



Winfarthing Parish Council

Financial Regulations

1. General

These regulations govern how the parish council conducts its financial affairs. They set out how all money matters are dealt with (with reference to **Governance & Accountability 'proper practices' practitioners' guide**) and should be complied with at all times. They are approved by full council and can only be amended by full council as an agenda item with proper notice

The Clerk is also the Responsible Finance Officer (RFO).

2. Accounting and Audit

- 2.1. Accounting procedures and financial records shall be determined by the RFO.
- 2.2. The RFO shall be responsible for preparing the parish council's financial statements, completing the relevant sections of the Annual Governance and Accountability Return required by 'proper practices', and submitting them to the parish council in accordance with the statutory time limits.
- 2.3. The RFO will advertise Electors Rights, the Annual Governance and Accountability Return and other financial documents as required by 'proper practices'.
- 2.4. A suitably competent and independent person shall be appointed by the parish council as its Internal Auditor, to undertake an annual review of the parish council's internal control systems and report thereon to the parish council.
- 2.5. The Internal Auditor shall complete the relevant section of the Annual Governance and Accountability Return.
- 2.6. All reports by the Internal Auditor shall be considered by the parish council. Any recommendations shall be implemented or reasons why they are not, recorded in the minutes.
- 2.7. The parish council shall review the effectiveness of its internal audit arrangements and internal control (as set out in its Internal Control Policy) on an annual basis.

3. The Budget

- 3.1. The Budget is constructed referring to the last completed year, the present year and plans for the next year.
- 3.2. The Budget will be approved by full parish council in time to submit the precept request to the district council.
- 3.3. The RFO reports monthly to parish council on actual spending against budget highlighting significant variances.
- 3.4. Unspent balances at the year-end are transferred into reserves.

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4. Banking

- 4.1.** Bank accounts must be authorised by full parish council.
- 4.2.** Monies received shall be banked on a regular basis by the RFO. Wherever possible arrangements for handling large quantities of cash shall involve at least two people.
- 4.3.** Bank reconciliations of all accounts shall be presented to the parish council monthly.
- 4.4.** Direct debit or standing order payments may be permitted, with the approval of parish council, for regular payment items. Amounts so paid must be reported to parish council as part of the payment schedule.
- 4.5.** The RFO may move money between bank accounts without prior approval by the parish council.

5. Payments and Receipts

- 5.1.** Invoices for payment shall be checked by the RFO and entered onto a schedule, forming part of the agenda, for approval by the parish council.
- 5.2.** Payments shall be made by cheque signed by two authorised members or by electronic banking (where appropriate) where one person (usually the RFO) submits the payment and two authorised members authorise the payment.
- 5.3.** Payments may be made between parish council meetings subject to prior parish council approval (unless within the RFO's delegated authority). These must be reported at the next meeting, with appropriate explanations.
- 5.4.** The parish council has no debit or credit card. The clerk may make payments on their personal debit/credit card, with prior approval of the parish council and this will be reimbursed.
- 5.5.** The RFO shall issue invoices promptly and institute efficient collection arrangements.
- 5.6.** Irrecoverable amounts shall be written off by the parish council, following a report from the RFO.
- 5.7.** VAT claims and returns shall be completed promptly by the RFO.

6. Procurement

- 6.1.** Before committing to expenditure, the RFO shall check that funds are available within the budget and that the parish council has the necessary power to incur the expenditure.
- 6.2.** Before placing an order, the clerk shall strive to obtain three estimates for items costing in excess of £500, for items in excess of £1,000 three quotes shall be obtained.
- 6.3.** Where the parish council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the parish council shall comply with the relevant requirements of the Regulations.

The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or

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public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).

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.

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. 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 Council.

7. Urgent Expenditure

- 7.1.** Expenditure of 'extreme urgency' up to £200 may be incurred by the Clerk, notwithstanding any budgetary provision. Such spending should be reported to the parish council as soon as possible and the budget should be amended accordingly.
- 7.2.** Expenditure may be incurred by the Clerk provided this has been included within the budget.

8. Salaries

- 8.1.** The RFO must ensure that all salary and other relevant payments comply with PAYE and other rules issued by HMRC and are approved monthly by parish council.
- 8.2.** The Clerk salary should be in accordance with NALC and their employment contract.
- 8.3.** The Clerk must keep a time sheet.

9. Assets

- 9.1.** Assets shall be recorded on an asset register which shall be reviewed annually by the parish council.
- 9.2.** Where possible the assets will be inspected annually and properly maintained with sufficient funds included in the budget to enable this to happen.
- 9.3.** Surplus assets should be disposed of, with the approval of the parish council, for the best possible price.

10. Risk Management

The Council needs to be aware of the significant financial risks that it faces and decide how to manage them. The financial risks will be assessed, and action taken to minimise the risk. This will be recorded in a Financial Risk Assessment document and reviewed annually.

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