



**BURNHAM PARISH COUNCIL  
FINANCIAL REGULATIONS**

**Re-adopted by the Council on  
14<sup>th</sup> May 2018**

# **BURNHAM PARISH COUNCIL**

## **FINANCIAL REGULATIONS**

1.	General	Page 3
2.	Annual estimates	Page 3
3.	Budgetary controls	Page 4
4.	Accounting and audit	Page 5
5.	Banking arrangements	Page 6
6.	Payment of accounts	Page 6
7.	Payment of salaries	Page 7
8.	Loans and investments	Page 7
9.	Income	Page 8
10.	Orders for work, goods and services	Page 8
11.	Contracts	Page 9
12.	Payments under contract for building or other construction work	Page 10
13.	Stores and equipment	Page 10
14.	Properties and estates	Page 11
15.	Insurance	Page 11
16.	Charities	Page 12
17.	Risk management	Page 12

## **BURNHAM PARISH COUNCIL FINANCIAL REGULATIONS**

These Financial Regulations were initially adopted by the Council at its Meeting held on 13<sup>th</sup> May 2013 and this revised version was re-adopted by the Council at its meeting held on 8<sup>th</sup> May 2017.

### **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 Responsible Finance Officer, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The Responsible Finance Officer shall be responsible for the production of financial management information.
- 1.5 The Council shall be responsible for ensuring that the financial management is adequate and effective and that the Council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- 1.6 The Council shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts.
- 1.7 As a Category 2 authority, as defined by the Accounts and Audit Regulations 2015, all decisions regarding the following shall be a matter for the Full Council only and shall not be delegated to any committee: a) setting the final budget or precept; and b) approving accounting statement and annual governance statement.
- 1.8 It shall be the duty of the Council to review the Financial Regulations of the Council annually.
- 1.9 These Financial Regulations, and all accounting procedures and financial records of the Council shall be determined as required by the Accounts and Audit Regulations 2015, and any subsequent amendments thereto.

### **2. ANNUAL ESTIMATES**

- 2.1 Each committee shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the end of November each year.
- 2.2 Detailed estimates of all income and expenditure for the year shall be prepared each year by The Responsible Finance Officer, not later than the end of December each year.
- 2.3 The Council shall review the estimates not later than the end of January each year and shall fix the precept to be levied for the ensuing financial year. To this end,

the Policy & Resources Committee shall meet no later than the end of December each year to review the estimates and set a budget in order to recommend a precept to the Council. The Responsible Finance Officer shall supply each member with a copy of the approved estimates.

- 2.4 The annual budgets shall form the basis of financial control for the ensuing year.
- 2.5 The Council shall prepare and have regard to a three-year forecast of precept and major capital expenditure which shall be prepared at the same time as the annual budget or estimates.

### **3. BUDGETARY CONTROL**

- 3.1 Expenditure on revenue items may be incurred by the budget holder up to the amounts approved in the budget. The budget holder for revenue items shall be The Responsible Finance Officer, unless otherwise approved by the Council or Policy & Resources Committee. Payments on any capital project should be approved by the Council, or committee, where powers of expenditure have been delegated in the committee's terms of reference.
- 3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget, without the approval of the Council or Policy & Resources Committee. The Responsible Finance Officer may, with the approval of Council or Policy & Resources Committee, vire between subheads.
- 3.3 The Responsible Finance Officer shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.4 The Responsible Finance Officer 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 £5,000. The Responsible Finance Officer shall report the action to the Council as soon as practicable thereafter.
- 3.5 The Responsible Finance Officer shall regularly provide the Council with such financial information as the Council or each committee requires.
- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year, unless specifically identified and approved by Council and held in an earmarked 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 The Responsible Finance Officer 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.
- 4.2 The Responsible Finance Officer shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.3 The Responsible Finance Officer 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 2003 and 2006, and any subsequent amendments thereto. Any officer or member of the Council shall, if The Responsible Finance Officer or Internal Auditor requires, make available such documents of the Council which appear to The Responsible Finance Officer or Internal Auditor to be necessary for the purpose of the internal audit and shall supply The Responsible Finance Officer or Internal Auditor with such information and explanation as The Responsible Finance Officer or Internal Auditor considers necessary for that purpose.
- 4.4 The Council shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2015, and any subsequent amendments thereto.
- 4.5 The Internal Auditor shall carry out the work required by The Responsible Finance Officer and the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. 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. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
- 4.6 The Responsible Finance Officer 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**

- 5.1 The Council's banking arrangements shall be made by The Responsible Finance Officer and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the payments required shall be prepared by The Responsible Finance Officer and, together with the relevant invoices, be presented to two authorised Members for signature and is to be reported to and ratified at the next meeting of either the Policy & Resources Committee or the Council, whichever is the soonest.
- 5.3 Cheques and online banking payments 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 authorized by two members of Council.
- 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 sign the accompanying paperwork produced by the financial software.
- 5.5 The Responsible Finance Officer or Chairman of the Council is authorized by the Council to have a credit card on the bank account.
- 5.6 A schedule of payments for the credit card is to be reported to and ratified at the next meeting of either the Policy & Resources Committee or the Council, whichever is the soonest.

