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Financial Regulations

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1. Introduction

- 1.1. These Financial Regulations are designed to supplement the Parish Council's Standing Orders and to ensure that the funds and assets of the Parish Council are properly accounted for and controlled.
- 1.2. Any variation of these Regulations shall only be made by a resolution of the Parish Council.
- 1.3. The Clerk to the Parish Council shall, where appropriate, prepare additional rules of procedure, supplementary to these Regulations, to ensure the maintenance of financial control and security.
- 1.4. The Clerk to the Parish Council shall be responsible for determining the format of the Parish Council's accounting systems, annual Accounts and supporting records and shall ensure that the accounting systems so determined are observed and that the accounts of the Parish Council and supporting records are kept up to date.
- 1.5. The Clerk to the Parish Council shall be responsible for maintaining an adequate and effective internal audit of the accounts of the Parish Council in the manner considered to be best.
- 1.6. The Clerk to the Parish Council shall ensure that the Parish Council's annual Accounts are prepared as soon as possible after 31 March, and in accordance with the dates as set out in the Accounts and Audit Regulations 2003 (as amended).

2. Contracts

- 2.1. The following procedures shall be employed in connection with the procurement of goods and services:
- 2.2.

Estimated value of goods/services	Action to be taken
Up to £1,000	No quotation / tenders required
£1,000 to £5,000	Seek up to two quotes
£5001 - £20,000	Obtain three written quotations
£20,001 and over	Obtain three tenders
- 2.3. Tendering may be selective or open, although, whenever possible, selective tendering shall be used and tenders invited to ensure that the required number of tenders are actually received.
- 2.4. The same contractor may be used for three years without going out to tender provided the price is not increased higher than the RPI.
- 2.5. Where it is considered there are valid reasons for departing from the procedures in (2.1) above, the Parish Council's approval shall be obtained.
- 2.6. Tenders shall be opened, not earlier than the closing date prescribed in the tender documents, at the Parish Council meeting in the presence of the Clerk to the Parish Council and the Chairman/Vice Chairman to the

Parish Council and the other Parish Council members. A declaration shall be signed to such effect by the clerk and chairman present at the opening of the tender(s).

- 2.7. Where a tender is accepted other than the lowest, the Parish Council's approval shall be obtained.

3. Responsibility of officers

- 3.1. All staff of the Parish Council has a general responsibility for the security of the property of the Parish Council for the avoidance of loss and for economy, efficiency and effectiveness in the use of resources.

4. Estimates

- 4.1. The Clerk as the Responsible Financial Officer (RFO) to the Parish Council shall be responsible for the preparation of the annual Estimates.
- 4.2. The Estimates should be determined for the forthcoming financial year at a meeting before the end of January using the best information available.
- 4.3. The Estimates shall be approved by the Parish Council each year in order that the rates and special levies can be determined.
- 4.4. The Clerk (RFO) to the Parish Council shall be responsible for seeking reasons and causes for deviation from the Estimates and shall inform the Parish Council of all material variances.

5. Banking

- 5.1. The Clerk (RFO) to the Parish Council shall advise the Parish Council's bankers in writing of the conditions under which each bank account shall be operated and which must be in the Parish Council's name.
- 5.2. All payments shall be made by either cheque, BACS or direct debit and/or internet banking.
- 5.3. The main bank accounts will be operated on the following basis:-
All cheques will be signed by three members of the Parish Council.
- 5.4. Salaries and Wages will also be paid by cheque and operated as above.
- 5.5. All bank transfers to non-Parish Council bank accounts shall be authorised by the signatories as in (5.2) above.
- 5.6. The Clerk (RFO) to the Parish Council shall ensure that bank account balances are managed so as to produce maximum benefits for the Parish Council.
- 5.7. Any bank accounts operated but not covered by points (5.2) and (5.3) above shall be operated as for the main bank account (see (5.2)).

