

# **ADDLETHORPE PARISH COUNCIL**

## **FINANCIAL REGULATIONS.**

These Financial Regulations were adopted by the Parish Council at its meeting held on 10<sup>th</sup> June 2014.

Signed:

Chairman

Dated:

Signed:

Clerk/RFO

Dated:

For Annual Review at Annual General Meeting.

## 1. General

- 1.1 These financial regulations govern the conduct of financial management by the Parish Council and may only be amended or varied by resolution of the Parish Council. Financial regulations are one of the Parish Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's Standing Orders and any individual financial regulations relating to contracts.
- 1.2 The Parish Council is responsible in Law for ensuring that its financial management is adequate and effective and that the Parish Council has a sound system of internal control which facilitates the effective exercise of the Parish Council's functions, including arrangements for the management of risk.
- 1.3 The Parish Council's accounting control systems must include measures:
  - a) for the timely production of accounts;
  - b) that provide for the safe and efficient safeguarding of public money;
  - c) to prevent and detect inaccuracy and fraud;
  - d) identifying the duties of officers.
- 1.4 These financial regulations demonstrate how the Parish Council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement (Annual Return), the Parish Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 A breach of these Regulations by an employee is gross misconduct.
- 1.7 Members of the Parish Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8 The clerk has been appointed as Responsible Financial Officer for this Parish Council and holds a statutory office to be appointed by the Parish Council.
- 1.9 The RFO:
  - a) Acts under the policy direction of the Parish Council;
  - b) Administers the Parish Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - c) Determines on behalf of the Parish Council its accounting records and accounting control systems;
  - d) Ensures the accounting control systems are observed;

- e) Maintains the accounting records of the Parish Council up to date in accordance with proper practices;
- f) Assists the Parish Council to secure economy, efficiency and effectiveness in the use of its resources;
- g) Produces financial management information as required by the Parish Council.

1.10 The accounting records determined by the RFO shall be sufficient to show and explain the Parish Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Parish Council from time to time comply with the Accounts and Audit Regulations.

1.11 The accounting records determined by the RFO shall in particular contain:

- a) entries from day to day of all sums of money received and expended by the Parish Council and the matters to which the income and expenditure or receipts and payments account relate.
- b) a record of the assets and liabilities of the Parish Council.
- c) wherever relevant, a record of the Parish Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12 The accounting control systems determined by the RFO shall include:

- a) procedures to ensure that the financial transactions of the Parish Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- b) procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- c) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- d) procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Parish Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records;
- e) measures to ensure that risk is properly managed.

1.13 The Parish Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- a) setting the final budget or the precept (Council Tax requirement);
- b) approving accounting statements
- c) approving an Annual Governance Statement (Annual Return)
- d) borrowing;
- e) writing off bad debt;
- f) declaring eligibility for the power of well-being;

g) addressing recommendations in any report from the internal or external auditors,  
shall be a matter for the full Parish Council only.

1.14 In addition the Parish Council must:

- a) determine and keep under regular review the bank mandate for all Parish Council bank accounts;
- b) approve any grant or single commitment in excess of £500.00;
- c) in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.

1.15 In these financial regulations, references made to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations, issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils – a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG).

## **2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

2.1 All accounting procedures and financial records of the Parish Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Parish Council.

2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Parish Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Parish Council within the timescales set by the Accounts and Audit Regulations.

2.4 The Parish Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Parish Council shall make available such documents and records as appear

to the Parish Council to be necessary for the purpose of the audit and shall, as directed by the Parish Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Parish Council considers necessary for that purpose.

2.5 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Parish Council in accordance with proper practices.

2.6 The internal auditor shall:

- a) Be competent and independent of the financial operations of the Parish Council;
- b) Report to the Parish Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year.
- c) To demonstrate competence. Objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships;
- d) Have no involvement in the financial decision making, management or control of the Parish Council.

