



Prestbury Parish Council

PRESTBURY PARISH COUNCIL FINANCIAL REGULATIONS

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Approved by Council 8th September 2021



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1. General

1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders¹ and any individual financial regulations relating to contracts.

1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

1.3. The council's control systems must include measures:

- for the timely production of accounts;
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- identifying the duties of officers.

1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council.

1.9. The RFO;

- acts under the policy direction of the council;
- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the council its Accounting Records and Financial Control Systems;
- ensures the Financial control systems are observed;
- Ensures the accounting records of the council are up to date and in accordance with proper practices;



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- Ensures the Council's banking arrangements are secure and fit for purpose
- Ensures Council follows procedures for the procurement of goods and services
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

1.10. The Financial records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.

1.11. The financial records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the council; and
- wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- Records are of sufficient detail and accuracy to ensure audit review and scrutiny.

1.12. The financial control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately as possible onto Scribe, or the Council's Financial System;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the financial records; and
- measures to ensure that risk is properly managed.
- the recording of financial decisions by Council are sufficient and accurate to fulfil these regulations
- the authorisation of transactions, especially relating to banking, are robust to ensure they are accurate and comply with Council decisions.
- that contracts entered into by Council follow agreed procurement procedures, are properly authorised and will pass both public and audit scrutiny

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:



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- setting the final budget or the precept (council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

1.14. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or single commitment; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with the agreed national pay scales and its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or ‘the regulations’ shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term ‘proper practice’ or ‘proper practices’ shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners’ Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Accounting and audit (internal and external)

2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member of the Finance and General Purposes Committee other than the Chairman shall verify bank reconciliations (for all accounts) during a meeting of the Finance and General Purposes Committee as produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, in the minutes of the Finance and General Purposes Committee, and reported at the next meeting of the full Council.

2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.



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2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.

2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the council;
- report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the financial decision making, management or control of the Council

2.7. Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. Reserves Policy

3.1 Council can hold an amount in reserves to meet unexpected expenditure, or a delay in income to ensure that if there was a cashflow issue the Council can continue its business until this is resolved.

3.2 Council has resolved to hold a General Reserve of fifty percent of its annual precept.

3.3 Council can also have Earmarked Reserves for specific projects, where money is allocated for a specific purpose but may not be spent in that financial year.



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3.4 The level of reserves will be reviewed annually as part of the Budget setting exercise (see Chapter 4) and the Precept submission.

3.5 If the amount of reserves at the year-end are above the level set then the Council must advise the external auditor of why this level of reserves is required.

4. Annual estimates (budget) and the Precept

4.1. The annual budget exercise sets a budget for the next year and a Precept request that will be submitted to Cheshire East in January. The budget and Precept will be applicable from April. The exercise will start in October, the RFO will request from all members of Council requests for expenditure or projects and the like to form the basis of a budget.

4.2. The RFO will consolidate the information to form a preliminary budget and precept request to be presented at the November Council meeting. Council can debate the overall soundness of the budget and propose amendments and alterations or additional work required. The RFO will then update the budget accordingly. The budget and precept request must take into account the level of reserves the Council holds.⁴³
4.3. The council will consider the final annual budget and precept (Council Tax requirement) proposals in relation to the next year at the December Council meeting including recommendations for the use of reserves and sources of funding and update the forecast accordingly. Agreement must be obtained to meet the date of the Precept request required by Cheshire East.

4.4. The RFO shall issue the precept to the billing authority and will supply each member with a copy of the approved annual budget.

4.5. The approved annual budget will form the basis of financial control for the ensuing year.

5. Budgetary control and authority to spend

5.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- the council for all items over £500.00;
- or a duly delegated committee of the council for items within their delegated budget; or
- the Clerk, in conjunction (if necessary) with Chairman of Council or Chairman of the appropriate committee, for any items below £500.00.

The minutes of Council or sub-committee must detail any amounts authorised and the relevant Councillor who will make the expenditure. Any agreement to items of expenditure below £250.00 agreed as above must also be noted in the minutes.

If a specific contract is to be entered into, especially if this involves recurrent expenditure, Council must be informed of relevant terms and conditions, such as payment clauses or termination clauses. Agreement to setting up a Standing Order or Direct Debit must be agreed at Council.



