



Stanway

Parish Council

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FINANCIAL REGULATIONS 2022-2023

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These Financial Regulations were reviewed by the Corporate Governance Committee on 13 April 2022 and adopted by the Council at its meeting held on 26th May 2022 (Full Council AGM) – Review Due: May 2023 (yearly)

1. General

- 1.1. These Financial Regulations govern the conduct of financial management by Stanway Parish Council (the 'Council') and may only be amended or varied by resolution of the Council. These Financial Regulations are one of the Council's three governing policy documents providing procedural guidance for members of the Council ('Members'), statutory officers ('Officers') and employees. These Financial Regulations must be observed in conjunction with the Council's Standing Orders and any individual Financial Regulations relating to contracts.
- 1.2. In these Financial Regulations:
 - a) 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; and
 - b) the terms '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, available from the websites of the National Association of Local Councils and the Society for Local Council Clerks.
- 1.3. 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.
- 1.4. These Financial Regulations demonstrate how the Council discharges these responsibilities and requirements.
- 1.5. The Council's accounting control systems must include measures:
 - a) for the timely production of accounts;
 - b) that provide for the safe and efficient safeguarding of public money;
 - c) to prevent and detect inaccuracy and fraud; and
 - d) for identifying the duties of Officers.
- 1.6. At least once a year, prior to approving the Annual Governance and Accountability Return, the Council must review the effectiveness of its system of internal control which shall be in accordance with Proper Practices.
- 1.7. Deliberate or wilful breach of these Financial Regulations by an Officer or an employee may give rise to disciplinary proceedings.
- 1.8. Members are expected to follow the instructions within these Financial Regulations and not to entice Officers or employees to breach them. Failure to follow instructions within these Financial Regulations brings the office of councillor into disrepute.
- 1.9. The Responsible Financial Officer (the 'RFO') holds a statutory office to be appointed by the Council. Where the Clerk or the Deputy Clerk has been appointed as Deputy RFO for the Council, these Financial Regulations will apply accordingly.
- 1.10. The RFO:
 - a) acts under the policy direction of the Council;
 - b) administers the Council's financial affairs in accordance with statute (including but not limited to the Accounts and Audit Regulations) and Proper Practices;
 - c) determines on behalf of the Council its accounting records and accounting control systems;
 - d) ensures the accounting control systems are observed;
 - e) maintains the accounting records of the Council up to date in accordance with Proper Practices;

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- f) assists the Council to secure economy, efficiency and effectiveness in the use of its financial resources; and
 - g) produces financial management information as required by the Council.
- 1.11. The accounting records determined by the RFO shall be sufficient:
- a) to show and explain the Council's transactions; and
 - b) 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.
- 1.12. The accounting records determined by the RFO shall contain:
- a) 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;
 - b) a record of the assets and liabilities of the Council; and
 - c) 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.
- 1.13. The accounting control systems determined by the RFO shall include:
- a) procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - b) procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - c) identification of the duties of Officers dealing with financial transactions and division of responsibilities of those Officers in relation to significant transactions;
 - d) 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 accounting records; and
 - e) measures to ensure that risk is managed properly.
- 1.14. The Council is not empowered by these Financial Regulations or otherwise to delegate certain specified decisions. In particular, any decision regarding:
- a) setting the final budget or the precept (council tax requirement);
 - b) approving accounting statements;
 - c) approving an annual governance statement;
 - d) borrowing;
 - e) writing off bad debts;
 - f) declaring eligibility for the General Power of Competence; and
 - g) addressing recommendations in any report from the internal or external auditors,
- shall be a matter for the Full Council only.
- 1.15. In addition, the Council must:
- a) determine and keep under regular review the bank mandate for all Council bank accounts;
 - b) approve any grant or a single commitment in excess of £5,000; and

- c) 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 its terms of reference.

