



YEOVILTON PARISH COUNCIL FINANCIAL REGULATIONS

These Financial Regulations were reviewed 14th May 2024 and formally adopted by the Council at its Meeting held on next review 5th May 2026.

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 Financial Officer (RFO), 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.

2. ANNUAL ESTIMATES

- 2.1 Each Committee or Portfolio holder shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year. And reviewed annually.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by Chairman with Finance Portfolio at the November meeting.
- 2.3 The Council shall review the estimates not later than the end of November 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.
- 2.4 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 that will exceed the amount provided in the revenue budget without approval of the full Council.
- 3.3 The Clerk shall regularly provide the Councillor responsible for Finance to 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 with permission and approval of the Chairman 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 this action to the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget for specific expenditure shall not be carried forward to a subsequent year without the Council's approval.
- 3.6 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 and has been approved by the Council.
- 3.7 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 All accounting procedures and financial records of the Council shall be determined by the Clerk as required by the Accounts and Audit Regulations 1996 as amended.
- 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 (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 timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 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 1996 as

amended. 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 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.
- 4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 4.7 The Clerk shall, as soon as practicable, bring to the attention of all councillors all 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 authorised by the Council. They shall be regularly reviewed for efficiency.
- 5.2 The Clerk shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council. The council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.5.3 Cheques 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 by two members of Council.
- 5.3 Cheque payments
- 5.3.1 Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two authorised signatories.
- 5.3.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.
- 5.3.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.
- 5.3.4. Any signatures obtained away from council meetings shall be reported to the council at the next convenient meeting.
- 5.4 Electronics payments
- 5.4.1. Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.
- 5.4.2. All authorised signatories shall have access to view the council's bank accounts online.
- 5.4.3. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.
- 5.4.4. The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to two authorised signatories.
- 5.4.5. In the prolonged absence of the Service Administrator an authorised signatory shall set up any payments due before the return of the Service Administrator.

- 5.4.6. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.
- 5.4.7. Evidence shall be retained showing which members approved the payment online.
- 5.4.8. A full list of all payments made in a month shall be provided to the next council meeting and appended to the minutes.
- 5.4.9. With the approval of the council in each case, regular payments may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the council at least every two years.
- 5.4.10. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved online by two authorised bank signatories, evidence is retained and any payments are reported to the council at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 5.4.11. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by the council at least every two years.
- 5.4.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk a member. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 5.4.13. Members and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.
- 5.4.14. Remembered password facilities {other than secure password stores requiring separate identity verification} should not be used on any computer used for council banking.
6. PAYMENT OF ACCOUNTS
 - 6.1 All payments shall be digitally drawn on the Council's bankers.
 - 6.2 All invoices for payment shall be examined, verified 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 by the Council.
 - 6.3 The Clerk shall take all steps to settle all invoices submitted, and which are in order, to be paid at the next available meeting. Refer to section 6.4
 - 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 in consultation with the Chairman 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.
 - 6.5 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.
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 and reviewed annually.
 - 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.
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, by the designated Councillor's and Clerk having taken proper financial advice.
 - 8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000,

and shall be reviewed 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. All applications for borrowing approval shall be approved by full Council as to terms and purpose.

8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk, Bank or Solicitors as agreed by Council.

9. INCOME

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

9.2 The Council will review all fees and charges annually, following a report of the Clerk. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in that year.

9.3 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.

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

9.5 Personal cheques cannot be cashed out of money held on behalf of the Council.

9.6 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 coinciding with the financial year end.

9.7 Where any sums of cash in excess of £100.00 are regularly received by the Council, the Clerk 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 such as ticket issues, 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 All orders for work to be undertaken shall be issued and minuted, unless a formal contract is to be prepared.

10.2 The Council and Clerk are responsible for obtaining value for money at all times. All Councillors issuing an order are 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 (l) below.

10.3 The Clerk shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the Clerk shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11. CONTRACTS

11.1 For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.

11.2 Where the estimated value is below the Government threshold, the council shall obtain prices as follows:

11.2.1 For contracts greater than £3,000 excluding VAT the Clerk shall seek at least 3 fixed-price quotes;

11.2.2 where the value is between £500 and £3,000 (excluding VAT, the Clerk shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers.

11.2.3 For smaller purchases, the clerk shall seek to achieve value for money. 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

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 Clerk 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 Clerk 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 Clerk to the Contractor in writing, 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 and passed to the Clerk for reconciliation with the invoice.

13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4 The Clerk shall be responsible for periodic checks of stocks and stores at least annually.

14. PROPERTIES AND ESTATES

14.1 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, 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 £50.

15. INSURANCE

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

15.2 The Clerk shall give prompt notification to the Clerk of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

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

15.4 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.

15.5 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.

16. CHARITIES

16.1 Where the Council is sole trustee of a Charitable body the Clerk 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 Clerk 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 Clerk with advice shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity the Clerk with advice 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.
- 18. REVISION OF FINANCIAL REGULATIONS
- 18.1 It shall be the duty of the Council to review the Financial Regulations of the Council annually to conform with advice from the Annual audit.