

PIRBRIGHT PARISH COUNCIL
Financial Regulations 2019-20¹

	These regulations shall govern the conduct of Pirbright Parish Council’s financial transactions and may be varied only by resolution of the Council.
1.	The Clerk is currently the Responsible Financial Officer (RFO) of Pirbright Parish Council (PPC).
2.	The Clerk, as RFO and under the policy direction of PPC, shall be responsible for proper administration of the Council’s financial affairs and for production of financial management information.
	SECTION 1: ANNUAL BUDGETS
3.	The RFO shall formulate and submit proposals to PPC in respect of: <ul style="list-style-type: none"> a) capital projects for inclusion in the rolling capital programme by end of July each year, or earlier if required by Guildford Borough Council for grant-aided projects; b) detailed estimates of receipts & payments on revenue services each year.
4.	The estimates shall be submitted to PPC not later than the end of November (or such date as may be agreed, but not later than required by the Borough Council for submission) in each year and shall recommend the precept to be levied for the next financial year (April - March).
5.	The annual capital and revenue budget shall form the basis of financial control for the ensuing year.
	SECTION 2: BUDGETARY CONTROL
6.	Expenditure on the revenue account may be incurred up to the amounts for each approved item in the budget. All capital works shall be administered in accordance with PPC’s Financial Regulations relating to contracts.
7.	Items for expenditure not in the current budget must be approved by PPC and no expenditure may be incurred which cannot be met from the amount provided in the appropriate budget unless PPC has approved a virement.
8.	The RFO shall quarterly provide PPC with a statement of receipts & payments under each heading of the approved annual revenue and capital budgets. Where an amount is transferred from one section of the budget to another, this shall be presented for approval by the full Council at the next meeting.
9.	The RFO may incur expenditure on behalf of PPC that is necessary to carry out repair, replacement or other work that 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 £1,000. The Clerk shall report the action to the Chairman of the Council as soon as practicable thereafter. Where expenditure is incurred and the sum required cannot be met from savings made elsewhere within the budget, it shall be met from the contingency provision.
10.	No expenditure shall be incurred for any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless PPC is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or that the required borrowing approval can be obtained.

¹ Reviewed by the Parish Council February & March 2020

11.	<p style="text-align: center;">SECTION 3: ACCOUNTING AND AUDIT</p> <p>All accounting procedures and financial records of PPC shall be determined by the RFO as required by the Accounts and Audit Regulations 2015.</p> <ol style="list-style-type: none"> a) The RFO will maintain separate accounts for receipts & payments that relate directly to the operation and fabric of Lord Pirbright’s Hall charity, with a suitable pro rata allocation of any income or expenditure of direct transactions that relate to both PPC and the LPH charity. b) If the expenditure of the charity exceeds income, a suitable subvention, which may take the form of a loan, will be made by the Parish Council to the charity. Should the charity’s income exceed expenditure, any surplus after repayment of the loan will be retained by the charity.
12.	<p>The Parish Council shall be responsible for maintaining an adequate and effective system of internal audit of the Council’s accounting, financial and other operations in accordance with current requirements of the Accounts and Audit Regulations. The RFO shall be responsible for arranging for the annual accounts for the Parish to be inspected by the Independent Internal Auditor and to be submitted to the External Auditor by the required date.</p> <p>Date of Independent Internal Audit: Subject to the Council’s approval, the Independent Internal Audit (I.I.A.) will be arranged in early May or as otherwise agreed by the Council.</p> <p>Approval of Annual Return: The I.I.A.’s report and audited accounts will be presented for approval at the Annual Meeting of the Council in May, in time for return to the external auditor by the official set date.</p> <p>13. Standards: the Parish Council must ensure that the I.I.A. meets six different standards.</p> <ol style="list-style-type: none"> a) Scope – the auditor must be able to agree the answers listed in section 4 of the official return and ideally work through a more comprehensive list, to approve risk management processes and internal controls. The auditor should also be told who on the Council to report issues of concern such as fraud. b) Independence – the auditor should have no role within the Council and address the I.I.A. report to the Council as a body. c) Competence – the Council must be satisfied that the I.I.A. is competent to do the work, understanding: <ul style="list-style-type: none"> • basic accounting processes, requirements and the legal framework and powers of local councils • the I.I.A. role (to review systems rather than to undertake detailed checks that are more appropriately the responsibility of the Council) • risk management issues. d) Relationships – the RFO should be consulted on the content of the audit plan and members should agree this in advance. Council members should be clear on their own responsibilities for “protection of the public purse” within the internal audit framework. e) Audit Planning – the audit plan should properly take account of corporate risk i.e. controls and procedures within the Council that minimise the risk of not being able to function or carry out its work. f) Reporting – Members must agree the statements in Section 1 of the Annual Governance Statement of the official return, to be approved at the Annual Meeting in May.
14.	<p style="text-align: center;"><u>SECTION 4: BANKING ARRANGEMENT AND PAYMENTS</u></p> <p>The RFO may make banking arrangements for the Parish Council to be approved by PPC.</p> <p>15. Where Internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator to:</p> <ol style="list-style-type: none"> 1. Review bank statements online, transfer funds from one account to another to maintain liquidity or pay a recharge between the Council and Lord Pirbright’s Hall charity 2. Pay accounts by BACS where appropriate, providing the invoice has been authorised by any two councillors, as detailed in Section 5. 3. Check the sort code and account details of the payee to ensure they are still current. 4. If the payment details have changed, contact the payee by phone to verify the new details. <p>16. The RFO shall have delegated authority to authorise the payment of items if 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 the Council, where the RFO certifies that there is no dispute or other reason to delay payment.</p>

