

MELKSHAM WITHOUT PARISH COUNCIL FINANCIAL REGULATIONS

These Financial Regulations were reviewed by the Finance Committee on 9th May 2016 and adopted by the Full Council on 23rd May 2016.

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 Clerk under the policy direction of the Council shall be responsible for the proper administration of the Council's affairs. The Responsible Financial Officer shall be responsible for the financial administration of the Council.
- 1.3 The Clerk and Responsible Finance Officer (RFO) for Melksham Without Parish Council is Mrs Teresa Strange.
- 1.4 The RFO shall be responsible for the production of financial management information.

2. ANNUAL ESTIMATES

- 2.1 The Council Committees shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than 1st November each year.
- 2.2 The Council Finance Committee which is responsible for the Council Budget, shall review the estimates not later than the Finance Committee Meeting held in January each year. The Committee shall recommend the amount of Precept for the ensuing financial year.
- 2.3 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO for the January Finance Committee Meeting. The RFO shall supply each Committee member with a copy of estimates. Once the Finance Committee has recommended a Budget, the amended estimates shall be circulated to each member of the Council for consideration and approval at the January Council Meeting.
- 2.4 The annual budgets shall provide the basis for financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget, without the prior approval of the Council. Should it be felt necessary to incur expenditure in addition to

the set budget, the Council shall decide from which budget heading the additional expenditure will be taken, to ensure Council expenditure does not exceed budget.

- 3.3 The RFO will provide the Council with a financial summary under headings of budgets, comparing actual expenditure against that planned on a quarterly basis
- 3.4 The Chairman and Clerk / RFO may authorise additional works for the Bowerhill Jubilee Sports Field football pitches to mitigate adverse playing conditions, to a cumulative value of £1,000 in any year.
- 3.5 In addition, the Clerk / RFO, may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The expenditure shall be reported to the Council as soon as practicable thereafter.
- 3.6 Unspent provision in the revenue budget shall be carried forward to the subsequent year as the General Reserve.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.8 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 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2015.
- 4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor under the direction of the SAAA Ltd (Smaller Authorities' Audit Appointments Ltd), and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 2015, 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 2015. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council, which appear to the RFO or Internal Auditor

to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

- 4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The RFO / Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by the governing regulations.
- 4.7 The RFO / Clerk, 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 PAYMENTS

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the payments required, forming part of the Agenda for the meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. Subject to the payments being in order they shall be authorised by a resolution of the Council and number and details of payments (cheques, direct debits and online payments) entered into the Minutes of that Meeting. Two members of the Finance Committee shall check invoices and sign a Checksheet when payments have been approved before signing cheques or authorising online payments.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2. or in accordance with paragraph 6.4, shall be signed by two members of the Council Finance Committee. For online payments, these shall be set up by the RFO/Finance Assistant online and authorised online by two members of the Council Finance Committee.
- 5.4 To indicate agreement of 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 and the online payment schedule.
- 5.5 To assist with the control and management of the accounts, the Clerk / RFO and Finance Assistant shall have the authority and necessary access to view the bank accounts on line and to set up payments for authorisation.

- 5.6 A member of the Finance Committee will check and sign the Bank Reconciliation on a monthly basis. Members to take turns in checking so that different members undertake the checking process on a regular basis.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers unless significant fees are incurred to do this (see 6.4).
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO / Clerk shall satisfy him/herself that the work, goods or services, to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. He/she shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4 If payments by cheque will result in significant charges/fees, alternative methods of payment will be considered and put in place eg the use of Direct Debit to pay utility bills. These will be reviewed and noted annually at the Annual Council meeting.
- 6.5 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 Council, where the Council Chairman and Clerk / RFO certify that there is no dispute or other reason to delay payment, the RFO may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 6.6 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Council staff (for example for postage, minor stationery items or maintenance materials) shall be refunded on a regular basis, at least quarterly.
- 6.7 The Council will publish details of each individual item of expenditure that exceeds £500 in line with the requirements under the Local Government Transparency Code 2015 for Parish or Town Councils whose income or expenditure exceeds £200,000.

