



Helsby Parish Council

FINANCIAL REGULATIONS

Adopted by Council on 12th July 2004 – Minute Ref 59.2

Reviewed by approved by the Council in 2005, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and on 25th Sept 2023 Minute Ref: F30/23.

1 GENERAL

- 1.1 These financial regulations 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 Council, shall be responsible for the proper administration of the Council's affairs and, in this case, shall be the Clerk.
- 1.3 The RFO shall be responsible for the production of financial management information.

2 ANNUAL ESTIMATES

- 2.1 Each committee shall formulate and submit proposals to the Finance Committee in respect of revenue and capital costs for the following financial year not later than the end of December each year.
- 2.2 The Finance Committee shall review the recommendations of the other committees and will recommend to the Council the Annual Budget provisions not later than the end of January each year.
- 2.3 The Finance Committee shall recommend to the Council the Precept for the coming financial year.
- 2.4 The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.5 The annual budgets shall form the basis of financial control for the ensuing year.
- 2.6 The Finance Committee will consider and recommend to the Council the timetable and levels of expenditure required to meet schemes approved by the Council in the Business Plan.

3 BUDGETARY CONTROL

- 3.1 The committees, in general, may incur expenditure within the Annual Budget approved for the committees by the Council in any specific financial year, and to *vire* the expenditure on any item so long as the overall budget provision will not be exceeded. Where the spend may exceed the overall budget of that committee for that year, it will be recorded in the committee minutes and presented for approval to Full Council.

- 3.2 The RFO shall regularly (as least quarterly) provide the Finance Committee with a statement of receipts and payments to date under each budget heading, comparing actual expenditure against that planned.
- 3.3 The Clerk 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 £500. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.4 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.5 No expenditure shall be incurred in relation to any capital project and no contract entered into or tenders accepted involving capital expenditure unless the Finance Committee is satisfied that the necessary funds are available, with the exception of projects set out in 3.1.
- 3.6 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4 ACCOUNTING AND AUDIT

- 4.1 The RFO, as required by the Accounts and Audit Regulations 1996 as amended, shall determine all accounting procedures and financial records of the Council.
- 4.2 The RFO shall supply to each member as soon as practicable after 31st March in each year the annual financial statements of the Council for the completed financial year.
- 4.3 The RFO shall be responsible for completing the accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is 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 1996 as amended. Any member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to them to be necessary for the purpose of the internal audit and shall supply them with such information and explanation as the RFO or Internal Auditor consider necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the Council, with a view to satisfactory completion of the Internal Auditor's Report of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing, one annual report in respect of each financial year.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers in accordance with the Audit Commission Act 1998 S. 15 and the Accounts and Audit Regulations 1996 as amended.

- 4.7 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5 BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. The mandate and any changes to it shall be authorised by the Council. Authority for the banking arrangements and for the mandate may not be delegated to a committee of the Council. The banking arrangements shall be regularly reviewed by the Finance Committee for efficiency.
- 5.2 A schedule of the payments made in each month, forming part of the Agenda for the Meeting shall be prepared by the RFO and be presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. The schedule shall be shown in detail in the Minutes of the Meeting.

6 PAYMENTS OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers or by electronic funds transfer. Duly authorised payments may be made prior to a meeting of the Council provided that they are submitted for the Council's authorisation in accordance with paragraph 5.2 above
- 6.2 Cheques drawn on the bank account shall be signed by two members of the Council and countersigned by the RFO. All three must also initial the cheque counterfoil.
- 6.3 Where payments are to be made by electronic funds transfer, they shall be initiated by the RFO and authorised by two members of the Council. All three persons must be present in the same location and must initial the payment schedule.
- 6.4 Under no circumstances should blank cheques be signed.
- 6.5 The Council (but not a Committee of the Council) may agree that certain payments may be made by direct debit or standing order. Where direct debits or standing order payments have been authorised by the Council, the appropriate documents shall be signed by the RFO and two members of the Council. All three persons must be present in the same location and must initial the copy of the document they have signed.
- 6.6 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services, to which the invoice relates, shall have been received, carried out, examined and approved and shall further satisfy him/herself that the expenditure has been incurred in accordance with these financial regulations and meets the general requirements as to regularity and propriety.
- 6.7 The RFO shall examine invoices relating to their accuracy and shall analyse and list them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, when payment falls due and shall submit details to the next available Council Meeting in accordance with paragraph 5.2 above.
- 6.8 The Council will not maintain any form of cash float. All cash received must be banked intact and a written receipt provided to the payee.
- 6.9 All payments made in cash by the RFO or Councillors (for example postage, travel expenses or minor stationery items) shall be refunded on a monthly basis, subject to completion of an expense form with attached receipts (where possible). The RFO will add

