

**St Mellion Parish Council**  
**Financial Regulations**  
**Approved: 11th October 2016**

*VERSION HISTORY:*

- *Based upon NALC's model Financial Regulations 2014;*
- *Updated to reflect changes confirmed in January 2016;*
- *Amended from document approved on 14.6.16;*
- *Compared to NALC updated model Financial Regulations 2019 but not amended;*
- *Amended April 2022 to cover change of bank account, online banking options, approved and adopted at Annual Parish Council Meeting on 10<sup>th</sup> May 2022.*
- *Amended May 2023 to increase the de minimus from £100 to £250 to reflect the rise in the cost of sundry goods as a result of the cost of living crisis, approved at the Annual Parish Council Meeting on 09.05.2023.*

<b>No.</b>	<b>Financial Regulation</b>	<b>Page</b>
1	General	1 - 3
2	Accounting and audit (internal and external)	3 - 4
3	Annual estimates (budget) and forward planning	4 - 5
4	Budgetary control and authority to spend	5
5	Banking arrangements and authorisation for payments	6
6	Instructions for the making of payments	7
7	Payment of salaries	7 - 8
8	Loans and investments	8 - 9
9	Income	9
10	Orders for work, goods and services	9 - 10
11	Contracts	10 - 11
12	Payments under contracts for building or other construction works (public works contracts)	11
13	Stores and equipment	12
14	Assets, properties and estates	12
15	Insurance	12
16	Charities	12 - 13
17	Risk management	13
18	Suspension and revision of Financial Regulations	13



## 1. General

- 1.1. These Financial Regulations govern the conduct of financial management by the Parish Council and may be amended or varied only by resolution of the Parish Council. Financial Regulations are one of the Parish Council's three governing policy documents providing procedural guidance for Councillors and Officers. Financial Regulations must be observed in conjunction with the Parish Council's Standing Orders and any individual financial regulations relating to contracts.
- 1.2. The Parish Council is responsible in law for ensuring that its financial management is adequate and effective and that the Parish Council has a sound system of internal control which facilitates the effective exercise of the Parish Council's functions, including arrangements for the management of risk.
- 1.3. The Parish 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) identifying the duties of Officers.
- 1.4. These Financial Regulations demonstrate how the Parish Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Parish 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. Councillors of the Parish Council are expected to follow the instructions within these Financial Regulations and not to entice employees to breach them. Failure to follow instructions within these Financial Regulations brings the office of Parish Councillor into disrepute.
- 1.8. The Parish Clerk has been appointed as Responsible Financial Officer (RFO) for this Parish Council and these Financial Regulations will apply accordingly. The terms 'Parish Clerk' and 'RFO' are used interchangeably within this document.
- 1.9. The RFO:
  - a) acts under the policy direction of the Parish Council;
  - b) administers the Parish Council's financial affairs in accordance with all Acts, financial regulations (including the Parish Council's specific Financial Regulations) and Proper Practices;
  - c) determines on behalf of the Parish Council its accounting records and accounting control systems;
  - d) ensures the accounting control systems are observed;
  - e) maintains the accounting records of the Parish Council up to date in accordance with Proper Practices;
  - f) assists the Parish Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - g) produces financial management information as required by the Parish Council
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Parish 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 Parish Council from time to time, comply with the Accounts and Audit Regulations.
- 1.11. The accounting records determined by the RFO, in particular, shall contain:
  - a) entries from day to day of all sums of money received and expended by the Parish 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 Parish Council; and
- c) wherever relevant, a record of the Parish Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

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

- a) procedures to ensure that the financial transactions of the Parish 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 uncollectible amounts, including any bad debts, are not submitted to the Parish 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 properly managed.

1.13. The Parish 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 Parish Council only.

1.14. In addition, the Parish Council must:

- a) determine and keep under regular review the bank mandate for all Parish Council bank accounts;
- b) approve any grant or a single commitment in excess of £100; and
- c) in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by any relevant committee in accordance with 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 currently 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 Parish Councils – a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Parish Council Clerks (SLCC).

## **2. Accounting and audit (internal and external)**

2.1. All accounting procedures and financial records of the Parish Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and Proper Practices.

2.2. On a quarterly basis, and at each financial year end, a Councillor other than the Chair shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The Councillor shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. On conclusion, this activity (including any exceptions) shall be reported to, and noted by, the Parish Council.

2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Parish 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 Parish Council within the timescales set by the Accounts and Audit Regulations.

- 2.4. The Parish 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 Councillor of the Parish Council shall make available such documents and records as appear to the Parish Council to be necessary for the purpose of the audit and, as directed by the Parish Council, shall supply the RFO, internal auditor, or external auditor with such information and explanation as the Parish 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 Parish Council in accordance with Proper Practices.
- 2.6. The internal auditor shall:
  - a) be competent and independent of the financial operations of the Parish Council;
  - b) report to the Parish Council in writing, or in person, on an annual basis;
  - c) 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 Parish Council.
- 2.7. Internal or external auditors may not under any circumstances:
  - a) perform any operational duties for the Parish Council;
  - b) initiate or approve accounting transactions; or
  - c) direct the activities of any Parish Council employee, except to the extent that such employees have been 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 the Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall bring to the attention of all Parish Councillors, without undue delay, any correspondence or report from the internal or external auditors.

### **3. Annual estimates (budget) and forward planning**

- 3.1. If there are any committees, each shall review its annual forecast of revenue and capital receipts and payments. Thereafter, and having regard to the forecast, it shall formulate and submit proposals for the following financial year to the Parish Council not later than the end of November each year, including any proposals for revising the forecast.
- 3.2. Each year, and no later than December, the RFO must prepare 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 Parish Council.
- 3.3. The Parish Council shall consider annual budget proposals in relation to the Parish Council's annual 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 Parish Council shall fix the precept (Parish Council Tax Requirement), and relevant basic amount of Parish Council Tax to be levied for the ensuing financial year, by (not later than) the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each Councillor with a copy of the approved annual budget.
- 3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

#### **4. Budgetary control and authority to spend**

- 4.1. 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:
- a) the Parish Council for all items of £100 or more;
  - b) a duly delegated committee of the Parish Council for items below its limit as agreed by a resolution of the full Parish Council; or
  - c) the Parish Clerk/RFO, in conjunction with the Chair of the Parish Council, or Chair of any appropriate committee, for any items below £100.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Parish Clerk and, where necessary, also by the appropriate Chair. Contracts may not be separated to avoid controls imposed by these Financial Regulations.

- 4.2. 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 Parish Council. During the budget year, and with the approval of the Parish 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').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to the following year. Any residual funds must be reallocated to new projects, added to the reserve, or used to reduce the precept.
- 4.4. The salary budgets are to be reviewed at least annually at the time of setting the precept (usually November through to January) for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Parish Clerk/RFO and the Chair of the Parish Council or any relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme risk to the delivery of Parish Council services, the Parish Clerk/RFO may authorise revenue expenditure on behalf of the Parish Council which, in the Parish Clerk/RFO'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 £100. The Parish Clerk/RFO shall report such action to the Chair as soon as possible and to the Parish Council as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Parish Council is satisfied that the necessary funds are available and any requisite borrowing approval has been obtained.
- 4.7. All capital works shall be administered in accordance with the Parish Council's Standing Orders and the clauses in these Financial Regulations that relate to contracts.
- 4.8. On a quarterly basis, the RFO shall provide the Parish Council with a statement of receipts and payments to date under each budget heading, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements shall show explanations of material variances. For this purpose 'material' shall be in excess of £100 or 15% of the budget.
- 4.9. Changes in earmarked reserves shall be approved by the Parish Council as part of the budgetary control process.

#### **5. Banking arrangements and authorisation of payments**

- 5.1. The Parish Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Parish Council. Banking arrangements may not be delegated to a committee. They shall be reviewed annually for safety and efficiency.

- 5.2. The RFO shall prepare a schedule of payments requiring authorisation, and shall present this, together with the relevant invoices, to the Parish Council at its next meeting. The Parish Council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by a resolution. The approved schedule shall be ruled off and 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, reimbursements 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.
- 5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the works, goods or services to which each invoice relates have been received, carried out, examined and represents expenditure previously approved by the Parish Council.
- 5.4. The RFO shall examine invoices for arithmetical accuracy and allocate them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Parish Council meeting.
- 5.5. The Parish Clerk/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 of interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Parish Council meeting, where the Parish Clerk/RFO certifies 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 Parish Council meeting;
  - b) an expenditure item authorised under 5.6 (continuing contracts and obligations), provided that a list of such payments shall be submitted to the next appropriate Parish Council meeting; or
  - c) fund transfers within the Parish Council's banking arrangements up to the sum of £100, provided that a list of such payments shall be submitted to the next appropriate Parish Council meeting.
- 5.6. For each financial year, the Parish Clerk/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 like) for which the Parish Council may authorise payment for the year provided that the requirements of Financial Regulation 4.1 are adhered to, and also provided that a list of such payments shall be submitted to the next appropriate Parish Council meeting.
- 5.7. Left intentionally blank.
- 5.8. Any revenue or capital grant to third parties must be ratified in advance by resolution of the full Parish Council.
- 5.9. Councillors are subject to the Code of Conduct that has been adopted by the Parish 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.
- 5.10. The Parish Council will aim to rotate the duties of Councillors in these Financial Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11. Left intentionally blank.

## **6. Instructions for the making of payments**

- 6.1. The Parish Council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5, the Parish Council or, if so delegated, the Parish Clerk/RFO shall give instruction that a payment shall be made.

- 6.3. All payments shall be made by BACS transfer, Direct Debit, cheque, or other instructions to the Parish Council's bankers, or otherwise, in accordance with a resolution of the Parish Council.
- 6.4. Orders for payment drawn on the bank account in accordance with the schedule as presented to the Parish Council shall be authorised (or signed in the case of cheque payments) by two Councillors of the Parish Council in accordance with a resolution instructing that payment. A Councillor 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.
- 6.6. BACS transfers to be prepared by RFO prior to council meeting and authorised by two signatories after the payment scheduled has been approved at the relevant Ordinary Meeting. Cheques or orders for payment shall not normally be presented for signature other than at a Parish Council meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Parish Council at the next convenient meeting.
- 6.7. If thought appropriate by the Parish Council, payment for utility supplies (energy, telephone and water) and any national non-domestic rates may be made by variable Direct Debit provided that the instructions are signed by two Councillors and any payments are reported to the Parish Council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the Parish Council at least annually.
- 6.8. If thought appropriate by the Parish Council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced, by two Councillors, are retained, and any payments are reported to the Parish Council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the Parish Council at least annually.
- 6.9. The default method of payment shall be by BACS transfer, prepared by the RFO and authorised by two signatories.
- 6.10. Left intentionally blank.
- 6.11. Left intentionally blank.
- 6.12. Left intentionally blank.
- 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.
- 6.14. Left intentionally blank.
- 6.15. Left intentionally blank.
- 6.16. Left intentionally blank.
- 6.17. Left intentionally blank.
- 6.18. Left intentionally blank.
- 6.19. Left intentionally blank.
- 6.20. Left intentionally blank.
- 6.21. The Parish Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Parish Clerk/RFO (for example, for postage or minor stationery items) shall be reimbursed on a monthly basis.

## **7. Payment of salaries**

- 7.1. As an employer, the Parish Council shall make arrangements 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 the Parish Council.

- 7.2. 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 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 Parish Council meeting, as set out in these Financial Regulations above.
- 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 Parish Council.
- 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 on PAYE compliant payslips, as produced monthly by the Parish Council's Payroll Agent, and kept securely by the RFO. These confidential records are not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
  - a) by any Parish 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.

**Note:** See also Standing Orders 19 (g), (h) and (i) regarding employee records.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as per 5.2.
- 7.6. An effective system of personal performance management should be maintained for Officers (as per Standing Order 19).
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Parish Council. Termination payments shall be authorised by the full Parish Council only.
- 7.8. Before employing interim staff, the Parish Council must consider a full business case including any financial implications to the approved budget of any decisions made.

## **8. Loans and investments**

- 8.1. All borrowings shall be effected in the name of the Parish Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Parish Council as to the terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan, shall be approved only by the full Parish 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 Parish Council. In each case, a report in writing shall be provided to the Parish Council in respect of value for money of the proposed transaction.
- 8.3. The Parish Council will arrange with its banks and investment providers for the sending of a copy of each statement of account to the Chair of the Parish Council at the same time as one is issued to the Parish Clerk/RFO.
- 8.4. All loans and investments shall be negotiated in the name of the Parish Council and shall be for a set period in accordance with any Parish Council policy agreed on the matter (see Financial Regulation 8.5).
- 8.5. The Parish 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 'Investment Strategy and Policy' shall be reviewed by the Parish Council at least annually.

- 8.6. All investments of money under the control of the Parish Council shall be in the name of the Parish Council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 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 Financial Regulations 5 and 6.

## **9. Income**

- 9.1. The collection of all sums due to the Parish 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 Parish Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Parish Council.
- 9.3. The Parish Council will review all fees and charges at least annually, following a report of the Parish Clerk/RFO.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Parish Council and shall be written off in the year.
- 9.5. All sums received on behalf of the Parish Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Parish 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 Parish Council.
- 9.8. The RFO shall complete promptly any VAT Return as required, or at least once annually in June. 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 Parish Council, the RFO shall take such steps as are agreed by the Parish 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.
- 9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Parish Council (to meet expenditure already incurred by the Parish Council) will be given by the Managing Trustees of the charity meeting separately from any Parish Council meeting (see also Financial Regulation 16).

## **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 Councillors 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 Financial Regulation 11 (k).

10.4. A Councillor may not issue an official order or make any contract on behalf of the Parish 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. Procedures as to contracts are laid down as follows.

- a) Every contract shall comply with these Financial Regulations and no exceptions shall be made otherwise than in an emergency. This Financial 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 solicitors, accountants, surveyors and planning consultants;
  - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Parish Council;
  - v. for additional audit work of the external auditor up to an estimated value of £100 (in excess of this sum, the Parish Clerk/RFO shall act after consultation with the Chair and Vice Chair of the Parish Council); and
  - vi. for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

### **Approaches to be taken for different contract values**

#### **Below £250**

- b) As per 4.1(c), the Parish Clerk/RFO, in conjunction with the Chair of the Parish Council, or Chair of any appropriate committee, may approve expenditure for any items below £250. Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Parish Clerk and, where necessary, also by the appropriate Chair. This does not preclude expenditure of items below £250 being approved by full Council.

#### **Above £250 and below £3,000**

- c) Where the value is above £250 and below £3,000, the Parish Clerk/RFO shall strive to obtain three estimates. Otherwise, Financial Regulation 10.3 shall apply.

#### **Above £3,000 and below £60,000**

- d) When the Parish Council intends to enter into a contract of less than £60,000 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 11.1a), the Parish Clerk/RFO shall obtain three quotations (priced descriptions of the proposed supply).

#### **Above £60,000**

- e) Where it is intended to enter into a contract exceeding £60,000 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 11.1a,) the Parish Clerk/RFO shall invite tenders from at least three firms to be taken from the appropriate approved list<sup>1</sup>.

---

<sup>1</sup>The appropriate approved list shall be a list drawn up by the Parish Clerk and approved by Parish Council but, normally, shall be based on the list maintained by Cornwall Council for such works.

- f) 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 Parish Council.
- g) Such invitation to tender shall state the general nature of the intended contract and the Parish Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. In addition, the invitation shall state that tenders must be addressed to the Parish Clerk/RFO 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.
- h) All sealed tenders shall be opened at the same time on the prescribed date by the Parish Clerk/RFO in the presence of at least one Councillor of the Parish Council.
- i) Any invitation to tender issued under this Financial Regulation shall be subject to Standing Order 18d and shall refer to the terms of the Bribery Act 2010.
- j) The Parish Council shall not be obliged to accept the lowest tender, quote or estimate.
- k) Should it occur that the Parish Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Parish 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.