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If expenditure is to be paid for by use of the Council Debit Card, agreement must be sought at the time of agreeing the expenditure. The RFO is the only authorised user of the Council's debit card.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

5.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council. If a sub-committee has a delegated budget Council must agree to any increase. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

5.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

5.4. The salary budgets are to be reviewed annually as part of the annual budget exercise. The salary budgets are to be included in the budget as a specific class of expenditure. The RFO will monitor salary expenditure in year and will inform Council of any projected over spend.

5.5. In cases of extreme risk to the delivery of council services, the clerk may seek authorisation from the Chairman and the RFO for revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The RFO will report to the Council as soon as practicable thereafter of any such decision.

5.6. No expenditure shall be authorised 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 the requisite borrowing approval has been obtained.

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

5.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget.

5.9. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

6. Banking arrangements and authorisation of payments

6.1. The council's banking arrangements, including the bank mandate, shall be arranged by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.



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6.2 Payments can be made, if agreed by Council, by cheque, bank transfer, VISA debit card, direct debit or standing order.

6.3 All invoices received shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council. The RFO will enter all expenditure on the Councils financial system allocated to the appropriate expenditure heading. The RFO will take all steps to present invoices for payment at the next Council meeting.

6.4. The RFO shall prepare a schedule of payments requiring authorisation for each Council meeting. The schedule will form part of the Agenda for the Meeting, together with the relevant invoices. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and signed by all Councillors present. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information. The payment schedule will state whether payment is to be made by cheque, bank transfer, or debit card.

6.5 For payments by bank transfer the RFO will provide a Bank Transfer document for each payment, dated 5 days in advance of the Council meeting, and a pending payments list of all payments to be made. If any payment is not agreed at Council the transfer is to be cancelled.

6.6 If payment by cheque is required the RFO will prepare the cheque and obtain the required two signatories. The RFO will despatch the cheque within five days of the Council meeting.

6.7. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) 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 and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee];
- b) An expenditure item authorised under 5.9 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council or
- c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.

6.8 For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the



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like for which Council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to. The RFO will report any such payments made in the month at the next Council meeting.

6.9 The RFO will keep a record of regular payments including; supplier, contract details, amount to be paid, regularity of payment, payment method. All regular payments must be agreed by Council. All regular payments will be reported to Council in the month after payment made as part of the receipts and payments report.

6.10 Any grant request must follow the Grant Application process published on the Councils website with the submission of an authorised grant application for the organisation concerned. All grant applications will be considered and authorised, if accepted, by Council

6.11. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

6.12. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

6.13. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

7. Instructions for the making of payments

7.1. The council will make safe and efficient arrangements for the making of its payments.

7.2. Following authorisation under Financial Regulation 5 above, the RFO shall carry out the payment instructions as directed

7.3. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two members of council in accordance with the resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question. 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 initial the cheque counterfoil.

7.4. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council [or Finance Committee] at the next convenient meeting.

7.5. If thought appropriate by the council, payment for utility supplies or other regular suppliers may be made by variable direct debit or linked to the VISA debit card provided that the contract is



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authorised by Council. The RFO is authorised to set up such Direct Debits or VISA debit and to report such payments monthly at Council. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

7.6. If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order if approved at Council, the RFO is authorised to set up Standing Orders and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.

7.7. If thought appropriate by the council, payment for certain items may be made by Bank Internet Transfer provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories at the time the payment is authorised, are retained and any payments are reported to council as made. The approval of the use of bank transfers shall be renewed by resolution of the council at least every year and will not include any debt finance product.

7.8. If thought appropriate by the council payment for certain items may be made on the internet by debit card provided the expenditure is authorised at Council and evidence is retained showing the payment being made, and payment is reported to Council at the next Council meeting. Payments should be made in the name of the Council at its registered address, the delivery addressee can be different if agreed. The RFO is authorised to use a debit card as instructed by Council.

7.9. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Clerk of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

7.10. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.

7.11. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

7.12. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

7.13. Where internet banking arrangements are made with any bank, a Councillor who is an authorised signatory shall be appointed as Primary User.

With Council's agreement;



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The Primary User, can approve other users to have access including read only, limited access or full authorisation.

The Primary User will set a transaction limit and a daily limit as approved by Council.

The RFO will have authority to set up payments only, authorisation of each payment will be by a Councillor as an authorised signatory.

7.14. Access to any internet banking accounts will be directly to the access page (which may be saved under “favourites”), and not through a search engine or e-mail link. Any PIN code generation device issued by the bank must be stored securely. Breach of this Regulation will be treated as a very serious matter under these regulations.