the expense form to the schedule of payments for Council authorisation; payment will then be made by cheque or by electronic funds transfer in accordance with the procedures set out in paragraphs 6.2 and 6.3 above.

- 6.10 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 authorised signatories and the Responsible Finance Officer (Parish Clerk). A programme of regular checks of standing data with suppliers will be followed. Confirm change of bank details of supplier that the change has been made, as long as it is not done by email or as a 'reply to' just in case the details have been faked.

7 PAYMENT OF SALARIES

- 7.1 The payment of all salaries shall be made so as to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation and any legislation relating to pensions. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating and salary rates shall be as agreed by the Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records on the appropriate dates and each payment must be authorised at the next available Council meeting in accordance with the provisions of paragraph 5.2 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.
- 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 and General Protection 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 Audit Commission Act 1998, or any superseding legislation.
- 7.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6 The Clerk shall complete and submit to HM Revenue and Customs monthly and at the end of each tax year such details as may be required Form P60 shall be issued to each of the Council's employees at the end of the financial year.

8 LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with the approval of the Finance Committee.
- 8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed at least annually by the Finance Committee.
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.

8.4 All borrowings shall be affected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be investigated by the Finance Committee as to terms and purpose; the committee will then make a recommendation to the Council for approval.

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

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 to Lessees shall be investigated annually by the Finance Committee which will recommend any action to be taken to the Council for its approval. The RFO will be responsible for the collection of all accounts due by the Council.

9.3 The Finance Committee, or other relevant committee as defined in standing orders, will review all fees and charges annually, following a report from the Clerk.

9.4 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. Cheques valued at over £100 shall be deposited within 3 working days.

9.5 The origin of each receipt shall be entered on the paying-in slip with a short explanation on the reverse of the counterfoil.

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

9.7 The RFO shall complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1994 s. 33 shall be made as seen fit by the Council.

9.8 Where the Council receives any significant sums of cash, 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. A receipt will then be issued to the payee. The Council should ensure that appropriate care is taken in the security and safety of individuals banking such cash.

10 ORDERS FOR WORK, GOODS AND SERVICES

10.1 A letter of authorisation shall be issued for all work, goods and services and shall be copied and retained by the Clerk.

10.2 All councillors are responsible for obtaining the best possible value for money at all times. It is essential to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

10.3 The RFO shall verify the lawful nature of any proposed purchase before the issue of an order, and in the case of new or infrequent purchases or payments, the Clerk 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

11.1 Procedures as to contracts are laid down as follows: -

- (a) Every contract other than those specified in Regulations 11.2 and 11.3 below shall comply with the provisions of this Regulation.