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 other than the Chair of the Council shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The more detailed bank reconciliation report and supporting documents may be circulated by in-house email to all members of the Corporate Governance Committee prior to the meeting to provide wider oversight. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. In the case of virtual meetings, an email from the member will provide an acceptable form of verification. This activity shall, on conclusion, be reported, including any exceptions, to and noted by the Council or the Corporate Governance Committee.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Governance and Accountability Return (as specified in Proper Practices) as soon as reasonably practicable after the end of each financial year and, having certified the accounts, shall submit them and report thereon to the Corporate Governance Committee prior to submission for approval by the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure 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 shall make available such documents and records as to the Council considers necessary for such purpose and shall, as directed by the Council, supply the RFO, the internal auditor, or the external auditor with such information and records.
- 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:
 - a) be competent and independent of the financial operations of the Council;
 - b) report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - c) to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - d) have no involvement in the financial decision making, management or control of the Council
- 2.7. The internal auditor or external auditor may not under any circumstances:
 - a) perform any operational duties for the Council;
 - b) initiate or approve accounting transactions; or
 - c) direct the activities of any Officer or employee, except to the extent that such Officer or employee has been appropriately assigned to assist the internal auditor or the external 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 Members any correspondence or report from the internal auditor or the external auditors.

3. Annual estimates (budget) and forward planning

- 3.1. The annual budget process shall commence in September each year with the involvement of all Committees and Sub-Committees of the Council. Concurrently, the Corporate Governance Committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to such forecast, spending requests from other Committees and other factors, it shall thereafter formulate and submit proposals for the following financial year, including any proposals for revising the forecast, to the Council not later than the Full Council meeting in January each year..
- 3.2. The RFO must each year, by no later than the end of the first week of January, prepare finalised detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Corporate Governance Committee and the Council at their respective meetings that month.
- 3.3. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The Council shall fix the precept (council tax requirement) to be levied for the ensuing financial year not later than by the end of January each year.
- 3.5. The RFO shall issue the precept to the billing authority and shall make available to each Member a copy of the approved annual budget.
- 3.6. The approved annual budget shall form the basis of financial control for the ensuing financial year.
- 3.7. The RFO will inform the duly delegated Committees of any changes impacting on their respective budgets for the coming year in good time.

4. Budgetary control and authority to spend

- 4.1. Expenditure on revenue items may be authorised up to the amount for that cost code in the approved budget. Such authority shall be determined by:
 - a) the Council for all expenditure over £10,000;
 - b) a duly delegated Committee of the Council for expenditure over £2,500;
 - c) the Clerk, in consultation with the Chair of the Council or the Chair of the duly delegated Committee, for any expenditure over £500;
 - d) the Clerk acting unilaterally for any expenditure below £500; or
 - e) the Deputy Clerk, in consultation with the Chair of the Council or the Chair of the duly delegated Committee, for any expenditure below £500 (unless acting as Clerk in her/his absence).
- 4.2. Such authority shall be evidenced by a minute, by an email or by an authorisation slip duly signed by the Clerk and, where necessary, also by the relevant Chair.
- 4.3. Contracts may not be disaggregated to avoid controls imposed by these Financial Regulations.

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- 4.4. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that cost code other than by resolution of the Council, or a duly delegated Committee of the Council. During the financial year and, with the approval of the Council, having considered fully the implications for public services, unspent and available amounts may be moved to another cost code or to an earmarked reserve (a 'virement').
- 4.5. During the financial year a duly delegated Committee, having considered fully the implications for public services, may move unspent and available amounts to another cost code within the same cost centre, provided such virement is reported to the Corporate Governance Committee and the next Full Council meeting .
- 4.6. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council.
- 4.7. The salary budgets shall be reviewed at least annually in September or October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chair of the Council or the Chair of a duly delegated Committee.
- 4.8. In cases of extreme risk to the delivery of the Council's services, the Clerk may authorise revenue expenditure which, in the Clerk's reasonable judgement, it is necessary to incur. Such expenditure includes but is not limited to repair, replacement or other work, whether or not there is any budgetary provision for such expenditure, but subject to a limit of £2,500. The Clerk shall report such expenditure to the Chair of the Council as soon as reasonably practicable and to the Council as soon as reasonably practicable thereafter.
- 4.9. No expenditure shall be authorised in relation to any capital works and no agreement made or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available or the requisite borrowing has been obtained.
- 4.10. All capital works shall be administered in accordance with the Council's standing orders and as set in in 11 (Contracts) of these Financial Regulations.
- 4.11. The RFO shall provide regularly to the Council a statement of receipts and payments to date under each cost code, comparing actual expenditure to the appropriate date against that planned as shown in the budget. Such statement will be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, 'material' means in excess of £1,000 or 15% of the budget, whichever is the lesser.
- 4.12. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. Banking arrangements and authorisation of payments