7.15. Changes to account details for suppliers, which are used for internet banking may only be changed on specific notification by the supplier and supported by verifiable information. The internet banking system verifies name and account details which must correspond to the information provided by the supplier.

7.16. By agreement at Council a Debit Card will be issued for use by the RFO. Council, by agreement, may also issue a a Debit Card in the name of a Councillor who is a designated bank signatory. Use of the a Debit Card will be restricted to a single transaction maximum value of £1,000 unless authorised by council before any order is placed.

7.17. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council. Transactions and purchases made will be reported to the council and/or relevant committee and authority for topping-up shall be at the discretion of the council and/or relevant committee.

7.18. Personal credit or debit cards of members or staff shall not be used under any circumstances.

7.19. The council will not maintain any form of cash float. All cash received must be banked intact with relevant documentation and paying in slip retained. Any payments made in cash by the Clerk or RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly. If members require minor items to be purchased, they can request the Clerk or RFO to make such purchases.

8. Payment of salaries

8.1. As an employer, the council shall make arrangements, including the appointment of a payroll services provider, to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

8.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary



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deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

8.3 Council will appoint a Councillor to manage the monthly payroll who will verify salary payments to employees and payment of the appropriate tax and NI to HMRC

8.4 Council will appoint a Councillor to review monthly time logs and if appropriate agree any overtime payable; subject to agreement at Council payment will be made the following month.

8.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.

8.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

8.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

8.6. An effective system of personal performance management should be maintained for the senior officers.

8.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

8.8. Before employing interim staff, the council must consider a full business case.

9. Income

9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

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 RFO and the RFO shall be responsible for the collection of all accounts due to the council.



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9.3. The council will review all fees and charges at least annually, following a report of the RFO.

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

9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO 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 RFO 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 RFO 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. Financial Report to Council

10.1 The RFO will provide a financial report to the Council at each Council meeting, the report to cover any items of financial information the RFO considers appropriate for Council to discharge its financial duties including a financial reconciliation for the previous month of the bank account to the Financial Accounting records and the payments authorised by Council; any income received; expenditure and income against budget highlighting any significant variances; any areas of financial risk that have come to light.

11. Loans and investments

11.1. All borrowings shall be affected 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. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

11.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.

11.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.



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11.4. 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.

11.5 The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

11.6. All investments of money under the control of the council shall be in the name of the council.

11.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

11.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 6 (Authorisation of payments) and Regulation 7 (Instructions for payments).

12. Orders for work, goods and services

12.1. 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.

12.2. Order books shall be controlled by the RFO.

12.3. All members and officers are responsible for obtaining value for money at all times. An officer or member issuing an official order shall 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 12.1 below.

12.4. A member may not issue an official order or make any contract on behalf of the council without prior approval of the RFO and Council

12.5. The RFO 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 RFO 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.

13. Contracts

13.1. Procedures as to contracts are laid down as follows:



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a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need 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 legal professionals acting in disputes;
- 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 £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations².

c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³.

d) 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.

e) 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

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

³ Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
- b) For public works contracts 5,225,000 Euros (£4,551,413)



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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) Any invitation to tender issued under this regulation shall be subject to Standing Orders, and shall refer to the terms of the Bribery Act 2010.

h) When it is to enter into a contract of more than £1,000 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 or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £500 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

j) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated, and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

14. Payments under contracts for building or other construction works

14.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO 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).

14.2. Where contracts provide for payment by instalments the RFO 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.

15. Stores and equipment

15.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

15.2. 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.

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

15.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.



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16. Assets, properties and estates

16.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held 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 Accounts and Audit Regulations.

16.2. No tangible moveable property shall be purchased or otherwise acquired, 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 £250.

16.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

16.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

16.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.

16.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

17. Insurance

17.1. Following the annual risk assessment (per Regulation 17), the RFO shall affect all insurances and negotiate all claims on the council's insurers in consultation with the Clerk.

17.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

17.3. The RFO 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.



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17.4. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the council, or duly delegated committee.

18. Charities

18.1. Where the council is sole managing trustee of a charitable body the Clerk and RFO 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 and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

19. Risk management

19.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk with the RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

19.2. When considering any significant new activity, the Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

20. Gifts & Hospitality Policy

20.1 Councillors must within 28 days of receipt, notify the Clerk in writing of any gift, benefit or hospitality with a value in excess of £100 which you have accepted as a Member from any person or body other than the Authority. The Clerk will place your notification on a public register of gifts and hospitality.

21. Revision of Financial Regulations

21.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.