



FLAMSTEAD PARISH COUNCIL FINANCIAL REGULATIONS

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- 10 October 2016
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1. GENERAL

1.1 These Financial Regulations govern the conduct of the financial management of the Council and may only be amended by resolution of the Council. The Council is legally responsible for ensuring that its financial management is adequate and effective and that it maintains a sound system of internal control to support the effective exercise of its functions, including risk management and fraud prevention.

1.2 The Responsible Financial Officer (RFO), a statutory appointment, shall be appointed by the Council. The Clerk is appointed RFO and shall, under the Council's direction, administer its financial affairs in accordance with proper practices. The RFO shall determine, observe, and maintain the Council's accounting records and systems of control.

1.3 The RFO shall provide financial management information as required by the Council.

1.4 The Council shall, at least annually before approving the Annual Return, review the effectiveness of its system of internal control in accordance with proper practices.

1.5 References to the Accounts and Audit Regulations in these regulations refer to those issued under the Audit Commission Act 1998.

1.6 References to "proper practices" refer to guidance in *Governance and Accountability for Local Councils in England and Wales – A Practitioners' Guide* (NALC & SLCC).

2. ANNUAL ESTIMATES (BUDGET)

2.1 Each Committee or Working Group shall submit budget proposals, including reserves and funding sources, by the end of October and updates, if appropriate, by the end of December.



2.2 The RFO, with the Finance Working Group, shall prepare detailed annual estimates of receipts, payments, reserves, and funding for Council consideration.

2.3 The Council shall approve the annual budget and set the Precept by the end of January. The RFO will issue the Precept and distribute the approved budget to members.

2.4 The approved budget shall form the basis for financial control in the new financial year.

2.5 The Council has considered and agreed that a three-year forecast is unnecessary due to its unreliability.

3. BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred up to the approved budgeted amount.

3.2 Expenditure exceeding the budget must be authorised by Council resolution. Virements may be made between budget headings or to reserves.

3.3 The RFO shall provide monthly statements comparing actual to budgeted expenditure, to be reviewed at each Council meeting.

3.4 The Clerk may authorise urgent expenditure up to £1,500 and must report this to the Council at the earliest opportunity.

3.5 Unspent revenue budget provisions may be carried forward or allocated to reserves by Council resolution.

3.6 No capital expenditure or contract may be entered into without securing funding or borrowing approval.

3.7 Capital works shall comply with standing orders and contract regulations.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and records shall be determined by the RFO, in consultation with the Finance Working Group, and comply with relevant regulations.

4.2 The RFO shall complete the annual financial statements promptly and submit them to the Council.

4.3 The RFO shall complete and submit the Annual Return within regulatory deadlines.



4.4 The RFO shall ensure a system of internal audit is in place and may request access to any Council records.

4.5 The Internal Auditor shall be independent, competent, and appointed by the Council to report annually and, if needed, more frequently.

4.6 The RFO shall arrange for the public inspection of accounts in accordance with the Local Audit and Accountability Act 2014.

4.7 Any Auditor correspondence, unless administrative, shall be shared with all Councillors.

5. BANKING ARRANGEMENTS AND CHEQUES

5.1 The Council's banking arrangements and mandates shall be set up by the RFO and approved and regularly reviewed by the Council.

5.2 Payment schedules, bank reconciliations, and statements shall be included in the meeting agenda. Once authorised, the Chairman shall initial them.

5.3 Payments by BACS shall be set up by the RFO and authorised by two signatories and the Clerk/RFO.

6. PAYMENT OF ACCOUNTS

6.1 The Responsible Financial Officer (RFO) shall ensure that all invoices are checked for arithmetical accuracy and authorisation prior to payment.

6.2 Payments shall be made by cheque, direct debit, BACS, or other approved methods.

6.3 A schedule of payments shall be prepared by the RFO and presented to the Council or relevant committee for approval.

6.4 The Council shall appoint authorised signatories for all bank accounts, with two signatories required for cheques and payments exceeding limits set in the Financial Regulations.