## **6. PAYMENT OF ACCOUNTS**

- 6.1 All payments shall be effected by cheque or other order (including online banking) drawn on the Council's bankers. (Credit card and petty cash excepted – see 5.6 and 6.5)
- 6.2 All invoices for payment shall be examined, verified and certified by The Responsible Finance Officer. The Responsible Finance Officer 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 Responsible Finance Officer shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading.
- 6.5 The Responsible Finance Officer may provide petty cash to employees:
  - a) The Responsible Finance Officer shall maintain an imprest petty cash float of £100 for the purpose of defraying office operational and other expenses, and a petty cash float of £200 for the purpose of defraying Burnham Park Hall operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

- c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.
  - d) The Responsible Finance Officer shall maintain a tills float of £1,000 for the purpose of providing change for the Burnham Park Hall café and bar tills.
- 6.6 Payment for utility supplies (energy, telephone, water etc) and other regular payments may be made by variable direct debit provided the originating instructions are signed by two members and payments are reported to the Council as made – see 5.2.

## **7. PAYMENT OF SALARIES AND EXPENSES**

- 7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is authorised in accordance with provision 5.3 above, and reported to and ratified by the next available Council Meeting. See 5.2
- 7.3 The Responsible Finance Officer may provide reimbursement for expenses agreed in advance with The Responsible Finance Officer, incurred in accordance with the Financial Regulations and Employee Handbook, and accompanied by a completed claim form. Reimbursement maybe by means of cheque, bank transfer or via petty cash.

## **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 relevant legislation, proper practices and guidance, 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 Responsible Finance Officer and in a place of safekeeping.

## **9. INCOME**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of The Responsible Finance Officer.
- 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 Responsible Finance Officer and The Responsible Finance Officer shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges annually, following a report of The Responsible Finance Officer.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off within 12 months of being incurred.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by The Responsible Finance Officer. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as The Responsible Finance Officer considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Responsible Finance Officer 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.
- 9.9 Where any significant sums of cash are regularly received by the Council, The Responsible Finance Officer 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, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **10. ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1 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.
- 10.2 Each purchase order shall be authorised by The Responsible Finance Officer.
- 10.3 All 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* provisions in Regulation 11 (I) below.
- 10.4 The Responsible Finance Officer shall verify the lawful nature of any proposed purchase before the issue of any order.



## **11. CONTRACTS**

- 11.1 The Council will ensure that every public contract where the estimated net value exceeds £25,000 shall comply with Articles 109 to 114 of the Public Contracts Regulations 2015, in particular, that it shall be published on the government's Contract Finder system. Where the estimated net value exceeds the thresholds in Article 4 of the Public Contracts Directive, the Council will ensure that the contract complies with the full requirements of the Public Contracts Regulations 2015.
- 11.2 Every contract shall comply with these Financial Regulations, and no exceptions shall be made. However, Regulations 11.1 to 11.10 shall not apply to contracts which relate to items (a) to (d) below:
- (a) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - (b) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - (c) for additional audit work of the external Auditor up to an estimated value of £250
  - (d) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- 11.3 Where it is intended to enter into a contract exceeding £25,000 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 11.2, The Responsible Finance Officer shall invite tenders from at least three firms using framework agreements where possible.
- 11.4 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.
- 11.5 Such invitation to tender shall state the general nature of the intended contract and The Responsible Finance Officer 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 Responsible Finance Officer 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.
- 11.6 The invitation shall in addition state that tenders must be addressed to The Responsible Finance Officer 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.
- 11.7 All sealed tenders shall be opened at the same time on the prescribed date by The Responsible Finance Officer in the presence of at least one member of Council.

- 11.8 If fewer than three tenders are received for contracts above £25,000 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.
- 11.9 When it is to enter into a contract less than £25,000 but greater than £5,000 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 Responsible Finance Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 The Responsible Finance Officer shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
- 11.10 The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

## **12. PAYMENTS UNDER 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 by The Responsible Finance Officer 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 Responsible Finance Officer 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 of 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 Proper Officer to the Contractor in writing before any work has begun, the Council being informed where the final cost is likely to exceed the financial provision.

## **13. STORES AND EQUIPMENT**

- 13.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery Notes shall be obtained in respect of all goods received into store or otherwise 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 The Responsible Finance Officer shall be responsible for periodic checks of stocks and stores at least annually.

## **14. PROPERTIES AND ESTATES**

- 14.1 The Responsible Finance Officer shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Responsible Finance Officer shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.
- 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 £500.

## **15. INSURANCE**

- 15.1 Following an annual risk assessment, The Responsible Finance Officer shall effect all insurances and negotiate all claims on the Council's insurers and shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.2 The Responsible Finance Officer 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.
- 15.3 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 Responsible Finance Officer 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 Responsible Finance Officer shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

**17. RISK MANAGEMENT**

- 17.1 The Responsible Finance Officer shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity The Responsible Finance Officer shall prepare a draft risk management policy for the activity and shall bring a draft addressing the legal and financial liabilities and risk management issues that arise to Council for consideration and, if thought appropriate, adoption.
- 17.3 The Council shall carry out a financial risk assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003, 2006, and 2015, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.