Sunninghill & Ascot Parish Council

**Financial Regulations**

(reviewed May 2021)

1. **FINANCIAL ADMINISTRATION**

1.1 The Parish Clerk as the responsible Financial Officer, under the direction of the Council, shall regulate and control the finances and accounts of the Parish Council and supervise and co-ordinate financial and accounting methods.(1.1 still applies if/should the Council operate its Accounting through agency arrangement)

1.2 The Parish Clerk shall be responsible for the proper administration of the Council’s financial affairs and the production of financial management information.

2. **FINANCIAL PLANNING AND ANNUAL ESTIMATES**

2.1 The Parish Clerk each year shall recommend to the Parish Council a programme of estimates for consideration.

2.2 Detailed estimates of income and expenditure shall be prepared each year by the Parish Clerk who will examine and complete the estimates and submit them to the Council by the prescribed date.

2.3 The Council shall review the estimates not later than January each year, together with such summaries, statements and reports as are considered desirable in order to enable Council to determine the precept to be levied for the ensuing year, these should include a review of pay and conditions of service for existing employees, identified Capital Programmes & associated costs.

3 **BUDGETARY CONTROL**

3.1 Expenditure on the revenue account may be incurred up to the amounts included in the approved budget, subject to the requirements of Standing Orders.

3.2 Expenditure may not be incurred which cannot be met from the amount provided within the net revenue budget when this is likely to result in an overspending in the year, unless a request for a supplementary estimate has been submitted to the Council. This regulation shall apply where such an event would result in an increase in net cost within the financial year.

3.3 Except as provided in the Standing Orders, all proposals involving expenditure on the capital account shall be the subject of an annual report to the appropriate Committee and the report shall include the full financial implications of the proposals.

3.4 The Council shall carry out a review of its expenditure and income at the same time as it undertakes its evaluation of the following year’s budgetary requirements.

4. **INCOME**

4.1 The collection of all sums due to the Council shall be under the supervision of the Parish Clerk, who shall ensure adequate arrangements for prompt and proper accounting for all cash, including its collection, custody, control and deposit are maintained.

4.2 The Parish Council will agree the scale of fees and charges for each service on, at least, an annual basis following a report by the Parish Clerk.

4.3 Personal cheques shall in no circumstances be cashed out of money held on behalf of the Council.

4.4 Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.

5. **BANKING ARRANGEMENTS**

5.1 All arrangements with the Council’s Bankers shall be made by the Parish Clerk and approved by the Council. The aforementioned officer shall be authorised to operate such banking accounts as considered necessary.

5.2 All payments of cheques or BACS payments shall be presented by presentation of a report on all payments in the appropriate period to a meeting of the Council. All cheques and BACS payments are to be signed-off by two Councillors.

6. **ORDERING PROCEDURES**

6.1 Official instructions shall be issued for all work, goods or services to be supplied to the Council over £1000 and such instructions should be signed by the Parish Clerk, where possible the instruction should specify any cost which has been agreed, except where emergency repair/maintenance is required. Email signature is considered valid.

6.2 Each order raised shall conform with the directions of the Council with respect to the Standing Orders.

7 **PAYMENT PROCEDURES**

7.1 Apart from petty cash payments, the normal method of payment of money due from the Council shall be by cheque or BACS transfer. Payment by Direct Debit and card payments are only to be used for the supply of utilities if approved by the Annual Council and where cheque/BACS payment is either not possible or not efficient. Internet purchases may only be made with the approval of two account signatories and up to a sum of £1,000 per transaction. Currently direct debit payments are made for the Parish Council mobile phone and telephone/broadband, the office photocopier and payroll provision.

7.2 All invoices for payment shall be examined, verified and certified by the Parish Clerk. Before certifying an invoice the Clerk shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved. The invoice should then be checked for arithmetical accuracy and coded to the appropriate expenditure head. The Parish Clerk/Councils Accountant shall take all reasonable steps to settle all invoices submitted, and which are in order, within 30 days of their receipt. Information on all expenditure over £500 shall be made available to the Public and posted on the Parish Council’s web site.

