

WORTWELL PARISH COUNCIL
FINANCIAL REGULATIONS 2024

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Next review due: ...June 2025

1. General

1.1. These financial regulations have been determined by Wortwell Parish Council and will follow proper practices as detailed by the Governance and Accountability Act 2019.

2. Accounting and audit (internal and external)

2.1 The council MUST have an RFO who has responsibility for proper practices. Their duties are written into a job description

2.2. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices

2.3 The RFO shall be responsible for preparing council's financial statements and reporting these to every council meeting. The statements will include Receipts, Payments and Bank reconciliation of at least the Community main banking account.

2.4 The RFO will complete AGAR (Annual Governance and Accountability Report) and submit to council within the statutory timescales and by 30th June deadline.

2.5 The Clerk shall ensure that all statutory requirements to publish accounting statements and facilitation of public access and inspection are met.

2.6 A suitable and competent independent person shall be appointed as Internal Auditor to undertake an annual review of the council's Internal Control Systems and report to the council and complete the relevant section of the AGAR.

2.7 All reports received from Internal and External Auditors, shall be considered by council in formal meeting and recorded in the minutes.

2.8 Council must annually review its Internal Control.

2.9 A rotation of councillors will perform an internal control check of at least two debits and two credits (if possible) on a quarterly basis – four checks across the financial year. This control will be reported to council at the next meeting and a copy held with the minutes..

3. Annual estimates (budget) and forward planning

3.1 Council will agree procedures for setting of committee budgets where appropriate.

3.2 Finance Committee will be authorised to meet and recommend to full council a budget for council to agree and set the Precept. The committee will be required to plan for future years and use the budget for the basis of financial control in the year

4. Budgetary control and authority to spend

A budget will be compiled by the RFO and agreed by the finance committee to present for full council approval by the end of December. The budget will be constructed using last completed year, current year and forecasts for the coming year. Budgetary needs for the next three years, where known, will be identified as reserve funds. See Wortwell Parish Council three year plan.

4.1 Urgent expenditure up to £1000 can be authorised by the Clerk/RFO and brought to the attention of the council as soon as possible to be formally authorised in next council meeting.

4.2 Where spending exceeds budget, an amount must be transferred from other areas.

4.3 No expenditure can be authorised where an item exceeds budget unless authorised by council.

5. Banking arrangements and authorisation of payments

5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

5.2. The 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 / committee 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 Chairman of the Meeting. 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. The RFO shall examine all invoices for arithmetical accuracy and analyse them to the appropriate budgeted expenditure. These will be presented for payment to council in line with 5.2 above.

5.4. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- 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 and RFO certify that 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.
- c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.

5.5. For each financial year the Clerk and 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 and regular maintenance contracts) provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to and that this said list shall be submitted to the next appropriate meeting of council.

5.6. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £8,000 shall before payment, be subject to ratification by resolution of the council in compliance with s137 limit (**£8.32 from 1 April 2020**)

5.7. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and 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 interest, unless a dispensation has been granted.

5.8. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

5.9. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. Instructions for the making of payments

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

6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.

6.3. All payments shall be affected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council [or duly delegated committee].

6.4. Cheques or orders for payment drawn on the bank account, in accordance with the schedule as presented to council or committee, shall be signed by two members of council in accordance with a resolution instructing that payment. 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.

6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

6.6. 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 and a schedule of payment submitted between meetings shall be held with the minutes.

6.7 Process for automated payment by Faster Payments System:

6.7.1 Invoice to be saved to pdf by clerk for onward authorisation for payment

6.7.2 Payment to be raised by Clerk through Barclays Online Banking Process as the first authorisation

6.7.3 Second authorisation to be made by Councillor on random selection basis:

(i) Clerk to provide copy of invoice or other evidence of payment

(ii) Councillor to check the bank sort code and account number on the invoice to ensure payment has been set up to the correct recipient in line with information provided on the invoice. Care not to rely on previous payment information as this

can change without the provider of services notifying any change. Always check the information on the current invoice

(iii) Councillor to independently authorise the payment by entering online banking system and using their own memorable information of access details. The pin number and card details must NOT be shared as mentioned in 6.11 below

(iv) Authorising Councillor to advise Clerk when payments have been released

(v) RFO to retain copy of Payment Process from Barclays for audit purposes

(vi) By exception payments will be permitted between meetings where the payment is urgent or would prevent a vital service from being carried out. (Example August, December and HMRC payments) In this instance one Councillor should authorise the payment and a second independent councillor approve and release the online payment. Thus ensuring two councillors plus the RFO release the payment.

(vii) In the case of (vi) above, Payments are to be approved at the next Parish Council Meeting.

6.8. 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 Chairman of Council in a sealed dated envelope.

6.9. With the exception of online banking pin and password information which must NEVER be shared with others. This envelope may not be opened other than in the presence of two other councillors. 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 members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

6.10. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

6.11. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.12. Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as 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 state clearly 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.

6.13. 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.

6.14. 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 supported by hard copy authority for change signed by [two of] the Clerk [the RFO] [a member]. A programme of regular checks of standing data with suppliers will be followed.

6.15. Any Debit Card issued for use will be specifically restricted to the Clerk [and the RFO] and will also be restricted to a single transaction maximum value of £500 unless authorised by council or finance committee in writing before any order is placed.

6.16. 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 RFO will follow all PAYE regulations.

7.2. Payment of salaries and payment of deductions from salary such as 7.1 above and pension contributions, must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts. 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 council. Any termination payments must be first agreed by council.

7.4. An effective system of personal performance management should be maintained for the senior officers.

8. Loans and investments

8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Copy statements will be sent to the Chairman.

8.2. All investments of money under the control of the council shall be in the name of the council and where appropriate an Investment Strategy should be agreed.

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 at least annually, following a report of the Clerk.

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.

9.10. Any income arising which is the property of a charitable trust (Wortwell Old Playing Field or Wortwell Parish Lands Charity) shall be paid into the relevant 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 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 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.

10.4. A member may not issue an official order or make any contract on behalf of the council.

10.5. 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 Procedures as to contracts are laid down in the **Wortwell Parish Council Contracts and Tenders Policy** and **Wortwell Parish Council Standing Orders** which comply with Local Government Act 1972

12. Assets, properties and estates

12.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The 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.

12.2. 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 other than small stationery items and equipment not exceeding £250.

12.3. 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).

12.4. No real property (interests in land) 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).

12.5. 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.

12.6. 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.

13. Insurance

13.1. Following the annual risk assessment (per Regulation 17), the Clerk and RFO shall effect all insurances and negotiate all claims on the council's insurers.

13.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

13.3 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.

13.4. 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 council, or duly delegated committee. The level of cover should be reviewed regularly at least three yearly.

14. Charities

The Council is the Sole Managing Trustee of two charities: Wortwell Old Playing Field and Wortwell Parish Lands (Allotments)

- 14.1 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.
- 14.2 The Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.
- 14.3 The Clerk and RFO shall ensure that separate Trustee Meetings are held at least annually where plans and decisions are formulated with the best interests of the Charity in mind, identifying any occasion for conflict between the charity and the council.

15. Risk management – refer to the Wortwell Parish Council Risk Management and Regulations

15.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council.

15.2 Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

15.3 When considering any new activity, the Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

16. Suspension and revision of Financial Regulations

16.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. 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.

16.2. 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.

Adopted: 27th January 2020

Reviewed January 2024

Due for review: June 2025

*Unless legislative changes require earlier review