6. Income

- 6.1. An official receipt shall be made out for every sum received by the Parish Council and must show:-
 - (a) Date of receipt
 - (b) Amount received
 - (c) Type of remittance
 - (d) Reason for paymentCopies of all receipts issued by the RFO shall be retained by that officer.
- 6.2. Parish Council monies shall not be used for the encashment of private cheques.
- 6.3. All cheques, cash etc. received shall be banked at least weekly. Disbursements shall not be made from cash received. Banking shall be daily when unusually large sums are received.
- 6.4. Keys to safes, cash boxes etc. shall be carried by the designated officers where appropriate.
- 6.5. The Clerk (RFO) to the Parish Council shall be responsible for ensuring that all monies received are properly brought to account in the Parish Council's accounting records.
- 6.6. Any debts not recoverable should only be written off with the Parish Council's approval if over £100 and the Clerk (RFO) to the Parish Council's approval if below this figure.

7. Purchases of goods and services

- 7.1. The Clerk (RFO) to the Parish Council shall have the authority to effect the purchase of goods and services up to the value of £500 and the ordering of general repairs to the Parish Council's assets up to the value of £500, if necessary
- 7.2. The Clerk (RFO) to the Parish Council shall seek three quotes to effect the purchase of goods and services to the value of £301 to £1000 and then seek approval from the Council.
- 7.3. For all goods and services with a value of £1,001 to £5,000 and over, the Clerk (RFO) will obtain 3 quotes and then the Parish Council's approval prior to the purchase being effected.
- 7.4. The requirement under Financial Regulation G3 may be dispensed with if the goods or services are required urgently such that it would not be feasible or practical to obtain the Parish Council's approval. In such cases, the Chairman's approval shall be obtained and later ratified by the Parish Council.
- 7.5. It shall be the duty of the Clerk (RFO) to the Parish Council to ensure that all goods and services are properly ordered and are necessary for the

efficient working of the Parish Council's operations and of the quality or type needed by the Parish Council.

- 7.6. All invoices for payment shall be examined by the Clerk (RFO) and presented for approval at the next Parish Council meeting.
- 7.7. See Section B "Contracts" for further Financial Regulations in connection with the purchase of goods and services.

8. Staff

- 8.1. The Parish Council's approval shall be required for the employment of all permanent staff.
- 8.2. The Clerk (RFO) to the Parish Council shall have authority to employ additional short term temporary staff, provided the revenue consequences are contained within the current annual Estimates.
- 8.3. All time records and other pay records shall be in a form approved by the Clerk (RFO) to the Parish Council and shall be certified and submitted in accordance with any given instructions.
- 8.4. The Clerk (RFO) to the Parish Council shall be responsible for the proper compilation of the payroll and for the final determination of pay.

9. Stores

10. Assets

- 10.1. All assets over £500 in value owned by the Parish Council shall be accounted for in an asset register maintained by the Clerk to the Parish Council. The asset register shall reflect additions and disposals of assets and record the cost or valuation of the assets.
- 10.2. At least once a year, the Clerk to the Parish Council shall prove the accuracy of the asset register with a physical inspection of the Parish Council's assets.
- 10.3. The asset register shall be placed before the Parish Council for inspection at the earliest opportunity following the completion of the annual Accounts.
- 10.4. Any sale of Parish Council assets will be disposed of through competitive tender where the value of the asset exceeds £500.
- 10.5. Tenders shall be confidential in a sealed envelope and shall be opened, not earlier than the closing date prescribed, in the presence of the Clerk to the Parish Council, and the Chairman or Vice Chairman of the Parish Council or other suitable member. A declaration shall be signed to such effect by the persons present at the opening of the Tender(s).
- 10.6. Where a Tender is accepted, other than the highest, Parish Council approval shall be obtained.

11. Audit

11.1. As a requirement of the Accounts and Audit Regulations 2003 (as amended) the Clerk (RFO) to the Parish Council shall arrange for an internal audit of accounting, financial management and other operations of the Parish Council to take place. This audit will be undertaken by an external person qualified to perform this function.