2.7 Internal or external auditors may not under any circumstances:

- a) Perform any operational duties for the Parish Council;
- b) Initiate or approve accounting transactions;
- c) Direct the activities of any Parish Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books and vouchers and display and publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

2.10 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal and external auditors.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1 The RFO must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Parish Council
- 3.2 The Parish Council shall consider annual budget proposals in relation to the Parish Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly
- 3.3 The Parish Council shall fix the precept (council tax requirement), and relevant amount of basic council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.4 The approved annual budget shall form the basis of financial control for the ensuing year.

### **4. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by the Parish Council
- 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Parish Council. During the budget year and with the approval of the Parish Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4 The salary budgets are to reviewed at least annually in September for the following financial year and such review shall be evidenced by a hard copy schedule signed by the clerk and the Chairman of the Parish Council
- 4.5 In cases of extreme risk to the delivery of Parish Council services, the clerk may authorise revenue expenditure on behalf of the Parish Council which in the clerk's judgement it is necessary to carry out. Such expenditure includes

repair, replacement and other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £200. The clerk shall report such action to the chairman as soon as possible and to the Parish Council as soon as practicable afterwards.

4.6 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Parish Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.

4.7 All capital works shall be administered in accordance with the Parish Council's Standing Orders and Financial Regulations relating to contracts.

4.8 The RFO shall regularly provide the Parish Council with a statement of receipts and payments to date under each head of the budget, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at the end of each financial quarter and shall show explanations of material variances. For this purpose 'material' shall be in excess of 15% of the budget.

4.9 Changes in earmarked reserves shall be approved by Parish Council as part of the budgetary control process.

## **5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

5.1 The Parish Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Parish Council. They shall be regularly reviewed for safety and efficiency.

5.2 The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to the Parish Council, which shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Parish Council. The approved schedule shall be ruled off and initialled by the Chairman of the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments, including salaries, wages, expenses etc. may be summarized to remove public access to any personal information.

5.3 All invoices for payment shall be examined, verified and certified by the RFO to confirm that all the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Parish Council.

- 5.4 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Parish Council meeting.
- 5.5 The clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of the Parish Council, where the clerk and RFO certify that there is no dispute or other reason to delay payment;
  - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations); or
  - c) Fund transfers within the Parish Council's banking arrangements up to the sum of £1,000;
- Provided that a list of any such payment shall be submitted to the next appropriate meeting of the Parish Council
- 5.6 For each financial year the clerk and RFO shall draw up a list of due payments which arise on a regular basis as a result of a continuing contract, statutory duty or obligation (such as but not exclusively, salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which the Parish Council may authorise payment for the year provided that the requirements of Regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Parish council.
- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised – thus controlling the risk of duplicated payments being authorised and/or made.
- 5.8 Members are subject to the Code of Conduct that has been adopted by the Parish Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted
- 5.9 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a member of the Parish Council

## **6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS**

- 6.1 The Parish Council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 5 above, the Parish Council or, if so delegated the Clerk or RFO, shall give instruction that a payment shall be made.
- 6.3 All payments shall be effected by cheque or other instructions to the Parish Council's bankers, or otherwise in accordance with a resolution of the Parish Council.
- 6.4 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to the Parish Council shall be signed by two members of the Parish Council, in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 6.5 To indicate agreement with the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6 Cheques or orders for payment shall not normally be presented for signature other than at a Parish Council meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Parish Council at the next convenient meeting.
- 6.7 If thought appropriate by the Parish Council:
  - a) Payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by Variable Direct Debit provided that the instructions are signed by two members;
  - b) Payment for certain items (principally salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members, are retained;
  - c) Payment for certain items may be made by BACS or CHAPS methods, providing instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained

In each case of the above any payments made must be reported to the Parish Council as made, and the approval and use of any of these methods of payment shall be renewed by resolution of the Parish Council at least every two years.