7. PAYMENT OF SALARIES

- 7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE, National Insurance and pensions currently operating, and salaries shall be as agreed by Council.
- 7.2 Payment of salaries and payment of deduction from salary such as may be made for tax, national insurance and pension contributions,

shall be made in accordance with the payroll records on the date of the Full Council meeting each month (with August salaries being ratified at the July meeting and dated 25th August).

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 Council policy.
- 8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- 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 effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Council office under the supervision of the Clerk / 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 / Clerk and the Finance Committee.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO / Clerk and the RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges annually.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO unless paid directly into the bank account (see 9.6). In all cases, all receipts shall be deposited with the Council's bankers with such frequency, as the RFO considers necessary.
- 9.6 Collection of sums may be received directly into the Council's bank account via a BACS payment. Invoices shall include the Council's bank account name, sort code and account number to enable this process.
- 9.7 The origin of each receipt shall be entered on the paying-in slip, and have a complete audit trail with details of the allotment plot/team and

match date for example, in addition to the receipt number of the duplicate receipt book.

- 9.8 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.9 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.10 Where any significant sums of cash are regularly received by the Council, the RFO / Clerk shall take such steps as are agreed by the 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.
- 9.11 Electronic banking shall be limited to the activities detailed in 5.5 (Access to view the bank accounts on line and set up payments for authorisation) and 9.6 (ability for the Council to be paid by BACS)

10 ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 A letter, email or order shall be issued for all work, goods and services unless a formal contract is to be prepared. Copies of letters, emails and orders shall be retained.
- 10.2 All Council members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order is to 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 provision in Regulation 11(1) below.
- 10.3 The RFO / Clerk 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.

11 CONTRACTS

- 11.1 Procedures as to contracts are laid down as follows:
 - (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
 - (i) for 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 for goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - (iv) for work to be executed for goods or materials to be supplied which constitute any extension of an existing contract by the Council;
 - (v) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the RFO / Clerk shall act after consultation with two members of the Finance Committee);
 - (vi) 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 / RFO shall invite tenders from at least three firms.
- (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 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 / RFO in the presence of at least two members of Council.
- (f) If less than three tenders are received for contracts above £10,000 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.
- (g) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 54, 56, 60, 64 & 68.
- (h) When it is to enter into a contract less than £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 / RFO shall obtain 3 quotations (priced descriptions of the

proposed supply); where the value is below (£2,000) and above (£100) the Clerk / RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

- (i) The Council shall not be obliged to accept the lowest tender, quote or estimate.

12. PAYMENTS UNDERS 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 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 by 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 Clerk / RFO, to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. EQUIPMENT

- 13.1 The Clerk shall be responsible for ensuring that Council equipment is properly used and safeguarded in accordance with equipment instructions.
- 13.2 Delivery Notes shall be obtained in respect of all goods delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 All Council electrical tools and equipment to be PAT tested annually. All staff have a duty of care to ensure office equipment is in good order and to report any faults to the Clerk.
- 13.5 The Parish Caretaker shall be responsible for having a duty of care of equipment which he/she uses in the parish.

14. PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council, including details of their extent, plan, reference and purchase details. The RFO shall prepare a supporting statement to the year end accounts to record all properties

owned by the Council, detailing the information required under the Local Government Transparency Act 2015.

- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £100.

15 INSURANCE

- 15.1 Following an annual financial risk assessment, the RFO / Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall be responsible for notifying the Insurance company of all new risks, properties or vehicles which require insurance and of any alterations affecting existing insurances.
- 15.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4 The Clerk / RFO shall report any loss liability or damage or any event likely to lead to a claim to the Council at the next available meeting.
- 15.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16 CHARITIES

- 16.1 Where the Council is sole trustee of a Charitable body the RFO / Clerk 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 RFO / Clerk shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.