11.2. Authority of Internal Audit

Auditors are authorised to:

- (a) Access/enter at all reasonable times any Parish Council premises or land.
- (b) Have access to all assets, records, documents, minutes, correspondence and control systems relating to any aspect of the Parish Council.
- (c) Require and receive any information and explanation considered necessary concerning any matter under examination.
- (d) Require any employee of the Parish Council to produce or account for cash, stores or any other Parish Council asset under his or her control.
- (e) Request access to records belonging to third parties, such as contractors or partners.
- (f) Have full and free access to all Officers, Members and Committees
- (g) Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accompany audit objectives.

Auditors are not authorised to:

- (a) Perform any operational duties for the Parish Council, unless in exceptional circumstances where specific approval is given by the Clerk to the Parish Council.
- (b) Initiate or approve accounting transactions.
- (c) Direct the activities of any Parish Council employee, except to the extent such employees have been appropriately assigned to assist the Internal Auditor.

11.3. In addition all employees' of the Parish Council are required to assist the External Auditor, or his/her authorised representative, in the performance of his/her duties.

12. Fraud or other irregularities

12.1. The Responsible Officer or any other officer concerned shall immediately notify the Chairman to the Parish Council and / or the Internal Auditor of any matter which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Parish Council or any

suspected irregularity in the exercise of the functions of the Parish Council.

- 12.2. Any financial irregularity involving an employee of the Parish Council will be considered as gross misconduct, and will be dealt with in accordance with the Disciplinary Procedure of the employees Terms and Conditions of Contract.

13. Write offs

- 13.1. The Clerk (RFO) to the Parish Council shall have the authority to write off the following:

- (a) any debt under Officer Delegated Powers – (see F6 above)
- (b) damaged or stolen goods for which it is not considered that the Parish Council may make a valid insurance claim, where those goods do not form part of a stock account.
- (c) surplus goods and materials.
- (d) goods, vehicles or materials that are considered to have no material value due to deterioration or obsolescence.

- 13.2. Responsible employees shall inform the Clerk to the Parish Council of any item under 13.1 (b) to (d) above that they consider should be written off together with:

- details of the item or debt to be written off.
- the circumstances necessitating the write off.
- the reasons why he/she considers that the debt is irrecoverable or that no proceeds on sale would accrue to the Parish Council.

- 13.3. Where any items to be written off do constitute part of a stock account, the procedures for recording the write off within the Parish Council's accounts and the method of disposing of the goods shall be approved by the Clerk to the Parish Council. The Clerk to the Parish Council shall then make the appropriate adjustments to accounting records.

14. Salaries, wages and pensions

- 14.1. All new appointments shall be approved by the Parish Council, and will be made in accordance with the local grading structure and scales of pay. However, see 8.2 above for the employment of short term temporary staff.

- 14.2. The payment of all salaries, wages, Local Government Superannuation Scheme pensions, compensation and other emoluments to all present or former employees shall be made by the Clerk (RFO) to the Parish Council or under arrangements controlled by that officer.

- 14.3. Each responsible employee shall notify the Clerk (RFO) to the Parish Council immediately, and in the form prescribed, of all matters affecting such payments, and in particular:

- resignations, dismissals, suspensions, secondments and transfers

- absences from duty for sickness, unpaid leave or other reason, but not normal leave.
 - changes in remuneration, other than pay awards and agreements of general application.
 - information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 14.4. Time records or other pay documents shall be in a form prescribed or approved by the Clerk (RFO) to the Parish Council and shall be certified in writing by her.

15. Parish council employees

- 15.1. All employees of the Parish Council shall conduct themselves in a polite and courteous manner as expected by the Parish Council.
- 15.2. Employees must declare to an appropriate responsible officer any financial or other interest, which could conflict with the Parish Council's interests.
- 15.3. It is a criminal offence for an employee to receive or give any gift, loan, fee reward or advantage for doing or not doing anything, or showing favour or disfavour, to any person in their official capacity as a Parish Council Employee.
- 15.4. In terms of hospitality and gifts, only usable gifts of a small value may be accepted by individual staff or a section as a whole. Under no circumstances may cash be accepted as a gift.
- 15.5. Hospitality must be recorded in a Hospitality Book to be kept at the Parish Council's offices.
- 15.6. Where an outside organisation is seeking to sponsor a Parish Council activity (whether by invitation, tender, negotiation or voluntary), the basic rules concerning acceptance of gifts and hospitality shall apply.