- 6.8 Internet Banking: if thought appropriate by the Parish Council, payment for certain items may be made by internet banking transfer providing evidence is retained showing which members approved the payment.
- 6.9 Where a computer requires the use of a personal identification number (PIN) or other password(s), for access to the Parish Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of the Parish Council in a sealed and dated envelope. This envelope may not be opened other than in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and/or password(s) shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to the members immediately and formally to the next available meeting of the Parish Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.10 No employee or councillor shall disclose any PIN or password, relevant to the working of the Parish Council or its bank accounts, to any person not authorised in writing by the Parish Council.
- 6.11 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.12 The Parish Council, and any members using computers for the Parish Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.13 The Parish Council will not maintain any form of cash float. All cash must be banked intact. Any payments made in cash by the Clerk/RFO (for example for postage and minor stationery items) shall be refunded on a regular basis, at least quarterly.

## **7. PAYMENT OF SALARIES**

- 7.1 As an employer, the Parish 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 N.I. currently operating, and salary rates shall be as agreed by the Parish Council.

- 7.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, N.I. and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Parish Council meeting, as set out in these regulations above.
- 7.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without prior consent of the Parish 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 (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) By a councillor who can demonstrate a need to know;
  - b) By the internal auditor
  - c) By the external auditor
  - 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 the Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6 Any termination payments shall be supported by a clear business case and reported to the Parish Council. Termination payments shall only be authorised by the Parish Council
- 7.7 Before employing interim staff, the Parish Council must consider a full business case.

## **8. LOANS AND INVESTMENTS**

- 8.1 The Parish Council will arrange with its Bank and Investment providers for the sending of a copy of each statement of account to the Chairman of the Parish Council at the same time as one is issued to the clerk/RFO
- 8.2 All investments of money under the control of the Parish Council shall be in the name of the Parish Council
- 8.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO

8.4 Transfers between bank accounts held in the same bank shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (instructions for payments).

## **9. INCOME**

9.1 The collection of all sums due to the Parish Council shall be the responsibility of and under the supervision of the RFO.

9.2 Any sums found to be irrecoverable and any bad debts shall be reported to the Parish Council and shall be written off in the year.

9.3 All sums received on behalf of the Parish Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Parish Council's Bankers with such frequency as the RFO considers necessary.

9.4 The origin of each receipt shall be entered on the paying-in slip

9.5 Personal cheques shall not be cashed out of money held on behalf of the Parish Council

9.6 The RFO shall promptly complete any V.A.T. Return that is required. Any repayment claim due in accordance with the V.A.T. Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9.7 If any significant sums of cash are received by the Parish Council, the RFO shall take such steps as are agreed by the Parish Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **10. ASSETS, PROPERTY AND ESTATES**

10.1 No tangible moveable property shall be purchased or acquired without the authority of the full Parish Council. In each case a report in writing shall be provided to the Parish Council with a full business case, subject only to the limit of £250.

10.2 No tangible moveable property shall be sold, leased or otherwise disposed of, without the authority of the Parish Council, together with other consents required by law, save where the estimated value of any one item does not exceed £250.

10.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **11. INSURANCE**

11.1 Following the annual risk assessment, the RFO shall effect all insurances and negotiate claims on the Parish Council's insurers.

11.2 The RFO shall keep a record of all insurance effected by the Parish Council and the property and risks covered thereby and annually review it.

11.3 The RFO 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 Parish Council at the next available meeting.

11.4 All appropriate members and employees of the Parish Council shall be included in a suitable form of security or fidelity insurance which shall cover the maximum risk exposure as determined by the Parish Council.

## **12. RISK MANAGEMENT**

The Parish Council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO shall prepare for approval by the Parish Council, risk management policy statements in respect of all activities of the Parish Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Parish Council at least annually. When considering any new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Parish Council.

### **13. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

13.1 It shall be the duty of the Parish Council to review the Financial Regulations of the Parish Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Parish Council of any requirement for a consequential amendment to these financial regulations.

13.2 The Parish Council may, by resolution of the Parish Council duly notified prior to the relevant meeting of the Parish Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of the Parish Council.

