



## **Financial Regulations of Chiseldon Parish Council**

Approved 13<sup>th</sup> May 2019

Interim changes reviewed & approved Oct 2019

Reviewed and approved 8<sup>th</sup> June 2020

Reviewed & approved June 14<sup>th</sup> 2021 Full council meeting

Reviewed & approved May 9<sup>th</sup> 2022 Full Council meeting. No changes.

To be reviewed May 2023.

### **1. General**

- 1.1 These financial regulations shall 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 Finance Committee (FC) shall be responsible for the proper administration of the Council's financial affairs and the production of financial management information.
- 1.3 The Parish Clerk or such other person as may be nominated from time to time by the Parish Council shall be the RFO

### **2. Annual Estimates**

- 2.1 Each committee shall formulate and submit proposals to the FC in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November each year.
- 2.2 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital accounts, shall be prepared each year by the RFO (or the Chairman on the FC).
- 2.3 The FC shall review the estimates and submit them to the Council not later than the end of January in each year and shall recommend 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 capital and revenue budget shall form the basis of financial control for the ensuing year.

### **3 Budgetary Control**

- 3.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved committee budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the FC or the Council.

- 3.3 The RFO shall periodically provide the FC with a statement of income and expenditure to date under each head of the approved annual revenue and capital budget.
- 3.4 The Clerk or RFO may incur expenditure on behalf of the Council that 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 budget provision for the expenditure, subject to a limit of £2,500. The Clerk or RFO shall report the action to the appropriate committee as soon as practicable thereafter.
- 3.5 Where expenditure is incurred in accordance with regulation 3.4 and the sum required couldn't be met from savings made elsewhere within the committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the FC or the Council.
- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year, although material amounts may be ringfenced if there is good reason for expenditure to be deferred.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the committee concerned are satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.8 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 3.9 The Finance Committee shall conduct a budget review exercise every 3 months using the relevant reports to identify areas of over or underspend of the budget and make recommendations to rectify if required. Full council shall be made aware of this report and any decisions recommended by the Finance Committee will be subject to full council vote.

#### **4 Accounting and Audit (Internal Controls)**

- 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, as amended by the Accounts and Audit Amendment Regulations 2006, **Accounts and Audit Regulations 2011 and Accounts and Audit Regulations 2015** and any subsequent amendments thereto.
- 4.2 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to the FC.
- 4.3 The following principles shall be observed in connection with accounting duties.
  - a The duty of providing information, calculating, checking and recording sums due to, or from, the Council, shall be separated as completely as possible from the duty of collecting or dispersing them.
  - b Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
  - c It is however recognised that the achievement of the separation of the functions referred to at a and b above will be extremely limited as the Parish Clerk and/or RFO may be the only people available to carry out most of them
- 4.4 The RFO shall be responsible for maintaining an 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, as amended by the Accounts and Audit

Amendment Regulations 2006, **Accounts and Audit Regulations 2011 and Accounts and Audit Regulations 2015**. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

4.5 Every quarter the full council will review the budget report from the Xero accounting package to monitor spend against budget to highlight any areas of overspend that may be a concern and to identify areas of underspend to ensure Council funds are spent in the manner for which they were raised via the Precept.

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## **6. Banking Arrangements and Cheques**

- 6.1 The Council's banking arrangements shall be made by the RFO and approved by the FC .
- 6.2 A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices etc presented to the FC. If the schedule is in order it shall be authorised by a resolution of the committee and signed by the chairman or vice chairman. The Chairman of the relevant committee or the Council Chairman (as appropriate) will sign the invoice to indicate their approval of payment. The RFO will sign the invoice to confirm the accuracy of the invoice for goods or services supplied.
- 6.3 Cheques drawn on the bank account in accordance with the schedule referred to above shall be signed by two duly authorised members of the Council including, wherever possible, the RFO. *(Amended from 3 by full council vote in March 2018)*
- 6.4 Where On-line banking is used as a method of payment, all payments will be inputted by one authorised member of staff and approved by 1 authorised Councillor. This comprises of 2 authorised individuals as per schedule 6.3 above.

