

FINANCIAL REGULATIONS

- These Financial Regulations were adopted by the Council at its Meeting held on 7th March 2023.
- The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- *Both the Council as a corporate body (jointly) and individual councillors (severally) are responsible for the financial management of the council.*

The council's accounting control systems must include measures:

- That lead to the timely production of accounts, formally accept the end of year accounts and submit to the external auditor.
- That provide for the safe and efficient safeguarding of public money i.e. establishing sound internal control systems to prevent and detect inaccuracy and fraud.
- Identifying the duties of officers.
- Follow lawful and proper financial procedures
- Appoint a competent and independent internal (independent of the council) auditor

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), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

Financial regulations must be observed in conjunction with the council's standing orders, Code of Conduct, Risk Mgt. policy and all other relevant policies or guidance.

The Council must appoint an appropriate officer to manage its finances (LGA 1972 section 151). HPC have appointed the Clerk as RFO.

A council is unwise to proceed against the RFO's advice on proper practices and legislation; if it does, this should be recorded in the minutes.

INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 1a. Orders for payment of money shall be authorised by resolution of the Council.
- 1b. Details of payments are listed at the end of the Parish Council minutes.
- 1c. There is no provision for use of petty cash, a HPC debit or credit card.
- 1d. If payments are required, the Clerk or Councillor can be reimbursed on authorised spending, on the provision of a receipt.
- 1e. Delegation of spending decisions to committees – can be authorised by the full Council and should be included in the Committees terms of reference.

Payment by cheque -

- 1f. Cheques shall be signed by two members of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of

family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

1g. 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.

1h. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council or FC at the next convenient meeting.

Payment by internet (BACS) or Direct Debit.

1i. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council annually.

1j. Routine payments, previously agreed by the Council may be authorised by the Clerk and reported at the next meeting. There is a statutory obligation to pay invoices within 30 days.

2013 No. REGULATORY REFORM, ENGLAND AND WALES LOCAL GOVERNMENT, ENGLAND AND WALES The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2013

1k. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

1l. If thought appropriate by the council, 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 and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years. *(Note none in place for HPC to date).*

IT / ONLINE SECURITY

2a. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the 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 Council in a sealed 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 passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

2b. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.

2c. The council, and any members using computers for the 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, as recommended by the Councils' IT provider.

2d. Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator.

2e. Access to any internet banking accounts will be directly to the access page (which may be saved under “favourites”), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work.

Passwords must be kept securely at all times i.e. in the Clerks locked filing cabinet.

PAYMENT OF SALARIES

3a. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE, National Insurance and pension (or similar statutory or discretionary deductions) legislation. 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 council, or FEC.

3b. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council or FEC.

Extraordinary circumstances

4a. In cases of extreme risk to the delivery of council services, the Clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

ORDERS FOR WORK, GOODS AND SERVICES

5a. All members and officers are responsible for obtaining value for money at all times. The Clerk 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.

5b. A member may not issue an official order or make any contract on behalf of the council.

5c. The 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 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.

5d. Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £1,000 shall be procured on the basis of a formal tender as summarised below.

- i. a public notice of intention to place a contract to be placed on parish noticeboards;
- ii. a specification of the goods, materials, services and the execution of works shall be

- drawn up;
- iii. tenders are to be sent, in a sealed marked envelope, to the Clerk by a stated date and time;
- iv. tenders submitted are to be opened, after the stated closing date and time, by the Clerk and at least one member of the Council.
- v. tenders are then to be assessed and reported to the appropriate meeting of Council or Committee.
- vi. Neither the Council, nor any committee, is bound to accept the lowest tender, estimate or quote.

RISK MANAGEMENT

6a. The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council.

6b. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

6c. Bank reconciliations are carried out bi-monthly by the Clerk.

INSURANCE

7a. Following the annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the council's insurers.

7b. The Clerk shall record all new risks or assets which require to be insured and of any alterations affecting existing insurances.

7c. 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 council at the next available meeting.

7d. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.