;
 - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the council.
- 2.7 Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9 The Clerk/RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the consequent Accounts and Audit Regulations.
- 2.10 The RFO shall, without undue delay, bring to the attention of all council members any correspondence or report from internal or external auditors.

3. Annual estimates (budget) and forward planning

- 3.1 The Finance Committee shall review its three-year forecast of revenue and capital receipts and payments, if it has one. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of December each year including any proposals for revising the forecast.
- 3.2 The Clerk/RFO must each year, by no later than 31st October, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance Committee in the first instance, prior to council approval.
- 3.3 The council shall consider annual budget proposals in relation to the council's annual forecast, or three-year forecast if it has one, of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 3.4 The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than 31st January each year. The Clerk/RFO shall issue the precept to the billing authority (Stratford District Council) before 28th February and shall supply a copy of the approved annual budget to each member.
- 3.5 When the precept is more than £140,000, details of the budget will also be provided to the billing authority in accordance with the Council Tax (Demand Notices) (England) Regulations 2011 or any such superseding legislation.
- 3.6 The approved annual budget forms the basis of financial control for the ensuing year.

4. Budgetary control and authority to spend

- 4.1 Expenditure on revenue 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 council for all items costing more than £5,000;
 - a duly delegated committee or, in exceptional circumstances, the Clerk in conjunction with the Chairman and vice-Chairman, for items priced between £1,000 and £5,000;
 - the Clerk, in conjunction with the Chairman of Council or the Chairman of the appropriate committee, for any items costing less than £1,000.

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 Chairman.

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

- 4.2 No expenditure may be authorised 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 council having considered fully the implications for public services, unspent and available amounts may be vired to other budget headings or to an earmarked reserve as appropriate.
- 4.3 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4 The salary budgets are to be reviewed at least annually for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The Clerk/RFO will inform committees if any changes impact on their budget requirement for the coming year in good time.
- 4.5 In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the 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 £1,500. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 4.6 No expenditure shall be authorised 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 and the requisite borrowing approval has been obtained.
- 4.7 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.8 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 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 and shall show explanations of material variances. For this purpose "material" shall be in excess of £250 or 15% of the budget.
- 4.9 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking arrangements and authorisation of payments

- 5.1 The council's banking arrangements, including the bank mandate, shall be made by the Clerk/RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. The council may seek credit references in respect of council members or employees who act as signatories.
- 5.2 The Clerk/RFO shall prepare a schedule of payments requiring authorisation, forming part of the agenda for the meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and initialled by the meeting's chairman. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments, including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment, may be summarised to remove public access to any personal information.
- 5.3 All invoices for payment shall be examined, verified and certified by the Clerk/RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.4 The Clerk/RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Clerk/RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
- 5.5 The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- a) 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 /RFO certifies there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council;
 - b) an expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council; or
 - c) fund transfers within the council's banking arrangements as necessary to meet the approved expenditures, provided that a list of such transfers shall be submitted to the next appropriate meeting of the council.
- 5.6 For each financial year the Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation such as, but not exclusively, salaries, PAYE and NI, Superannuation Fund (pension), regular maintenance contracts and the like for which the council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the council.
- 5.7 A record of regular payments made under 5.6 above shall be included with the schedule of payments prepared under 5.2 above on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8 In respect of grants the Finance Committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by the council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.9 Council members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and the council's Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other registerable interest.
- 5.10 The council will aim to rotate the duties of members in these Financial Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a council member or in accordance with arrangements for recording such changes provided by the council's bank.

6. Instructions for the making of payments

- 6.1 The council will make safe and efficient arrangements for the making of its payments.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 6.2 Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.
- 6.3 All payments shall be affected by cheque, online transfer, or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council. A council member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should declare that interest and should not, under normal circumstances, be a signatory to the payment in question unless granted a dispensation by the council to proceed.
- 6.4 Cheques drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two council members and countersigned by the Clerk, in accordance with a resolution instructing that payment.
- 6.5 When using cheque payments, the signatories shall each initial the cheque counterfoil and the related invoice to indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation.
- 6.6 When using online payment methods, the clerk/RFO will provide by email to the signatories the following items:
- a) the schedule of payments as presented to the approving meeting,
 - b) the bank list of payments now awaiting approval and
 - c) a copy of each invoice to be paid.
- Each signatory will confirm by return email that they have approved the online payments. This confirmation will be printed out and retained as payment authorisation.
- 6.7 Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting including immediately before or after such a meeting. Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.
- 6.8 If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided the instructions are signed by two members and any payments are reported to council as made. Direct debit approvals shall be renewed by council resolution at least every two years.
- 6.9 If thought appropriate by the council, payment for certain items, principally salaries, may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two council members, are retained and any payments are reported to council as made. Standing Order approvals shall be renewed by council resolution at least every two years.
- 6.10 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and passwords and shall be handed to and retained by the



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other council members.

After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all council members immediately and formally to the next available meeting of the council. This will not be required for a council member's personal computer used only for remote authorisation of bank payments.