## **7. Payment of Accounts**

- 7.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 7.2 All invoices for payment shall be examined, verified and approved by the respective committee chairperson for payment. Before approving an invoice the committee chairperson shall satisfy himself/herself that the work, goods or services to which the invoice relates have been received or carried out
- 7.3 Invoices shall be passed to the RFO who shall check for arithmetical accuracy, and shall code them to the appropriate expenditure head. He/she shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 7.4 When the RFO is satisfied that invoices are in order he/she shall certify them for payment.
- 7.5 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.
- 7.6 In addition to items 7.1 to 7.5 above, the council will where possible, make payments of accounts via On-line banking, using the Unity banking system. Where on-line payments are not possible, cheques will be drawn as per the above procedures.

## **8. Payments of Salaries and Wages**

- 8.1 The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records. Currently the payroll process is not contracted out. The HRMC "Basic PAYE Tools" system will be used to calculate deductions.
- 8.2 Staff will be paid monthly by the council's current method of approving expenditure. Staff will also have any expenses approved and paid monthly by the same methods. (if applicable) Statutory PAYE and NI deductions will be made before salaries are calculated. The RFO will ensure relevant monthly payments to HMRC are carried out.
- 8.3 The Council will conduct salary reviews with staff as required. This will be conducted by the Finance Committee (if active) with a recommendation to Full Council for approval. The national pay scale for Clerks will be used to calculate the Clerk's salary review. Other staff will have a review based on performance against criteria.
- 8.4 Cheques drawn on the bank account in accordance with the schedule referred to above shall

be signed by two duly authorised members of the Council including, wherever possible, the RFO. *(Amended from 3 by full council vote in March 2018)*

- 8.5 If thought appropriate by the council, payment for certain items (principally Salaries) may be paid by banker's standing order providing that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of banker's standing order shall be renewed by resolution of the council at least every two years.
- 8.6 Payroll is authorised by the Chair of Finance Committee (if active) or by the Council Chairman or Vice Chairman in his/her absence. Salary cheques are signed by 3 Councillors (the Clerk is not permitted to sign their own salary cheque)
- 8.7 See item 18 for pension payments

## **9. Loans and Investments**

9.1 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the FC at the earliest opportunity.

9.2 All investments of money under the control of the Council shall be in the name of the Council.

9.3 All borrowing shall be effected in the name of the Council.

9.4 All investments certificates and other documents relating thereto shall be retained in the custody of the RFO.

## **10. Income**

10.1 The collection of all sums due to the Council shall be the responsibility of and under the control of the RFO.

10.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.

10.3 The Council will review all fees and charges annually.

10.4 Any bad debts shall be reported to the FC.

10.5 All sums received on behalf of the Council shall be paid to the RFO for banking. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

10.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.

10.7 Personal cheques shall not be cashed out of money held on behalf of the Council.

10.8 The Parish Council shall not accept cash payment for any goods or services supplied by them. All payments to be in the form of cheque or direct bank transfer.

## **11. Orders for Work, Goods and Services**

- 11.1 An official order or letter shall be issued for all work, goods and services over the value of £1,000 unless a formal contract is to be prepared or an official order would be inappropriate e.g petty cash purchase. Copies of orders issued shall be maintained.
- 11.2 Orders shall be controlled by the RFO.
- 11.3 The RFO and members of the Council are responsible for obtaining value for money at all times. The RFO, when 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.

## **12. Contracts**

- 12.1 Procedures as to the contracts are laid down in the Council's standing orders as follows:
  - a. Every contract whether made by the Council or by the committee to which power of making contracts has been delegated shall comply with these standing orders, and no exception from any of the following provisions of these standing orders shall be made otherwise than by direction of the Council or in an emergency by such a committee as aforesaid provided that these standing orders shall not apply to contracts which relate to items i to v below:
    - i. for the supply of gas, electric, water, sewerage and telephone services.
    - ii. for specialist services such as are provided by legal professionals acting in disputes, provided by a solicitor, accountants, surveyors or planning consultants.
    - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant.
    - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.
    - v. for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
  - b. Where it is intended to enter into a contract:
    - i. exceeding £1,000 in value for the supply of goods or materials or for the execution of works or services other than such goods, material, works or specialist services as are excepted as set out in paragraph (a) the Council, committee or sub-committee shall endeavour to obtain tenders from at least three firms.
    - ii for expenditure which is already fully allowed for in the precept the spending committee shall have executive powers.
    - iii for expenditure which is not fully allowed for in the precept the spending committee shall submit its proposals to the Council for approval.
    - iv 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 Regulations<sup>1</sup>.

v. 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)<sup>2</sup>.