- 5.1. The Council's banking arrangements, including bank mandates, shall be made by the RFO and approved by the Council. Banking arrangements may not be delegated to a Committee. They shall be reviewed regularly for safety and efficiency. The Council may seek credit references in respect of Members or employees who act as signatories.
- 5.2. The RFO or the Finance Officer shall prepare a schedule of payments (already made pursuant to 4.1 of these Financial Regulations or to be made) requiring formal authorisation, forming part of the agenda for the meeting and, together with the relevant invoices, present the schedule to the Council or the Corporate Governance Committee. The Council or Corporate Governance Committee shall review the schedule for compliance and, having satisfied itself, shall confirm the (authorised) payments by a resolution of the Council or the Corporate Governance Committee. The approved schedule shall be initialled by the Chair of the meeting. 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.

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- 5.3. All invoices for payment shall be examined, verified and certified by the RFO or the Finance Officer to confirm that the work, good or service to which each invoice relates has been delivered and represents expenditure properly approved by the Council in accordance with 4. (Budgetary control and authority to spend) of these Financial Regulations
- 5.4. The RFO or the Finance Officer shall examine invoices for arithmetical accuracy and check them against the relevant cost code. The RFO or the Finance Officer shall take reasonable steps to pay all invoices submitted which are in order and within the approved budget, before or at the next available Council meeting or Corporate Governance Committee meeting.
- 5.5. The Clerk and the RFO, other than specified in 4.1 of these Financial Regulations, 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 the Council, where the Clerk and the 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 meeting of the Council or the Corporate Governance Committee;
 - b) Expenditure authorised pursuant to 5.6 of these Financial Regulations (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next meeting of the Council or the Corporate Governance Committee; or
 - c) Fund transfers within the Council's banking arrangements up to the sum of £10,000, provided that a list of such transfers shall be submitted to the next meeting of the Council or the Corporate Governance Committee.
- 5.6. For each financial year the Clerk and the 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, including but not limited to salaries, Employers' National Insurance, Superannuation Fund and regular maintenance contracts and the like for which the Council, or a duly delegated Committee, may authorise payment for the year subject to:
 - a) 4.1 (Budgetary Controls) of these Financial Regulations; and
 - b) a list of such payments shall be submitted to the next available meeting of the Council or the Corporate Governance Committee.
- 5.7. A record of regular payments made pursuant to 5.6 of these Financial Regulations shall be drawn up and be signed by two Members on each and every occasion when payment is authorised – thus mitigating the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants made by the Council, a duly delegated Committee shall approve expenditure within any limits set by the Council and in accordance with any policy statement approved by the Council. Any revenue or capital grant in excess of £5,000 shall, before payment, be subject to ratification by resolution of the Council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with such Code and the 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 dispensation has been granted.
- 5.10. The Council will aim to rotate the duties of Members pursuant to these Financial Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing or by email by a Member.

6. Instructions for the making of payments

- 6.1. The Council will make safe and efficient arrangements for the making of its payments.