17.	<p style="text-align: center;"><u>SECTION 5: PAYMENT OF ACCOUNTS</u></p> <p>Apart from petty cash, all payments shall be drawn from the appropriate bank account and effected by BACS or cheque, excepting the regular invoices that the Council has approved for payment by direct debit.</p> <p>The RFO shall :</p> <ol style="list-style-type: none"> a) examine, verify and certify all invoices for payment; check that the amounts agree with the supplier's quote. The Chairman/committee chairman must approve invoices that are more than 5% higher than original quote, and any substantial increase must be authorised by resolution of the Council. b) check that invoices for work, goods or services have been carried out, examined and approved; c) number and code invoices under the appropriate expenditure head, and take all possible steps to settle every invoice within 30 days of receipt; d) make payment from the appropriate account to be approved and signed by any two councillors; e) present invoices to the same members on presentation for approval; f) ensure all invoices (and cheque counterfoils if appropriate) have been initialled by the councillors; g) photocopy the cheques to be filed with the appropriate invoice or print the BACS payment advice; h) prepare a schedule of payments, including cheque numbers or method of payment, to present to the Council at the next meeting, specifying the legal power under which the payment has been made. If the Schedule is in order it shall be authorised by a Council resolution and signed by the Chairman. <p>Bank statements shall be reconciled monthly for presentation to the Council for signature by the Chairman.</p>
18. 19.	<p style="text-align: center;"><u>SECTION 6: PETTY CASH</u></p> <p>The RFO may provide petty cash to defray operational and other minor expenses, maintaining a petty cash float to a limit of £50 on the imprest system. Vouchers for such payments shall be kept to substantiate them.</p> <p>Payments to maintain the petty cash float must be shown separately on the schedule of cheques drawn. Income received must not be paid into the petty cash float but must be separately banked.</p>
20.	<p style="text-align: center;"><u>SECTION 7: PAYMENT OF SALARIES</u></p> <p>Salaries shall be paid monthly by the RFO in accordance with the payroll records at 1/12 of the annual rate agreed by the Council. Deductions for PAYE and National Insurance shall be made in accordance with current procedures and rates set down by HMRC and submitted monthly. Pay scales shall be reviewed annually, to include a margin in the budget to allow for mid-year NALC scale increases and overtime.</p>
21. 22.	<p style="text-align: center;"><u>SECTION 8: LOANS AND INVESTMENTS</u></p> <p>The RFO shall negotiate all proposals for loans and investments in the name of PPC and put them to the Council for approval. Changes to loans and investments should be reported at the earliest opportunity.</p> <p>All investment certificates and other documents relating thereto shall be retained by the Clerk.</p>
23.	<p style="text-align: center;"><u>SECTION 9: STORES AND EQUIPMENT</u></p> <p>The RFO shall be responsible for an annual check of all stocks and stores.</p>
24. 25.	<p style="text-align: center;"><u>SECTION 10: PROPERTIES AND ESTATES</u></p> <p>The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk shall ensure a record is maintained of all properties owned by the Council, in accordance with requirements of current Accounts and Audit Regulations.</p> <p>No property shall be sold, leased or otherwise disposed of without the authority of the Council.</p>

SECTION 11: INCOME

26. The collection of all sums due to the Council shall be the responsibility of the RFO.
27. The Council will review all fees and charges annually.
28. Any bad debts will be reported to the Council.
29. All sums received on behalf of the Council shall be passed to the RFO for banking.
30. All income, including cash receipts, shall be banked in the appropriate account intact weekly.
31. Personal cheques shall not be cashed out of money held on behalf of the Council.
32. All receipts and payments incurred shall be serially numbered and coded under the appropriate income band, to be reported to the Council on a schedule for approval at monthly meetings.