7.3 The payment of all salaries, wages and other emoluments shall be made in accordance with the instruction of the Parish Clerk, concerning national pay awards and other information likely to have a bearing on individual members of staff conditions of service. Payments will be made by BACS.

7.4 The payment of salary and wages information including information of superannuation, income tax, national insurance and the like should be fully maintained and updated in accordance with instruction of the Parish Clerk.

8 **PETTY CASH FLOAT**

8.1 The Parish Clerk may maintain such petty cash float as is deemed necessary for operational purposes up to a maximum of £400 and provide petty cash to officers for the purpose of defraying operational and other expenses or miscellaneous items of an urgent nature. Such petty cash accounts are to be maintained in the manner and form prescribed by the Parish Clerk/Councils Accountant and be reported to the Council.

8.2 Vouchers and receipts for payments made from this account shall be kept in accordance with instructions laid down from time to time by the Parish Clerk.

8.3 Income due and/or received must be banked in accordance with the procedures laid down by the Parish Clerk from time to time in accordance with these regulations.

9. **LEGAL DOCUMENTS**

9.1 The Parish Clerk shall have the custody of all Title Deeds of properties owned by the Council and shall ensure a record is maintained of all such properties and that all such documents are securely kept and maintained within the Council’s Safe.

10. **INSURANCES**

10.1 The Parish Clerk effects all insurance cover and negotiates all claims.

10.2 All members of staff are responsible for notifying the Parish Clerk of all new risks which require to be insured and of any alterations affecting existing risks or insurance.

10.3 A comprehensive record of all insurance effected by the Council and the property and risks covered thereby shall be maintained and this reviewed annually.

10.4 All members of staff are responsible for immediately notifying the Parish Clerk of any loss, theft, liability or damage, or of any event likely to lead to a claim.

11 **INVESTMENTS, BORROWINGS AND TRUST FUNDS**

11.1 All investments of money under the control of the Council shall be in the name of the Council and made under arrangements approved by the Council.

11.2 All borrowings shall be effected in the name of the Council.

11.3 All Investments shall adhere to the Investment Strategy attached herewith as Appendix A.

12. **TENDERING PROEDURES**

12.1 Where the estimated cost of works, goods and materials and related services is as set out below and the requisite provision thereof has been made in the approved budget, the arrangements for the invitation of tenders or quotation and the subsequent acceptance thereof shall be as shown.

|  |  |  |
| --- | --- | --- |
| Estimated Value | Quotations required | Acceptance By |
| £2,000 to £5,000 | Minimum of two invitations for quotations | Parish Clerk |
| £5,000 to £10,000 | Minimum of two invitations for quotations | Chairman of appropriate Committee or nominee & Parish Clerk |
| Above £10,000 | Minimum of three invitation for tenders (with discretion to invite his/her tenders by public advertisement up to £80,500) | Full Council |
| Where Quotations exceed estimates by 5% it shall be reported to the appropriate Committee for acceptance or otherwise. | | |

12.2 Tenders to be invited by public advertisement. Contracts which exceed £80,500 in valuation or amount for the supply of goods or materials or the execution of any work which provision has been made in the annual budget shall not be made unless at least ten days public notice has been given in one or more of the local newspapers circulating in the district. Provided that it shall not be obligatory for the Council or any Committee or Sub Committee exercising powers delegated by the Council to invite tenders for a contract or materials where effective competition is prevented by Government control or where the Parish Clerk reports in writing to the Council or to the Committee or Sub Committee exercising such powers that effective competition is prevented by the special nature of the goods or materials required. Nor shall it be necessary to give public notice of the intention to enter into such a contract.

The Parish Council shall 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 which are valued at £25,000 or more in compliance with the Public Contracts Regulations 2015.