- (b) Where it is intended to enter into a contract exceeding £5,000 in value for the supply of goods or materials or for the execution of works or specialist services the Council or Standing Committees shall invite tenders from at least three contractors or suppliers.
- (c) The Clerk shall invite those selected to tender to quote for the goods, materials or services, stating the general nature of the intended contract and then shall obtain the necessary technical assistance to prepare a specification in appropriate cases and shall specify the last date for the receipt of tenders.
- (d) Tenders shall be opened by the Clerk and shall be reported to the Council or the committee initiating the tender after the last date for the receipt of tenders.
- (e) If less than three tenders are received for contracts above £5,000 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.
- (f) Any invitation to tender issued under this regulation shall be subject to Standing Order 18(d).
- (g) When the Council is to enter into a contract of £5,000 or less but above £500 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 specified in 11.2 and 11.3 below) the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply) where it is reasonably practicable; otherwise Regulation 10.3 shall apply.
- (h) The Council or any committee is not bound to accept the lowest tender, quote or estimate.
- (i) Contracts with an estimated value of £5000 or more and those relating to an interest in land shall be written. Contracts with an estimated value below £5000 shall be written where it is reasonably practicable to do so but may otherwise be entered into orally.

11.2 Contracts for the supply of goods or materials or for the execution of works or specialist services specified in sections (a) to (f) of this Regulation may be entered into without competitive tendering, **[except where it is reasonably practicable to obtain two or more quotations and it represents good value for money to do so]**. These contracts are not subject to the provisions of Regulation 11.1. The contracts within the scope of this regulation are those:

- (a) for the supply of gas, electricity, water, sewerage and telephone services;
- (b) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
- (c) 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;
- (d) for work to be executed or goods or materials to be supplied which, constitute an extension of an existing contract by the Council;
- (e) for additional audit work of the Internal or External Auditor up to an estimated value of £250 (in excess of this sum the Clerk shall act after consultation with the Chairman and Vice-Chairman of the Council);

- (f) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

11.3 In the event of an emergency the Clerk may enter into such contracts as are necessary to deal with the emergency without competitive tendering but only after consultation with the Chairman or Vice-Chairman of the Council. Details of the contracts shall be reported to the next meeting of the Council or the appropriate Standing Committee.

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 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 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.

12.3 Any variation to a contract, or addition to, or omission from a contract must be approved by the Council and submitted 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 and goods must be checked as to order and quality at the time of delivery.

13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

13.5 The Clerk will provide an Assets Register to all councillors, recording the value of all equipment owned by the Council, to be reviewed annually by the Finance Committee.

14 PROPERTIES AND ESTATES

14.1 All title deeds of properties owned by the Council will be stored in a locked safe within the parish office. The RFO shall ensure a record is maintained of all properties and land owned by the Council, recording the location, extent, plan, nature of interest, lease granted and rents payable and purpose for which held in accordance with Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.

14.2 No property or land shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consent required by law.

14.3 The Finance Committee, or other relevant committee as defined in standing orders, will review, prior to expiry, the Lease Agreements made between the Council and the Village Produce Association, Scout Association, Protos, RSK and the Guide Association.

14.4 The Clerk will provide an Assets Register to all councillors of all land owned by the Council, to be reviewed annually by the Finance Committee.

14.5 Lease agreements, pertaining to land leased by the Parish Council, shall be held by the Responsible Finance Officer of the Council.

15 INSURANCE

15.1 Following any annual risk assessment by the Finance Committee, the RFO shall effect all insurance and negotiate all claims on the Council's insurers.

15.2 The Clerk shall give prompt notification to the Finance Committee of all new risks, properties that require to be insured and of any alterations affecting existing insurance.

15.3 The Clerk shall keep a record of all insurance affected by the Council and the property and risks covered thereby to be reviewed annually by the Finance Committee.

15.4 The Clerk shall be notified of any loss, liability or damage or of any event likely to lead to a claim, and shall report these to the Council at the next available meeting.

15.5 All appropriate employees of the Council and councillors shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Finance Committee and approved by the Council.

16 RISK MANAGEMENT

16.1 The Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.

16.2 When considering any new activity, the Clerk shall prepare a draft Risk Assessment for the activity and shall bring a draft, addressing the legal and financial liabilities and risk management issues that arise, to the Finance Committee for consideration and, if thought appropriate, for the Council to adopt.

17 REVISIONS OF FINANCIAL REGULATIONS

17.1 It shall be the duty of the Finance Committee to review these Financial Regulations for the Council at least annually to keep abreast of any changes in accounting regulations.