SECTION 12: INSURANCE

33. The RFO shall effect all insurances and negotiate all claims on the insurers in consultation with the Council. The RFO shall keep a record of all insurances effected by the Council and property and risks covered thereby and annually review it. The Clerk shall give prompt notification of any new risks.
34. All Members of the Council and appropriate employees shall be included in suitable fidelity guarantee insurance.
35. The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim.

SECTION 13: ORDERS FOR WORK, GOODS AND SERVICES

36. An official order or letter shall be issued for all work, goods & services, unless inappropriate e.g. petty cash or for regular items (e.g. stationery, newsletter printing, grasscutting & grounds work) where the overall budget has been agreed. An individual member may not issue an official order or contract on behalf of the Council.
37. The RFO may purchase an urgent item with prior approval from the Chairman, Vice Chairman or Chairman of the relevant committee, pay by a personal cheque, debit/credit card and reclaim reimbursement by cheque/BACS.

SECTION 14: CAPITAL WORKS AND CONTRACTS

38. Every contract shall comply with these standing orders, and no exception from any of the following provisions of these Financial Regulations shall be made otherwise than by direction of PPC. The Parish Council is responsible for obtaining value for money at all times.
39. For contracts under £1000 the RFO, the Chairman & Chairman of the relevant Committee shall have discretion.
For contracts between £1000 and £10,000 the RFO shall obtain two estimates.
For contracts over £10,000 the RFO shall obtain at least three estimates following procedures in point 40 below.
The procedures listed above shall not apply to contracts which relate to items (a) to (e) below for:
 - a) the supply of gas, electricity, water, sewerage, refuse and telephone services;
 - b) specialist services (e.g. as provided by solicitors, accountants, planning consultants & surveyors);
 - c) works, goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant;
 - d) work to be executed or supply of goods or materials which constitute an extension of an existing contract;
 - e) goods or materials to be purchased of a proprietary nature or which are sold only at a fixed price.

40.	<p>Procedures for tenders are as follows:</p> <ol style="list-style-type: none"> a) PPC may invite tenders from known contractors and/or invite tenders from the approved list of contractors maintained by the Borough Council. b) Where it is intended to enter into a contract exceeding £10,000 in value for the supply of goods or materials, or for the execution of works, the Clerk shall give at least three weeks' public notice of such intention in the same manner as public notice of meeting of the Council is given. c) Where the value of the intended contract exceeds £15,000, similar notice shall be given in addition in such newspapers circulating the district, as PPC shall direct. d) Notice of a contract exceeding £15,000 shall state the general nature of the intended contract and state the name and address of the person to whom tenders are to be addressed and the last date by which those tenders should reach that person in the ordinary course of post. e) Tenders shall be opened by the Clerk or other person to whom tenders are required to be addressed on the date specified pursuant to paragraph (d) of this Order, and shall be reported by the person who opened them to the Council or, where the tenders have been sought by a committee, to that committee. f) If no tenders are received, or if all the tenders are identical, PPC may make such arrangement for procuring the goods or materials or executing the works as it thinks fit. <p>The Council shall not be obliged to accept the lowest estimate or tender.</p>
41.	<p style="text-align: center;"><u>SECTION 15: PAYMENTS UNDER CONTRACTS FOR BUILDING AND OTHER WORKS</u></p> <p>Payments on account of the contract sums shall be made by the RFO upon satisfactory completion of relevant stages of the contract.</p>
42.	<p>Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where the total cost of works will exceed the contract sum by 5% or more a report shall be submitted to the Council. The Council must approve any significant variation to a contract.</p>
43.	<p style="text-align: center;"><u>SECTION 16: REVISION OF FINANCIAL REGULATIONS</u></p> <p>It shall be the duty of the Clerk/RFO to review the financial regulations from time to time and to make such recommendations to PPC as the members consider are required.</p>