12.3 **Exceptions to procedures:**

1. The supply of goods and materials or the execution of works of less than £2000 in value, where urgent repair/maintenance is required and remains within budget;
2. Purchase by auction;
3. Purchase or repair of patented or proprietary goods or materials sold at fixed price;
4. Purchase of materials normally supplied by specialist contractors;
5. The execution of work, the purchase of goods or materials or the provision of services involving special, scientific or artistic knowledge;
6. The execution of work or the purchase of goods or materials which are a matter of urgency after prior reference to the appropriate Committee Chairman;
7. The purchase of goods or materials which the Parish Clerk may from time to time deem it expedient to make in the open market provided that before making any such purchase the approval of the Chairman of the appropriate Committee concerned is obtained and finance is available in the appropriate budget;
8. Contracts with professional persons or companies for the execution of work and for advice in which the personal skills of the person or company is of primary importance;
9. Those contracts where a Committee may expressly determine that it is in the Council’s interest that a tender be negotiated directly with a contractor or supplier of goods or services.

12.4 **Requirements for submission of tenders**:

Where in pursuance of the Standing Orders a public invitation to tender is required, every notice of such invitation shall state that no tender will be received except in a plain sealed envelope which shall bear the word ‘Tender’ followed by the subject to which it relates, but shall not bear any name or mark indication. The sender and such envelopes shall remain in the custody of the Parish Clerk until the time appointed for their opening. Upon opening the pricing areas of the tender should be date stamped and initialled by two persons

12.5 **Declarations as to conduct of Tenderer:**

In connection with the submission of tenders for the execution of works or supply of goods and materials, declaration shall be obtained from each tenderer in the following form:

“we declare that we are not parties to any scheme or arrangement under which;

1. we communicate the amount of our tender to any other person or body before the contract is let.
2. Any other tenderer for the works, which are the subject of our tender, is reimbursed for any part of his tendering costs.
3. Our tender prices are adjusted by reference directly or indirectly to the prices of any other tenderer for the works.
4. No provision is made in our tender price for any reimbursement of any adjustment of any contribution thereto.”

12.6 **Procedure for opening tenders**

Tenders shall be opened by the Parish Clerk or an official of the Council designated by him/her at one time only in the presence of such a Member or Members of the Council as may have been designated for the purpose by the Council or by the Committee, to which the power of making the contract to which the tenders relate has been delegated. When opened on the specified closure date the pricing area/s shall be date stamped and initialled.

12.7 **Limitations of acceptance of tenders**

A tender other than the lowest tender if payment is to be made by the Council or the highest tender if payment is to be received by the Council shall not be accepted until the Council shall have considered a written report from the appropriate Officer.

13 **CONTRACTS FOR SUPPLIES AND SERVICES ETC**

13.1 Every contract which exceeds £80,500 in value or amount shall be in writing and in a form prescribed or approved by the Council’s legal adviser and signed by the Parish Clerk on behalf of the Council.

14. **CONTRACTS FOR SUPPLIES, SERVICES OR WORKS**

14.1 Every contract for which provision has been made in the approved annual estimates and/or approved by the appropriate Committee of the Council pursuant to the Standing Orders and being in value of an amount less than £80,500 shall be entered into on behalf of the Council by the Parish Clerk or authorised officer by the issuing of an official order only.

15. **CONTENTS OF WRITTEN CONTRACTS AND PENALTIES**

15.1 Every written contract shall specify:-

1. the work, materials, matters or things to be furnished, had or done;
2. the price to be paid with a statement of discounts or other deductions;
3. the time or times within which the contract is to be performed;
4. whether the contractor is accredited to ISO 9000 and will carry out work to the standard laid down by an appropriate national organisation, such as the Confederation of Registered Gas Installers (CORGI) or National Inspection Council of Electrical Installation Contractors (NICEIC) and that such work will be covered by guarantees issued by these bodies.

16. **CORRUPT PRACTICES**

16.1 There shall be inserted in every written contract a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor shall have offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do so for having done or forborne to do any action in relation to the favour or disfavour to any person in relation to the contract with the Council, or if without the knowledge of the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889-1916, or shall have given any fee or reward the receipt of which is an offence under section 117(2) of the Local Government Act 1972.

17. **SALE OF PARISH COUNCIL ASSETS**

In accordance with the detailed definition of ‘capital receipt’ arising from the disposal of an interest in a ‘capital asset’ as set out in s.9 LGA 2003, the Parish Council will enter into a process of sealed bids, by public advertisement, for any item worth over £10 000.

