**BRADMORE PARISH COUNCIL
FINANCIAL REGULATIONS – REVIEWED MAY 2023**

**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.

1.3 The Clerk shall be responsible for the production of financial management information.

1.4 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.

1.5 The Council shall review at least once a year the effectiveness of its systems of internal controls.

**2. ANNUAL ESTIMATES**

2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the Clerk.

2.2 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. The Clerk shall supply each member with a copy of the approved estimates.

2.3 The annual budgets shall form the basis of 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 approval of the Council.

 3.3 The Clerk 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 Clerk 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 £500. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.5 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.

3.6 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

3.7 Where it is not possible to hold a meeting the agreement to a purchase or the payment of an account may be sought electronically by the Clerk. All Councillors to be consulted and a minimum of four to agree to the expenditure.

**4. ACCOUNTING AND AUDIT**

4.1 All accounting procedures and financial records of the Council shall be determined by the Clerk as required by the Local Audit and Accountability Act 2014 - Accounts and Audit Regulations (England) 2015

4.2 The Clerk 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 Clerk shall be responsible for completing the Accounts of the Council contained in the Annual Return and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations (England) 2015.

4.4 The Clerk 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 (England) 2015. Any officer or member of the Council shall, if the Clerk or Internal Auditor requires, make available such documents of the Council which appear to the Clerk or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Clerk or Internal Auditor with such information and explanation as the Clerk or Internal Auditor considers necessary for that purpose.

4.5 The Internal Auditor shall carry out the work required by the Clerk, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as complied 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.

 4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by the Accounts and Audit Regulations (England) 2015.

 4.7 The 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 CHEQUES**

5.1 The Council's banking arrangements shall be made by the Clerk 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 Clerk and be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be signed by two members of the Council. If more appropriate the detail may be shown in the Minutes of the Meeting.

5.3 Cheques or 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 signed/approved by two designated councillors.

**6. PAYMENT OF ACCOUNTS**

6.1 All payments shall be effected by cheque, by card or by electronic banking.

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy themselves that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The Clerk shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.

6.4 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 Clerk certifies that there is no dispute or other reason to delay payment, the Clerk 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 or may seek authorisation from the Council by email.

**7. PAYMENT OF SALARIES**

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 reported to and ratified by the next available Council Meeting.

**8. INCOME**

8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk.

8.2 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

8.3 All sums received on behalf of the Council shall be banked intact as directed by the Clerk. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Clerk considers necessary.

8.4 The origin of each receipt shall be entered on the paying-in slip.

8.5 The Clerk 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.

**9. ORDERS FOR WORK, GOODS AND SERVICES**

9.1 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.

9.2 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 10 (i) below.

9.3 The Clerk shall verify the lawful nature of any proposed purchase before the issue of any order.

**10. CONTRACTS**

10.1 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 or 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 or goods or materials to be supplied which constitute an 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 Clerk shall act after consultation with the Chair and Vice Chair of Council);

(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 £20,000 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 shall invite tenders from at least three firms to be taken from the appropriate approved list.

(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.

(f) 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.

(g) If less than three tenders are received for contracts above £20,000 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.

(h) When it is to enter into a contract less than £20,000 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 the Clerk shall where possible obtain 3 quotations.

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

**11. INSURANCE**

11.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

11.2 The Clerk shall give prompt notification of all new risks which require to be insured and of any alterations affecting existing insurances.

11.3 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

11.4 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.

11.5 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.

**12. RISK MANAGEMENT**

12.1 The Clerk shall prepare and promote risk assessments in respect of all activities of the Council.

12.2 When considering any new activity the Clerk shall prepare a draft risk assessment.

**13. RESERVES LEVELS**

13.1. The Council shall review their reserves each year and make a decision as to the appropriate level of reserves for the following year taking into account the risk of a delay in payment of the precept by Rushcliffe Borough Council and the Council’s running costs, regular commitments and planned future projects.

13.2. To enable the Council to continue to function in the event of a delayed precept payment or other unexpected event, the Council will aim maintain a level of financial reserves of a between 9-12 months’ worth of expenditure.

**14. REVISION OF FINANCIAL REGULATIONS**

14.1 It shall be the duty of the Council to review the Financial Regulations of the Council annually.