

GREAT WYRLEY PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its meeting on 4th September, 2024 and supersede any previous version.

1. GENERAL

These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by a resolution of the Council. 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 financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These Financial Regulations are designed to demonstrate how the Council meets these responsibilities.

The Clerk is the RFO for this Council and these regulations will apply accordingly. The RFO acting under the policy direction of the Council shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.

The RFO shall produce financial management information to the Annual Governance and Audit Committee on a quarterly basis.

At least once per year prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

In these Financial Regulations, references to the Accounts and Audit Regulations shall mean the regulations issued under the provision of section 27 of the Audit commission Act 1998 and then in force.

In these Financial Regulations the term 'proper practices' shall refer to guidance issued in the Governance and Accountability in Local Councils in England and Wales – a Practitioners' Guide which is published jointly by NALC and SLCC and updated from time to time.

2. ANNUAL BUDGET

Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each

year by the RFO in the form of a budget to be considered and approved by the Council.

The Council shall review the budget not later than the January meeting each year and once approved shall fix the precept to be levied for the ensuing financial year. The Clerk shall issue the precept to South Staffordshire Council.

3. BUDGETARY CONTROL

All expenditure shall be authorised by the Council before being incurred. The RFO shall regularly provide the Council with a statement of receipts and payments. These statements are to be prepared and considered at each meeting of the Audit and Governance Committee on a quarterly basis followed by reporting to Full Council and the next available ordinary meeting for approval.

The Clerk/RFO 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 £1000. The Clerk/RFO shall report the action to the Parish Council as soon as practicable thereafter.

Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by a resolution of the Council.

The Clerk/RFO shall have the authority to spend administration costs as necessary and with the operation costs as necessary with the operation of the Parish Council Office.

4. ACCOUNTING AND AUDIT

The Council's banking arrangements, including Bank Mandate, shall be made by the Clerk/RFO and approved by the Council. They shall be regularly reviewed for efficiency.

A schedule of the payments required, forming part of the Agenda for the meeting shall be prepared by the Parish Administrator and together with the relevant invoices be presented to Council on a monthly basis with the exception of the month of August when the Parish Council is in recess. If the schedule is in order it shall be authorised by a resolution of the Council and shall be included in the minutes of the meeting. *During the month of August urgent payments are processed by delegated powers and cheques signed by two signatories from the agreed list of Parish Council Members. Any transactions are then produced to the next available Parish Council Meeting for retrospective authorisation.

5. PAYMENT OF ACCOUNTS

All payments shall be made by Cheque or Direct Debit or BACS transfer where possible. All invoices for payment shall be examined, verified and certified by the Clerk/RFO. Not for common practice but in circumstances beyond the control the Parish Council it will honour any expenditure incurred by a Member of the Council provided such expenditure has been agreed beforehand. No reimbursement can made without the production of the relevant receipt. For such payments VAT will not be claimable.

If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998 reason to delay payment, the Clerk/RFO may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Parish Council (please see above*)

6. PAYMENT OF SALARIES

As an employer the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. 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. Payment will be made once a month.

Expenses incurred during a calendar month should be submitted for authorisation at the next Council meeting and paid once approved.

7. LOANS AND INVESTMENTS

All loans and investments shall be negotiated in the name of Great Wyrley Parish Council and shall be for a set period in accordance with Council policy.

All borrowings shall be affected 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. The terms and conditions of borrowings shall be reviewed at least annually.

All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

8. INCOME

The collection of all sums due to the Council shall be the responsibility of the Clerk/RFO.

All invoices for use of Council Facilities to be paid within the approved period and decided by the Council. Personal cheques shall not be cashed out of money held on behalf of the Parish Council.

The Clerk/RFO shall complete any VAT reimbursement claims that are required in accordance VAT126 guidance for charities and local authorities on how to claim a VAT refund when the organisation is not registered for VAT issued by HMRC.

9. ORDERS FOR WORK, GOODS AND SERVICES

An official order or letter shall be issued for all work, goods and services only when a formal contract is not to be prepared or an official order would be inappropriate.

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 is reasonable and practicable that the best available terms are obtained in respect of each transaction.

10. CONTRACTS

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 these regulations shall 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 such as are provided by Solicitors, accountants, surveyors and 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 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 the Vice-Chairman of the Council.
- vi. For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

(b) Should an application be 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.

(c) 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 addressed to the Clerk in the ordinary course of the 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.

(d) 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 the Council.

(e) Any invitation to tender issued under this regulation shall be subject to Standing Orders and shall refer to the terms of the Bribery Act 2010.

(f) 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 expected as set out in paragraph (a) the Clerk/RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk/RFO shall strive to obtain three estimates. Otherwise Regulation 9 above shall apply. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

11. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

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).

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.

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.

12. INSURANCE

Following the Annual Risk Assessment (per Financial Regulation) 13) the Clerk shall effect all insurances and negotiate claims on the Parish Council’s behalf.

All employees of the Parish Council shall be included in the suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

All insurance renewals to be agreed by Members of the Parish Council.

13. RISK MANAGEMENT

The Council is responsible for putting in place arrangements to cover all financial risk. The Clerk/RFO shall prepare, for approval by the Council, a Financial Risk Assessment in respect of all financial activities of the Council. The Risk Assessment shall be reviewed by the Council on a three yearly basis.

14. DOCUMENTATION STORAGE

Accounts including receipts, cheque stubs etc. will be kept in the Parish Council storage for a minimum of six years after which at any time they may be disposed of using confidential waste methods.

15. REVISION OF FINANCIAL REGULATIONS

It shall be the duty of the Council to review the Financial Regulations in line with the Financial Risk Register.



**Great Wyrley Parish Council
4th September, 2024.**