

WARBOYS
PARISH COUNCIL

FINANCIAL
REGULATIONS

SEPTEMBER 2002
(As modified in June 2006
and May 2014)

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FINANCIAL REGULATIONS

1. Budget

- (a) The Council shall approve written estimates for the forthcoming financial year at a meeting before the end of December.
- (b) Any committee desiring to incur expenditure shall give the Clerk a written estimate of the expenditure recommended for the forthcoming year no later than 31st October for consideration by the Finance and General Purposes Committee by 30th November.
- (c) The Council shall supply notice of their annual precept on the council tax to Huntingdonshire District Council by not later than the end of December in each year.

2. Accounts

The Council shall maintain a Reserve Account and Revenue Account as follows:-

Reserves

- (a) Reserves shall comprise receipts from the sale of fixed assets (capital receipts), from Section 106 Agreements, from the Community Infrastructure Levy and from revenue account surpluses. The reserves shall be used for specific purposes, the principal ones being the repayment of any external debt and the financing of capital payments for the acquisition, construction and enhancement of land, buildings, vehicles, plant and equipment. The reserves shall be reviewed annually by the Council and allocated for specific purposes or retained as a general reserve.
- (b) Reserves shall be invested by the Council in accordance with the Council's Investment Strategy. Any transfer of funds from reserves held in an investment account shall be made to a current account in the name of the Council in a bank or building society and may be made without specific authorisation by the Council, any such transfer to be signed by the Clerk and a councillor duly authorised by the Council.

Revenue Account

The Revenue Account shall comprise the estimates of income and expenditure of the committees of the Council and such funds shall held in a current account in a bank or building society approved by the Council. Any surplus funds in the current account may be invested in an investment account in accordance with the Council's Investment Strategy.

3. Orders for Payment

- (a) Except as provided in sub paragraphs (b) and (c), each order for payment of an account or invoice shall be presented for approval to the Council and no payment shall be made until the order has been so approved.
- (b) Where it is necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness and urgency by the Responsible Financial Officer or the Clerk if different. Such payment shall be authorised by the proper officer for payment with the approval of any two of the Chairman or Vice Chairman of the Council or any two councillors so authorised by the Council.
- (c) Subject to the prior approval by the Council and where it is considered to be in the Council's interests, payment may be made to a regular supplier or creditor by direct debit or standing order. Any payment made in such circumstances shall be reported to the next meeting of the Council by the Clerk.

4. Expenditure

- (a) The inclusion of amounts in the Revenue Account for each financial year shall comprise sufficient authority for orders to be issued by the Clerk for expenditure, provided that the budgeted amount for each item of expenditure is not exceeded in any financial year and that the expenditure does not exceed £750 exclusive of VAT for a single order. Such authority shall not extend to expenditure on grants and donations and to any provision made for contingencies which shall require the approval of the Council prior to any expenditure. Specific approval shall be required by the Council for any order in excess of £750 exclusive of VAT in any financial year for which an amount has been included in the Revenue Account.
- (b) Any transfer of funding between budgeted amounts ('virement') may be made only by the Council or by a committee, except that any such virement by a committee shall not exceed 25% of the amount budgeted for each item of expenditure.
- (c) Subject to sub paragraph (d), any such expenditure incurred by the Council shall be for a purpose for which the Parish Council has a specific power or duty in law to provide.
- (d) Expenditure may also be incurred by the Council under Section 137 of the Local Government Act 1972 where, in the opinion of the Council, it would be in the interests of all or some of the inhabitants or the whole or a part of the area of the Parish. The Clerk shall notify the Council before the end of December in each year of the maximum amount that may be expended under Section 137 of the 1972 Act in the ensuing year. Such payments shall be recorded separately in the

accounts and the Clerk shall submit a report to the Council on a quarterly basis of expenditure to date under Section 137.

5. Income

- (a) The Clerk shall issue invoices for payment of amounts due to the Council as soon as practicable.
- (b) Income received shall be deposited in the Council's deposit or current bank account on at least one occasion each month.
- (c) Any amounts that are due to the Council and not paid will be drawn to the notice of the Council by the Clerk as soon as practicable. The Council shall decide whether to proceed with recovery of any amount due through the courts or whether to write off the debt, having regard to the size of the debt and the cost of continued recovery action.