- 6.11 No employee or council member shall disclose any PIN or password relevant to the working of the council to any person not authorised in writing by the council or duly delegated committee.
- 6.12 No employee or council member shall disclose any PIN or password relevant to the council's bank accounts to anyone; such information is personal to that employee or council member and must not be shared.
- 6.13 Regular remote / cloud-based back-ups of the records on all council computers shall be made, in accordance with direction from the council's IT contractors.
- 6.14 The council, and any council members using computers for the council's financial business, shall ensure a high level of security is maintained by the use of anti-virus, anti-spyware and firewall software with automatic updates.
- 6.15 The council uses only the Unity Trust Bank account to effect online payments. The bank mandate approved by the council shall identify the council members authorised to approve account transactions. The bank mandate will state the authorisation level of the service administrator as 'View and Submit' and of the council members as 'View and Authorise'; no signatory may view, submit, and authorise.
- 6.16 Where internet banking arrangements are made with any other bank, the clerk/RFO shall be appointed the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will clearly state the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.17 Access to any internet banking accounts will be directly to the access page which may be saved under "favourites", and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this regulation will be treated as a very serious matter under these regulations.
- 6.18 Changes to account details for suppliers which are used for internet banking may only be changed on written hard copy notification by the supplier and will be authorised by council members following the bank account's online procedures. A programme of regular checks of standing data with suppliers will be followed.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 6.19 The use of any council debit card or procurement card will be restricted to the Clerk / RFO and will be restricted to a single transaction maximum value of £500 unless authorised by council or Finance Committee in writing before any order is placed.
- 6.20 A pre-paid debit card may be issued to employees with varying limits which will be set by the Finance Committee. Transactions and purchases made will be reported to the council, and authority for topping-up shall be at the discretion of the Finance Committee.
- 6.21 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk / RFO and shall be subject to automatic payment in full at each month-end. The use of personal credit or debit cards belonging to council members and staff is to be avoided wherever possible.
- 6.22 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 / 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 As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance (NI) legislation. Payment of all salaries shall be made in accordance with the rules of currently operating PAYE and NI, and payroll records (the payroll function is currently carried out by an independent contractor). Salary rates shall be as agreed by council, following receipt of relevant advice from the Staffing Committee.
- 7.2 Payment of salaries and payment of deductions from salary such as may be required to be made for PAYE, NI and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.
- 7.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Staffing Committee.
- 7.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review under the Freedom of Information Act 2000 or otherwise, other than:
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under the Audit Commission Act 1998, or any superseding legislation.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 7.5 The total of such payments in each calendar month shall be reported with all other payments made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6 An effective system of personal performance management should be maintained for the Clerk and Assistant Clerk.
- 7.7 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.8 Before employing interim staff, the Staffing Committee must consider a full business case.

8. Loans and investments

- 8.1 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. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.
- 8.2 Any financial arrangement which does not require formal borrowing approval from the Secretary of State, such as hire purchase or leasing of tangible assets, shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3 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.
- 8.4 The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5 All investments of money under the control of the council shall be in the name of the council.
- 8.6 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.
- 8.7 Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

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/RFO.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council and notified to the Clerk/ RFO who will be responsible for the collection of all accounts due to the council.
- 9.3 The council will review all fees and charges at least 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 clerk/RFO. In all cases, receipts shall be deposited with the council's bankers as soon as possible upon receipt and with such frequency as the Clerk/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 Clerk/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 half yearly 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.
- 9.10 Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

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 such purchase orders shall be retained.
- 10.2 Order books shall be controlled by the Clerk/RFO.
- 10.3 All council 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 three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 10.4 If fewer than 3 tenders are received for contracts above £60,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials for executing the works.
- 10.5 A council member may not issue an official order or make any contract on behalf of the council.
- 10.6 The Clerk/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 Clerk/RFO shall ensure that the statutory authority is 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 this regulation need not apply to contracts which relate to items (i) to (vi) below:
- i. for supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services eg legal professionals acting in disputes;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, 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 £500; in excess of this sum the Clerk/RFO shall act after consultation with the Chairman and Vice Chairman of the council; and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b) 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 £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.
- c) 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 exceeds thresholds in the Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
- b) For public works contracts 5,225,000 Euros (£4,551,413)



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 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 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 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 Clerk in the presence of at least one member of council.
- g) Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £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 Clerk/RFO shall obtain three quotations (priced descriptions of the proposed supply). Where the value is below £5,000 and above £2,000 the Clerk/RFO shall strive to obtain three quotations. Otherwise, Regulation 10.3 above shall apply.
- i) The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated, and the council requires further pricing, provided that the specification does not change, 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.

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 Clerk/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 Clerk/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.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 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. Stores and equipment

- 13.1 The Clerk/RFO shall be responsible for the care and custody of stores and equipment.
- 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 Clerk/RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, properties and estates

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The Clerk/RFO shall ensure a record is maintained of all properties held 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 and Audit Regulations.
- 14.2 No tangible moveable property shall be purchased or otherwise acquired, 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 £500.
- 14.3 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case, including an adequate level of consultation with the electorate.
- 14.4 No real property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case, including an adequate level of consultation with the electorate.
- 14.5 Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 14.6 The Clerk/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, as per Regulation 17, the Clerk/RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 15.2 The Clerk/RFO shall give prompt notification to the council's insurers of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Clerk/RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.4 The Clerk/RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim upon the council's insurers and shall report these to council at the next available meeting.
- 15.5 All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Finance Committee.

16. Charities

- 16.1 Where the council is the sole managing trustee of a charitable body, the Clerk/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/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 Clerk/RFO 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.
- 17.2 When considering any new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

18. Suspension and revision of Financial Regulations

- 18.1 It shall be the duty of the council to review the Financial Regulations of the council annually. The 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.



STUDLEY PARISH COUNCIL FINANCIAL REGULATIONS 2022

- 18.2 The council may, by resolution of the council 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 drawn up and presented in advance to all members of council.

These Financial Regulations are based on the Model Financial Regulations template produced by the National Association of Local Councils (NALC) in July 2019 for the purpose of its member councils and county associations. They should be read alongside the council's Standing Orders, Code of Conduct and Financial Internal Controls, Risk Management Policy and associated risk assessments.