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- 6.2. Following authorisation pursuant to 5 (Banking arrangements and authorisation of payments) of these Financial Regulations, the Council, a duly delegated Committee or, if so delegated, the Clerk or the RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of the Council or a duly delegated Committee.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to the Council or the Corporate Governance Committee shall be signed by two Members in accordance with a resolution instructing such 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.
- 6.5. 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 and/or the payment list.
- 6.6. Cheques or orders for payment shall not normally be presented for signature other than at a Council or Corporate Governance Committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council or the Corporate Governance Committee at the next meeting.
- 6.7. If deemed appropriate by the Council, payment for utility supplies (energy, telephone, broadband and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two Members and any payments are reported to the Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 6.8. If thought appropriate by the Council, payment for certain items (including salaries) may be made by banker's standing order provided that the instructions are: a) signed, or otherwise evidenced by two Members; b) are retained; and c) any payments are reported to the 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.
- 6.9. If deemed appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to the Council as made. An email from each of the two signatories, confirming verification of all invoices with a value exceeding £50 against the payment list, will be an acceptable alternative. For invoices for less than £50, a 'de minimis' rule of automatic approval applies but any member of a duly delegated Committee or the Council is entitled still to request sight of any invoice so approved. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
- 6.10. If deemed appropriate by the Council, payment for certain items may be made by internet banking transfer provided evidence is retained showing which Members approved the payment and any payments are reported to the Council as made. An email from each of the two signatories, confirming verification of all invoices with a value exceeding £50 against the payment list will be an acceptable alternative. For invoices for less than £50 a de minimis rule of automatic approval applies but any member of the Committee or the Council is entitled still to request sight of any invoice so approved. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.

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- 6.11. Where a computer requires use of a personal identification number (a '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 Chair of the Council in a sealed dated envelope and/or retained in a locked fireproof cabinet. Such envelope may not be opened other than in the presence of two other Members. After the envelope has been opened, in any circumstances, the PIN and passwords shall be changed as soon as reasonably 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 meeting of the Council. This will not be required for a Member's personal computer used only for remote authorisation of bank payments.
- 6.12. No Member, Officer or employee 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.
- 6.13. 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 and ideally using secure Cloud technology.
- 6.14. 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.
- 6.15. Where internet banking arrangements are made with any bank, the Clerk, the RFO or the Finance Officer shall be appointed as the service administrator. The bank mandate approved by the Council shall identify a number of Members who will be authorised to approve transactions on such accounts. The bank mandate shall state clearly the value of payments that can be instructed by the use of the service administrator alone, or by the service administrator with a stated number of approvals.
- 6.16. 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. Remembered or saved password facilities must not be used on any computer used for the Council's banking work. Breach of this Financial Regulation will be treated as a very serious matter under these Financial Regulations.
- 6.17. Changes to bank account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier or an attachment to an email from the supplier (but not solely an email) and supported by hard copy authority for change signed by the Clerk or the RFO and a Member or a full on-line transaction report showing electronic authorisation by the Clerk or the RFO and two Members. Regular checks of suppliers' bank account details will be undertaken.
- 6.18. A debit card may be issued to employees subject to a single transaction limit. Such transaction limit will be set by the Council. Transactions and purchases made will be reported to the Council or a duly delegated Committee.
- 6.19. Any corporate credit card or trade card account opened by the Council will be restricted to use as authorised by the Clerk and the RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of Members or staff shall not be used under any circumstances, except where, in the absence of corporate credit facilities, alternative forms of payment are not practicable and are used with the approval of the Chair of the Council or the Chair of a duly delegated Committee.
- 6.20. 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 or the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, and at least quarterly.

7. Payment of salaries

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by 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 the Council, or a duly delegated Committee.

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- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for income tax, National Insurance and pension contributions, or similar statutory or discretionary deductions will 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 4.11 of these Financial Regulations.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council or a duly delegated Committee.
- 7.4. 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 . This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
 - a) by any Member 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.
- 7.5. 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.
- 7.6. An effective system of personal performance management should be maintained for the Officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by the Council.
- 7.8. Before employing interim staff, the Council must consider a full business case.