**The following Regulations have been listed as an appendix. Currently these statements do not apply to Addlethorpe Parish Council.**

**Being a small Parish Council, no committees are operative and no large scale projects etc are part of normal business.**

**By listing these statements here, they form part of the Regulations in force and can be made operative in the future should the need arise, with full Parish Council approval, following consultation at a Parish Council meeting.**

### **Banking Arrangements:**

In respect of grants a duly authorised committee shall approve expenditure within any limits set by the Parish Council and in accordance with any Policy Statement approved by the Parish Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Parish Council.

The Parish Council will aim to rotate the duties of members in the Regulations so that onerous duties are shared out as evenly as possible over time.

### **Instructions for the making of payments:**

**Internet Banking:** Where internet banking arrangements are made with any bank, the clerk/RFO shall be appointed as Service Administrator. The Bank Mandate approved by the Parish Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

Access to any internet banking accounts will be directly to the access page (which can be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must be used on any computer used for council banking work. Breach of this regulation will be treated as a very serious matter under these regulations.

Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the suppliers and supported by a hard copy authority for change signed by the clerk/RFO. A programme of regular checks of standing data with suppliers will be followed.

**Debit, credit and trade cards:** Any Debit Card issued for use will be specifically restricted to the Clerk/RFO and will also be restricted to a single transaction maximum value of £250, unless authorised by the Parish Council or finance committee in writing before any order is placed.

A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Parish Council. Transactions and purchases made will be reported to the Parish Council and authority for topping-up shall be at the discretion of the Parish Council.

Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/RFO and shall be subject to automatic payment in full at each month-end. Personal credit and debit cards of members of staff shall not be used under any circumstances.

### **Payment of Salaries:**

An effective system of performance management should be maintained for the senior officers.

### **Loans and Investments:**

All borrowings shall be effected in the name of the Parish Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Parish Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by the full Parish Council.

Any financial arrangement that does not require formal Borrowing Approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Parish Council. In each case a report in writing shall be provided to the Parish Council in respect of value for money for the proposed transaction.

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

The Parish Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Parish Council at least annually.

### **Income:**

Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Parish Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Parish Council. The Parish Council will review all fees and charges at least annually, following a report of the clerk.

Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Parish Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Parish Council meeting

Where the Parish Council is sole managing trustee of a charitable body the Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk/RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **Orders for Work, Goods and Services:**

An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained. Order books shall be controlled by the RFO.

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 reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions below (see Contracts)

Any member may not issue an official order or make any contract on behalf of the Parish Council.

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

## **Contracts:**

Procedures as to contracts are laid down as follows:

- a) Every contract shall comply with the financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to (i) and (v) below:
  - (i) For the 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, equipment or plant; Or which constitute an extension of an existing contract by the Parish Council;
  - (iv) 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 Vice-Chairman of the Parish Council);
  - (v) For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b) Where it is intended to enter into a contract exceeding £10,000 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 excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.
- c) When applications are 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 Parish Council.
- d) Such invitation 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 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.

- e) 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 Parish Council.
- f) If less than three tenders are received for contracts above £5,000 or if all the tenders are identical the Parish Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g) Any invitation to tender issued under this regulation shall be subject to any Standing Order in force at the time and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £5,000 in value for the supply of goods or materials or the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) above, 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, the paragraph above with reference to Orders for work, goods and services, 'Best terms available' shall apply.
- i) The Parish Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j) Should it occur that the Parish Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Parish Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.
- k) The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

### **Payments under contracts for building or other construction works and Stores and Equipment:**

These sections have been withdrawn because they are not relevant to Addelethorpe Parish Council at this time (2014). However, they may be re-instated in the future should the need arise.

### **Assets, Properties and Estates:**

The Clerk/RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Parish Council, and ensure a record is maintained of all properties held by the Parish Council, recoding the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

No real property (interests in land) shall be:

- a) Sold, leased or otherwise disposed of; or
- b) Purchased or acquired;

without the authority of the Parish Council, together with any consents required by law, in each case a Report in writing shall be provided to the Parish Council in respect of valuation and surveyed condition of the property (including such matters as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate)