



**Stoke by Clare**  
*Parish Council*

# **FINANCIAL REGULATIONS (2024)**

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Stoke by Clare Parish Council

## **1. General**

- 1.1 These regulations shall govern the conduct of all the council's financial activity and shall be reviewed annually.
- 1.2 The Responsible Financial Officer (RFO), under the policy direction of the council, shall be responsible for the proper administration of the council's financial affairs.
- 1.3 The RFO shall maintain the council's bank and deposit accounts.
- 1.4 For financial management purposes, the council's accounting is divided into revenue, i.e. the income and expenditure that occurs every year, and funds, which earmark resources for costs that are multi-annual, highly unpredictable, or one-off.
- 1.5 The RFO shall be responsible for producing the financial management information.
- 1.6 The Clerk to the Council shall be the RFO, unless the council has appointed another employee to carry out the RFO's duties.

## **2. Budget Setting**

- 2.1 Until the budget is set, the consideration of budgetary matters at council meetings shall take place in Part II proceedings, in case any expenditure involves procurement.
- 2.2 At the September, October and November meetings of the council, members shall be asked to raise items of income or expenditure for the following financial year.
- 2.3 The Chairman and 2 Cllrs, with the assistance of the RFO, shall ensure that the budget for the following financial year shall be first drafted in time for no later than the November meeting of the council.
- 2.4 The budget shall include:
  - a) If applicable, a summary of the main revenue changes.
  - b) Estimates for all of the council's revenue income and expenditure, including the council tax precept and fund transfers required.
  - c) Estimates for all of the income into and expenditure out of the council's funds and estimates for the amounts of money this shall leave in the funds.

d) Analysis of the council's expenditure authorised and limited by Section 137 of the Local Government Act 1972.

- 2.5 Each estimate shall be calculated and subject to a conscious risk assessment.
- 2.6 The revenue budget shall ideally be balanced, balances shall be maintained in the range of 5-10-15% of revenue turnover as per the Local Government Act 2003, and the funds shall be adequately resourced.
- 2.7 The overall aim of the budget shall be to support the Village in growth, functionality and presence.
- 2.8 The budget shall be updated at the December and January meetings of the council.
- 2.9 At an extraordinary meeting of the council specifically for the purpose, on the third or fourth Wednesday in January, the council shall, in Part I proceedings, publically approve the budget for the following financial year.

### **3. Expenditure and Financial Control**

- 3.1 The RFO has the delegated authority of the council to approve all revenue payments which are explicitly included in the revenue budget, and do not exceed the value of two thousand pounds (£2,000).
- 3.2 In consultation with the Chairman of the Council, and providing that an offset saving can be identified elsewhere in the revenue budget, the RFO may approve a revenue payment which overspends a revenue budget item by up to 10% of its allocation and does not exceed the value of two thousand pounds (£2,000).
- 3.3 For the RFO to be able to approve a payment which would increase the outturn of a revenue budget item beyond the 10% limit and does not exceed the value of two thousand pounds (£2,000), the council would have to make a virement, as per 10.2.
- 3.4 The RFO has the delegated authority of the council to approve all payments out of the council's funds which are explicitly included in the funds budget, relate to routine asset maintenance or to projects which have been authorised by the council, and do not exceed the value of two thousand pounds (£2,000).
- 3.5 All other payments must be approved by resolution at meetings of the council.
- 3.6 At monthly council meetings, the RFO shall provide a schedule of payments detailing all the payments made in the previous month, and sight of the council's most recent bank and savings account statements.

- 3.7 The RFO shall provide meetings of the council with a statement which details the Actual Vs Budget report for the financial year to date, (which will include the budget items affected by payments approved as per 3.2 above).
- 3.8 BACS shall be approved by the signatures of the Chairman or Vice-Chairman of the Council, the Clerk, and one other member from an approved list of signatories. (As per the Local Government Act 1972 Section 150 requirement that all orders for payment must be signed by at least two members.)
- 3.9 Direct debit changes, and the transfer of funds between the Council's bank accounts and investments, shall be approved as in 3.8 above.
- 3.10 Where possible, payments will be made by direct debit or BACS.
- 3.11 The RFO is authorised to make payment for small items of expenditure from a petty cash account which may be reimbursed from time to time, but which shall not exceed fifty pounds (£50) in total at any one time.

#### **4. Income Administration**

- 4.1 The RFO shall ensure that all bills are issued as the income becomes due, and that records are kept of all bills and receipts.
- 4.2 The RFO shall pursue overdue receipts and report any bad debt to the council.

#### **5. Payment Administration**

- 5.1 The RFO shall arrange and maintain records for all employment payments such as payroll, tax, national insurance & pensions. The RFO will send the relevant details to the Inland Revenue & pensions administrator.
- 5.2 RFO shall obtain appropriate details and keep records of all other payments.

#### **6. Community Infrastructure Levy**

- 6.1 By law, CIL receipts can only be spent on one-off infrastructural projects and cannot be used to support any annual spending.
- 6.2 CIL transactions will be accounted as being paid into/from the Projects Fund/EMR.( CIL Funds nominal code)

- 6.3 The RFO shall keep a separate, additional record of CIL receipts & payments.
- 6.4 CIL transactions shall be reported annually & on the council's website.

## **7. Value for Money**

- 7.1 The council and the RFO shall be mindful of the importance of achieving value for money for the precept-payer in all financial considerations and activities.
- 7.2 Whenever the budget or accounts are prepared or analysed, the council and the RFO may prioritise specific costs for an informal value for money review.
- 7.3 Where there is no alternative source for the cost under review, the RFO shall challenge the terms of the cost. .
- 7.4 Where the cost can be sourced alternatively, the RFO shall market test the cost and if necessary/where possible, trigger the procurement process.

## **8. Procurement**

- 8.1 When the council needs goods or services of value less than ten thousand pounds per annum (£10,000pa), the RFO shall, depending on the circumstances, try to obtain and present to the council at least three quotes, or recommend that the council proceeds with the tender process outlined in 8.4 - 8.8 instead.
- 8.2 The council is not bound to accept the lowest or any quote and is entitled to select a quote if it was the only one that could be obtained. If more than one quote is received, the council may develop and use a method for selecting the best quote.
- 8.3 When the council needs goods or services of value equal to or more than ten thousand pounds per annum (£10,000pa), the following tender process will be used.
- 8.4 The RFO shall ask West Suffolk Council if it would be able and willing to conduct the tender on the Parish Council's behalf, either pro bono, or for a reasonable fee.
- 8.5 If West Suffolk Council is unable or unwilling to carry out the tender process, the RFO will ask procurement service companies to quote for the service, and the process outlined in 8.1 and 8.2 above will be used to select a firm for the purpose.

- 8.6 Whoever runs the tender process will be asked to send the Invitation to Tender to any local firms that have expressed an interest, already quoted for the work, or been suggested, and in any event to a total of at least six companies.
- 8.7 Once the deadline for tenders has passed, no further tenders can be considered.
- 8.8 The council is not bound to accept the lowest or any tender and is entitled to select a tender if it was the only one received. If more than one tender is received, the council may develop and use a method for selecting the best tender.

## **9. Grants to Village Groups and Local Charity Efforts**

- 9.1 The council is entitled by law to give grants to village groups and local charity efforts, providing the group or charity effort relates to the Parish.
- 9.2 When a village group asks for financial assistance, the council will ask for a full and comprehensive Grant form completion ( Website )
- 9.3 When a local charity effort seeks financial assistance, the Council will ask for a full and comprehensive Grant form completion ( website)
- If no Grant application form is received the Council reserves the right not to hear the request in Council and no decision without the Grant application forms will be given ( 9.1 & 9.2)
- 9.4 In addition to budgetary control, the availability of resources, and the restriction on Section 137 spending, the council shall consider the details from 9.2 or 9.3, and if/how much funding has been given to the same group or charity in the recent past, before deciding whether to give a grant, and if so, how much.

## **10. Accounting and Audit**

- 10.1 All accounting procedures and financial records of the council shall be determined by the RFO as required by relevant legislation and regulations.
- 10.2 At any point in the financial year, the Council, by explicit resolution, can make a virement, which transfers resources between two or more budget headings, i.e. effectively updates the budget. However, the total effect of a virement must be neutral, i.e. it cannot affect the precept or budget total.
- 10.3 The accounts if requested by the Finance group provide a pre audit of the Councils financial state at agreeable times of the year.

- 10.4 At the April meeting of the council, the council shall review the efficacy of its financial controls and the contents of these regulations and shall determine the transfers of resources from revenue to the council's various funds.
- 10.5 A preliminary, unaudited statement of receipts and expenditure in best practice be produced and presented as soon as possible after the end of the financial year.
- 10.6 The RFO shall complete the accounts and arrange an internal audit for May/June .
- 10.7 The RFO shall report the recommendations of the internal audit to the June meeting of the council, which shall consider the recommendations, authorise the Chairman of the Council to sign the accounts for external audit, and review the efficacy of the internal audit.
- 10.8 By the nearest Friday to 30th June, as required by regulations ( The date is set by external Auditors PKF Littlejohn), the RFO shall present the accounts to the external auditors appointed by the Audit Commission.
- 10.9 The RFO shall report the external audit recommendations to the next meeting of the council after they have been received. That meeting shall consider the recommendations and review the efficacy of the external audit.
- 10.10 The council shall review progress in complying with internal and external audit recommendations at its October meeting.

## **11. Assets**

- 11.1 The RFO shall maintain an asset register, which details all the assets owned, rented, or managed by the council, and shall be reviewed annually.
- 11.2 In reviewing each asset, the council shall ensure that the asset is necessary, fit for purpose, properly maintained, valued as correctly as possible, providing the best value for money, and if necessary, insured.
- 11.3 As the council acquires each new asset, the RFO shall add it to the asset register.
- 11.4 Authorised by the council on an asset-by-asset basis, the RFO shall replace assets which need replacing, dispose of unnecessary assets at the best possible value, or take any other steps required to improve the council's asset holding.
- 11.5 The RFO shall ensure that the council's title deeds are safely stored.

- 11.6 The RFO shall ensure that the council's assets are monitored regularly, with the frequency determined by risk.
- 11.7 With assets, the council shall carry out asset-specific activity as follows:
- a) Barn/Meeting Hall
    - Every year, review the terms and rates for the rental of the hall.
  - b) Allotments
    - Every four years, set a new agreement on the terms and rates for the Allotments Association's rental of the allotments.
  - c) Park Benches
    - Accept donations towards new or existing park benches to be dedicated to former residents, providing there are appropriate locations.
  - d) Noticeboards
    - On behalf of West Suffolk Council, (the owner of the noticeboards), operate a pre-authorisation process, which permits and enforces the display of non-commercial posters only.

## **12. Risks & Insurance**

- 12.1 The RFO shall maintain a risk register, which details all of the council's risks, and shall be reviewed annually.
- 12.2 In reviewing the risk register:
- a) The council shall add any risks that have come to light.
  - b) The council shall use the 'four Ts' of risk management to consider each risk:
    - Treat - take remedial action to reduce the risk.
    - Tolerate - note the risk has been minimised.
    - Terminate - stop the activity incurring the risk.
    - Tackle - remove the risk completely.
  - c) The RFO shall reconcile the council's insurance cover as much as possible.
- 12.3 The RFO shall affect all insurances, maintain the terms of the insurances as close as possible to what is required, and negotiate all claims on the council's insurers.
- 12.4 The council shall retain and maintain a self-insurance fund to provide financial cover for items or activities where the excess of the council's insurance policy would considerably exceed the value of the item or activity concerned.

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*Document History*

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