8. Loans and investments

- 8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall be approved only by the Full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (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 the Council in respect of value for money for the proposed transaction.
- 8.3. 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. The Chairman's direct access to the Council's on-line bank account(s) will serve to fulfil this requirement.
- 8.4. 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.
- 8.5. 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 such Strategy and Policy shall be reviewed by the Council at least annually.
- 8.6. All investments of money under the control of the Council shall be in the name of the Council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

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- 8.8. 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 5 (Banking arrangements and authorisation of payments) and Regulation 6 (Instructions for making payments).

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.
- 9.3. The Council will review all fees and charges at least annually, following a report by the Clerk.
- 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, or receipt where issued.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8. The RFO shall complete promptly any VAT Return that is required. Any repayment claim due in accordance with section 33 of the Value Added Tax Act 1994 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:
- a) more than one person is present when the cash is counted in the first instance;
 - b) there is a reconciliation to some form of control such as ticket issues; and
 - c) appropriate care is taken in the security and safety of individuals banking such cash.

10. Orders for work, goods and services

- 10.1. 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.
- 10.2. Order books shall be controlled by the RFO.
- 10.3. All Members and Officers are responsible for obtaining value for money at all times. An Officer 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 11.1 of these Financial Regulations.
- 10.4. A Member may not issue an official order or make any contract on behalf of the Council.
- 10.5. 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.

11. Contracts

- 11.1. Every contract shall comply with these Financial Regulations, and no exceptions shall be made otherwise than in an emergency provided that this Financial Regulation need not apply to contracts which relate to items (a) to (f) below:

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- a) for the supply of gas, electricity, water, sewerage, telephone and broadband services;
 - b) for specialist services such as are provided by legal professionals acting in disputes;
 - c) 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;
 - d) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - e) for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and the RFO shall act after consultation with the Chair of the Council); and
 - f) for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- 11.2. 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 which is valued at £25,000 or more, the Council shall comply with the relevant requirements of such regulations.
- 11.3. The full requirements of The Public Contracts Regulations 2015, 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 Public Contracts Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- 11.4. 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.
- 11.5. 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.
- 11.6. 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 .
- 11.7. Any invitation to tender issued pursuant to this regulation shall be subject to Standing Order 30 and shall refer to the terms of the Bribery Act 2010.
- 11.8. When it is to enter into a contract of less than £25,000 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 11.1. of these Financial Regulations:
- a) where the value is £2,500 or greater (but less than £25,000) the Clerk or RFO shall obtain quotations (priced descriptions of the proposed supply) from three tendering firms;
 - b) where the value is £500 or greater, but less than £2,500 the Clerk or RFO shall strive to obtain quotations from three tendering firms, but if this is impracticable or three firms decline to submit quotations, the provisions of 10.3 of these Financial Regulations shall apply; or
- 11.9. where the value is less than £500 the provisions of 10.3 of these Financial Regulations shall apply. The Council shall not be obliged to accept the lowest or any tender, quotation or estimate.
- 11.10. Should it occur that the Council, or a duly delegated Committee, does not accept any tender, quotation 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.

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 upon receipt of authorised certificates from 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 a contract provides 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 by 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 the 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.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, properties and estates

- 14.1. 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 the Accounts and Audit Regulations.
- 14.2. 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.
- 14.3. 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).
- 14.4. 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 the 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).
- 14.5. Subject only to the limit set in 14.2 of these Financial Regulations, 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 the Council with a full business case.
- 14.6. 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 such Register of Assets and Investments shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. Insurance

- 15.1. Following the annual risk assessment (per 17 (Risk management) of these Financial Regulations), the RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Clerk.
- 15.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and review it annually.
- 15.4. 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 the Council at the next available meeting.
- 15.5. All appropriate Members, Officers 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 annually by the Council, or a duly delegated Committee.

16. Charities

- 16.1. Where the Council is sole managing trustee of a charitable body the Clerk and the 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.
- 16.2. The Clerk and the RFO 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 Council is responsible for putting in place arrangements for the management of risk. The Clerk and/or 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.
- 17.2. When considering any new activity, the Clerk and/or the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. Suspension and revision of Financial Regulations

- 18.1. It shall be the duty of the Council to review these 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.
- 18.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.