6.5 A debit card may be issued to the RFO for the purchase of sundries and gifts, with a maximum transaction value of £500. All such expenditure must be reported to the Council with receipts and supporting documentation.

7. PAYMENT OF SALARIES

7.1 The Council shall comply with PAYE, National Insurance, and payroll obligations. Salaries shall align with Council agreements.

7.2 Salary payments and deductions may be made in accordance with payroll schedules and reported to the next Council meeting.

8. LOANS AND INVESTMENTS

8.1 All loans and investments shall be in the Council's name and follow Council policy.

8.2 The Council shall consider and, if necessary, adopt an Investment Policy, to be reviewed annually.

8.3 All investment assets shall be in the Council's name.

8.4 Borrowing must be approved by Council and comply with borrowing regulations.

8.5 Investment and loan documents shall be held by the RFO.

9. INCOME

9.1 The RFO shall oversee the collection of all income, preferably via BACS.

9.2 Fees and charges shall be reviewed and agreed annually.

9.3 Fees and charges will be reviewed annually based on the Clerk's report.

9.4 Irrecoverable debts shall be reported to and written off by the Council.

9.5 Income should be received by BACS. Cheques may be deposited via app or in-branch. Cash over £500 will not be accepted.

9.6 VAT returns and claims shall be completed by the RFO annually.

9.7 Where significant cash is received, counting shall be done in the presence of two people, and appropriate security precautions taken.

10. ORDERS FOR WORK, GOODS, AND SERVICES

10.1 Official orders shall be issued for all goods and services unless inappropriate. Copies shall be retained.

10.2 Officers shall seek best value, usually by obtaining three quotations, except where exempt under Regulation 11.

10.3 The RFO shall confirm lawful authority for all purchases and inform the Council of the power being used.

11. CONTRACTS

11.1 All contracts shall comply with these Regulations unless exempt in emergencies or the following cases:

- Utilities
- Professional services
- Repairs or parts
- Contract extensions
- Audit work up to £250
- Proprietary goods at fixed prices

11.2 For contracts over £25,000, at least three tenders shall be sought.

11.3 For smaller contracts:

- Under £1,000: best value required
- £1,001–£5,000: two quotes
- £5,001–£25,000: three quotes

11.4 Contracts over £5,001 require a technical specification. The selection process may be held in closed session. Contractors will be anonymised in public minutes.

11.5 Tender invitations must be addressed to the Clerk and state the scope of work.

11.6 Tenders will be circulated to Councillors by the Clerk.

11.7 If fewer than three tenders are received for contracts over £25,000, the Council may decide how to proceed.

11.8 Any waiver of these regulations must be justified and minuted.

11.9 The Council is not obliged to accept the lowest tender.

12. PAYMENTS UNDER CONTRACTS FOR WORKS

12.1 Payments shall be made based on certificates from supervising consultants, subject to any agreed withholdings.

12.2 Instalment payments shall be tracked. Any overspend above 5% of the contract sum shall be reported.

12.3 Contract variations must be approved in writing and reported to the Council if costs increase.

13. STORES AND EQUIPMENT

13.1 The Clerk is responsible for stores and equipment.

13.2 Delivery notes must be obtained, and deliveries verified.

13.3 Stocks shall be kept at minimum operational levels.

13.4 The RFO shall ensure annual stock checks.

14. ASSETS, PROPERTIES AND ESTATES

14.1 The Clerk shall manage title deeds; the RFO shall maintain asset records.

14.2 Property shall not be disposed of without Council approval unless valued under £50.

14.3 The RFO shall maintain and annually verify the Asset Register.

15. INSURANCE

15.1 Following the annual risk review, the RFO shall arrange insurance and handle claims.

15.2 The Clerk shall notify the Council of any new risks or changes.



15.3 The RFO shall keep a record of insurance policies and review annually.

15.4 All incidents or potential claims must be reported to the RFO and then to the Council.

15.5 All appropriate staff must be covered by fidelity guarantee insurance to the maximum risk level.