18. **REVISION OF FINANCIAL REGULATIONS**

Shall be reviewed by the Council from time to time, being reviewed and adopted by the Annual Council and minuted.

Adopted:

Minute Ref:

Review Date:

APPENDIX A

INVESTMENT STRATEGY

# **INTRODUCTION**

Sunninghill & Ascot Parish Council (the Council) acknowledges the importance of prudently saving and investing any temporary surplus funds held on behalf of the community as part of its fiduciary duty.

This policy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments and considers Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils Practitioners Guide 2020.

The Parish Council has the power to invest surplus funds and the Local Government Act 2003 states that a local authority may invest:

a. For any purpose relevant to its functions under any enactment.

b. For prudent management of its financial affairs.

The Council defines its treasury management activities as ‘the management of the Council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks’.

# **POLICY**

This policy establishes formal objectives, strategies and practices and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks and should be read in conjunction with the Council’s Financial Regulations.

# **INVESTMENT OBJECTIVES**

The Council’s investment priorities are:

a. The security of its reserves and;

b. The adequate liquidity of its investments and;

c. To support effective treasury management and;

d. Optimum return within acceptable risks.

All investments will be made in sterling and within the United Kingdom only, as all expenditure is expected to be made in sterling.

The Council aims to maintain investments purely to ensure the liquidity of Council and to ensure it is covered for any eventuality.

Short term investments are defined as having a term less than 12 months. Long term investments are defined as greater than 12 months.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Sunninghill & Ascot Parish Council will deposit all reserves within a deposit account, the Institution and term will be agreed the Finance and Personnel Committee The choice of institution and length of deposit will be at the discretion and approval of full Council for Long Term Investments.

The Council and Responsible Financial Officer (RFO) will monitor all investments by regular review.

# **INVESTMENT STRATEGY**

Sunninghill & Ascot Parish Council will confirm its reserve policies annually and will confirm the investment strategy once the annual budget is approved. The overarching strategy of the council will be to save and invest as much of its surplus balance as possible into its reserves and deposit account, to achieve its annual project goals and its investment objectives.

In addition to normal income and expenditures and any resulting reserves, the Parish receives Community Infrastucture Levy (CIL) funds. These funds are to be spent on improving the infrastructure required to support residential developments. Where funds are received in advance of planned expenditures, they should be invested to provide a return but to be available in liquid form to allow planned projects to take place. CIL funds must be kept separate from other Parish funds but should follow the same investment strategy.

The council investment strategy will be to invest only in:

## ‘**Specified Investments’**

Specified Investments will be those that meet the following criteria:

* are sterling denominated,
* have a maximum maturity of two years,
* meet a high credit quality standard of AA rated.

Currently the identified Specified Investment for Sunninghill & Ascot Parish Council is:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bank** | **Account Name** | **Deposit Held** | **Date** | **Interest Rate** |
| Yorkshire Bank | Term Deposit | £51,515.45 | Commencement: 21.09.2020  Maturity: 21.09.2022 | 0.85% |

## ‘**Non-Specified Investments’**

Non-Specified Investments will be those that meet the following criteria:

* Are sterling denominated;
* longer term investment ie more than 24 months;
* which still offer the greatest security
  + a UK financial institution which offers the full £85,000 UK Financial Services Compensation Scheme.

Sunninghill & Ascot Parish Council currently has no non-specified investments.

The Council General reserve, Ear Marked reserves and excess operating in-year reserves are held in a current accounts with Lloyds Bank. All other funds for day-to-day operations are held in a current account with the same bank.

The balances of these accounts and the monies held is documented monthly on the Financial Report to Council.

# **REPORTING**

Cashflow, reserves and investments are accounted for when the budget is prepared and at the end of the financial year (31st March), the RFO reports the investment activity to full council.

# **REVIEW OF REGULATIONS**

The Clerk/RFO and the Finance & Personnel Committee will review the policy annually to be approved by Full Council.

The Council reserves the right to make variations to the Savings and Investment Policy at any time subject to the approval of Council. All variations will be made available to the public.