16. Members' and employees' allowances

- 16.1. All staff claims for payment of car allowances, subsistence allowances, travelling and any other incidental expense shall be submitted as required duly certified, in a form approved by the Clerk (RFO) to the Parish Council.
- 16.2. The certification by or on behalf of the responsible officer shall imply that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Parish Council.
- 16.3. An officer shall not certify a claim form made payable to him/herself.
- 16.4. Claim forms submitted more than six months after the expenditure has been incurred shall be paid only on the approval of the Clerk to the Parish Council.

- 16.5. Payments to Members, (including co-opted Members of the Parish Council or its Committees), who are entitled to claim travelling or other allowances will be made by the Clerk to the Parish Council upon receipt of the completed prescribed form.

17. Insurances

- 17.1. The Clerk (RFO) to the Parish Council shall, in initiate all insurance cover and negotiate all claims in consultation with other officers where necessary.
- 17.2. Responsible officers shall promptly notify the Clerk to the Parish Council of all new risks, properties or vehicles needing to be insured, and of any disposals or alterations affecting existing insurances.
- 17.3. Responsible officers shall notify the Clerk to the Parish Council of any loss, liability or damage or any event likely to lead to a claim on any Parish Council policy, and shall where appropriate notify the police of the relevant circumstances.
- 17.4. All employees of the Parish Council shall be included in a suitable fidelity guarantee insurance.
- 17.5. The Clerk (RFO) to the Parish Council shall annually, or at such other period as is considered necessary, review all insurances held by the Parish Council in consultation with other responsible officers as appropriate.
- 17.6. Responsible officers shall consult the Clerk (RFO) to the Parish Council in respect of the terms of any indemnity which the Parish Council is requested to give.
- 17.7. The Clerk to the Parish Council as The Responsible Finance Officer shall inspect insurance policies of contractors for building, construction or engineering works to ensure as far as possible that all necessary cover has been taken out.

18. Security

- 18.1. Each responsible officer is responsible for maintaining proper security at all times for all buildings, stores, paint, vehicles, equipment, cash, documents and information under his/her control. Each responsible officer shall consult the Clerk to the Parish Council in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 18.2. All officers of the Parish Council have a duty to comply with the requirements of the Data Protection Act 1984 and any amending legislation. Responsible officers shall ensure that staff are aware of their responsibilities under this legislation through the provision of suitable training and the circulation of relevant information on the subject.

- 18.3. Maximum limits for cash holdings shall be agreed with the Parish Council and shall not be exceeded without the express permission of the Chairman.
- 18.4. Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. A list of such key holders shall be supplied to the Clerk to the Parish Council. Where keys are transferred between staff, the new recipient assumes responsibility. The loss of any keys must be reported immediately to the Clerk to the Parish Council.

19. Protection of private property

- 19.1. Each responsible officer shall notify the Clerk to the Parish Council of any case where steps are necessary to prevent or mitigate loss or damage of moveable property.
- 19.2. The Parish Council shall not be liable for accidental loss or damage to the personal possessions which employees' use whilst on Parish Council business that are not included under the Parish Council's Insurance Policies.
- 19.3. All recovered valuables such as jewellery, watches and other small items of a similar nature and documents of title shall be kept under safe custody as directed by the Clerk to the Parish Council, and shall, if not claimed, be disposed of in a manner to be determined.
- 19.4. In the event of theft of personal items from staff, a full report shall be made by the affected employee as soon as the theft has been discovered. All such incidents shall be recorded and investigated. Where possible, the Clerk to the Parish Council or responsible officer shall make appropriate recommendations to improve security.

These Financial Regulations shall be reviewed every year by the Parish Council.

Brenda Stanojevic
Parish Clerk