#### **Compliance with Public Contracts Regulations 2015 ('the PCRs')**

- l) Where the Parish Council decides to advertise a contract (e.g. on its website or in a newspaper) for public supply, public service or public works (see definitions below<sup>2</sup>) and the value of this is above £25,000, the Parish Council shall comply with the relevant PCRs (i.e. shall set out the procedures to be followed in awarding new contracts and advertise the contract on Contracts Finder).
- m) Where the Parish Council decides not to advertise a contract (for example, where it makes a direct approach to three specific suppliers) for public supply, public service or public works and the value of this is above £25,000, the Parish Council does not have to advertise the contract on Contracts Finder. The PCRs do require, however, that the award of such a contract is published on Contracts Finder.
- n) The full requirements of the PCRs, as applicable, shall be followed in respect of the tendering and award of contracts for public supply, public service or public works which exceed thresholds in the PCRs set by the Public Contracts Directive 2014/24/EU (which may change from time to time)<sup>3</sup>.

**12. Payments under contracts for building or other construction works (public works contracts) Removed.**

**13. Stores and equipment Removed.**

#### **14. Assets, properties and estates**

14.1. The Parish Clerk shall make appropriate arrangements for the custody of all title deeds and Land

<sup>2</sup>**Public service contract:** the object is provision of services other than those referred to in the definition of 'public works contracts'.

**Public supply contract:** the object is the purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations.

**Public works contract:** the object is (a) the execution, or both the design and execution, of works related to one of the activities listed in Schedule 2 of the PCRs; (b) the execution, or both the design and execution, of a work; (c) the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work.

<sup>3</sup>Thresholds currently applicable are:

a. for public supply and public service contracts 209,000 Euros (£164,176);

b. for public works contracts 5,225,000 Euros (£4,104,394). COPIED FROM START OF SECTION 11.

Registry Certificates of properties held by the Parish Council. The RFO shall ensure a record is maintained of all properties held by the Parish 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.

- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Parish 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 £100.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Parish Council, together with any other consents required by law. In each case, a report in writing shall be provided to the Parish 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 Parish Council. In each case, a report in writing shall be provided to the Parish 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 Financial Regulation 14.2, no tangible, moveable property shall be purchased or acquired without the authority of the full Parish Council. In each case, a report in writing shall be provided to the Parish 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 the Register 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 (as per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Parish Council's insurers.
- 15.2. The Parish Clerk/RFO shall give prompt notification to the Parish Council of all new risks that 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 Parish Council and the property and risks covered thereby and annually review it.
- 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 Parish Council at the next available meeting.
- 15.5. All appropriate Councillors and employees of the Parish 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 Parish Council, based upon advice from the auditor.

## **16. Charities**

- 16.1. Where the Parish Council is sole managing trustee of a charitable body, the Parish Clerk/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 Parish Clerk/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 Parish Council is responsible for putting in place arrangements for the management of risk. The Parish Clerk/RFO shall prepare, for approval by the Parish Council, risk management policy statements in respect of all activities of the Parish Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Parish Council at least annually.
- 17.2. When considering any new activity, the Parish Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Parish Council.
- 17.3. When managing volunteers, the Parish Council will follow the advice, and adopt the recommendations contained, in Volunteer Now's 'Risk Assessment and Volunteers - Information Sheet' dated March 2011.

## **18. Suspension and revision of Financial Regulations**

- 18.1. It shall be the duty of the Parish Council to review these Financial Regulations from time to time, but at least annually, for fitness of purpose. The Parish Clerk shall make arrangements to monitor changes in legislation or Proper Practices and shall advise the Parish Council of any requirement for a consequential amendment to these Financial Regulations.
- 18.2. By resolution of the Parish Council (duly notified prior to the relevant meeting of the Parish Council) any part of these Financial Regulations may be suspended provided that the reasons are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all Councillors.