- c. When applications are made to waive standing orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- d. Every exception made by a committee to which the power of making contracts has been delegated shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified,
- e. Such invitations 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 sent via email --addressed to the Clerk and the last date by which such tenders should reach the Clerk. Each tendering firm shall supply their quote via and email attachment (word or PDF etc) which will not be opened and reviewed until the prescribed date for reviewing tenders for that contract.
- f. All emailed tenders shall be opened at the same time on the prescribed date by the Clerk or the properly authorised deputy in the presence of at least one member of the Council.
- g. If less than three tenders are received for contracts valued above £1,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- h. The Council shall not be obliged to accept the lowest or any tender.

### **13. Payments Under Contracts for Building or Other Constructive Work**

13.1 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).]

13.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of the work carried out under the contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the appropriate committee.

13.3 Any variation to a contract or addition to or omission from a contract must (following consultation with the appropriate committee and the Council) be approved by the Clerk in

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<sup>1</sup> 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

<sup>2</sup> 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)

writing, the appropriate committee being informed where the final cost is likely to exceed the financial provision.

#### **14. Stores and Equipment**

14.1 The Clerk shall be responsible for the care and custody of stores and equipment.

#### **15. Properties and Estates**

15.1 The clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council and 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.

15.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

#### **16.**

##### **Insurance**

16.1 The RFO shall effect all insurances and negotiate all claims on the Council's insurers, taking advice from other sources if required.

16.2 The RFO shall keep a record of all insurances effected by the Council and the property and risk covered thereby and annually review it.

16.3 The RFO shall be notified of any loss liability or damage or any event likely to lead to a claim.

16.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

#### **17. Revision of Financial Regulations**

17.1 It shall be the duty of the FC to review the financial regulations of the Council on an annual basis and to make such recommendations to the Council as the committee considers are required.

#### **18. Provision of Pension to salaried staff**

18.1 As per legal requirement all salaried staff will be added to the Parish Council's pension scheme with the minimum legal contribution required by both employee and employer.

18.2 Any payment above the minimum from the employer will be subject to a majority vote of the Finance Committee and can be reviewed at any time.

18.3 As minimum payments change due to changes in the law, the employer (Via the RFO) will ensure that legal requirements are still met with regards to these payments.

18.4 Staff will be kept fully informed of the payments they must make and the payments the



employer makes. It is the responsibility of the RFO to update staff.

- 18.5 The employer will use a nationally recognised pension provider for this provision.
- 18.6 All new employees will be added to the pension provision where legal requirement stipulates they should be included.

## **19. Adherence to General Data Protection Regulations (GDPR)**

19.1 **Data use.** Chiseldon Parish Council will only use personal data for the purpose of which it was supplied. We will not use this data for other purposes or share it with any other bodies unless express permission from the owner is granted. See document "CPC Privacy Notice May 2018" for further details. Our Financial Risk assessment will assess data use bi-annually.

We follow the ICO's 6 principles of storing and handling data:  
Lawfulness, fairness and transparency  
Purpose Limitation  
Data Minimisation  
Accuracy  
Storage Limitation  
Integrity and Confidentiality  
See document titled "6 Principles of GDPR data" for further information.

19.2 **Data Retention.** Chiseldon Parish Council will only keep personal data for as long as it is required, to enable us to carry out our functions and duties successfully. Once data is not required it will be deleted from our systems. See document "CPC Retention periods for Data" for further details. Our Financial Risk assessment will review the retention periods bi-annually.

19.3 **Data stored within the UK/EU.** Chiseldon Parish Council ensures that no personal data is stored outside of the UK/EU. Our Financial Risk Assessment will address this bi-annually.

Item 12e and 12f amended by full council vote 8.6.2020

New item 8.5 included Dec 2020 – taken from NALC model standing orders

New item 6.4 and 7.6 added June 2021 after Unity on-line banking created. Approved at June 14<sup>th</sup> 2021 Full Council meeting