6. Budgetary Control

- (a) The Clerk shall present a statement to each meeting of the Council of the income and expenditure (with the exception of investment income) received or incurred during the previous month. Such expenditure shall be allocated to budget headings and the report shall include the amounts budgeted for expenditure under each heading.
- (b) The Clerk shall undertake a bank reconciliation of each of the deposit and current accounts held by the Council on no less than a quarterly basis and shall submit a report thereon to the next ensuing meeting of the Council.

7. Statement of Accounts

The Clerk shall supply to each member as soon as practicable after 31st March in each year a statement of the receipts and payments of the Council for the completed financial year. A Financial Statement prepared on the appropriate accounting basis (receipts and payments, or income and expenditure) for a year to 31st March shall be presented to each member before the end of the following month of May. The Statement of Accounts of the Council (which is subject to external audit) shall be presented to the Council for formal approval before the end of the following month of September.

8. Supply of Goods, Materials and Services

- (a) The Council shall approve a specification of any goods, materials, services and the execution of works to be purchased before inviting tenders or quotations.
- (b) In the case of any contract for the supply of goods, materials or services which is estimated to exceed £10,000, tenders shall be invited from a list of companies approved by the Council. Tenders shall be

delivered to the Clerk in a sealed, marked envelope by a date and time specified. Tenders so submitted shall be opened after the time for their delivery by the Clerk in the presence of the Chairman or the Vice Chairman of the Council. A schedule of tenders received shall be prepared by the Clerk and reported to the next meeting of the Council.

- (c) In the case of any contract for the supply of goods, materials or services which is estimated to exceed £500, a minimum of three written quotations shall be invited which shall be opened after the specified closing date and time by the Clerk.
- (d) The Council, a committee or the Clerk is not bound to accept the lowest tender, quotation or estimate received. Any decision not to accept the lowest tender, estimate or quotation received shall only be made by the Council or by a committee after the receipt of a report by the Clerk and the reason for the decision shall be recorded in the minutes of the meeting.
- (e) Nothing in this Regulation shall require the invitation of tenders or quotations where the contract to be entered into involves-
 - the supply of goods by or through a Government or local authority purchasing consortium (e.g. the Eastern Shires Purchasing Organisation);
 - the goods, materials or services are proprietary articles which cannot be obtained elsewhere;
 - the contract constitutes an extension of an existing contract or is for the supply of goods, materials and services of a similar nature to goods etc. for which tenders, quotations or estimates have been obtained in the previous two years;
 - the goods, materials or services are required so urgently that there is insufficient time to obtain tenders or quotations, in which case a report shall be submitted to the next meeting of the Council on the action taken; and
 - the contract is managed by another local authority on the Council's behalf and the works are carried out by a contractor on that local authority's schedule of rates contract or in accordance with their Standing Orders as to Contracts.

9. Audit Arrangements

The Council shall appoint an Internal Auditor who shall be responsible for ensuring that the Council have introduced and maintain adequate methods of internal control as required by the accounts and audit arrangements approved from time to time by the Government and as advised by the Audit Commission. The Internal Auditor shall carry out such checks at least quarterly and shall report to the Council if he is not satisfied as to adequacy of the internal controls carried out by the Council in compliance with Audit Commission specifications (which are reproduced in the Practitioners' Guide

on Governance and Accountability in Local Councils in England and Wales published by the National Association of Local Councils and the Society of Local Council Clerks). The Internal Auditor shall also prepare an annual report to accompany the annual return to be submitted by the Council each year to the external auditor.

10. Risk Management

(a) The Finance and General Purposes Committee shall undertake a risk management exercise in each year which shall –

- take steps to identify the key risks facing the Council;
- evaluate the potential consequences to the Council if an event identified as a risk takes place; and
- decide upon appropriate measures to avoid, reduce or control the risk and its consequences.

In so doing, the Council shall have regard to any advice provided by the Internal Auditor and in relation to managing the risks identified and the controls in place, shall –

- take out insurance against the risks identified;
- work with a third party to manage the risk; and
- self-manage the risk.

(b) Notwithstanding the provisions of sub paragraph (a) above, the Finance and General Purposes Committee shall review the insurances held by the Council in each year.

11. Variation, Revocation and Suspension of Financial Regulations

Any or every part of these Financial Regulations may be suspended by resolution in relation to any specific item of business without any member voting against or abstaining from voting on the suspension.

Any motion to add, vary or revoke a Financial Regulation permanently shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

12. Financial Regulations to be Given to Members

A copy of these Financial Regulations shall be given to each member by the Clerk upon delivery to him of the member's declaration of acceptance of office and written undertaking to observe the Code of Conduct adopted by the Council.