

BICKLEIGH PARISH COUNCIL

The Council Office, The Woolwell Centre, Darklake Lane, Woolwell, PL6 7TR

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GUIDANCE ON THE MODEL FINANCIAL REGULATIONS TEMPLATES FOR ENGLAND AND WALES

This guidance document provides information on how to use the Model Financial Regulations templates for England and Wales, produced by the National Association of Local Councils (NALC) in 2019.

Dates and timeframes

Stated dates or months may be changed to suit local circumstances.

Where the word “regularly” is used in the text it is for the individual council to set the required interval, monthly, quarterly, or half-yearly. This period should never exceed 12 months.

Amending the regulations for your Council.

Where the guidance has information in [square brackets] this part may be deleted if not relevant. An alternative option may have been provided. The value inserted in [square brackets] in any of the paragraphs (other than the EU Procurement and Public Contract Regulations 2015 thresholds referred to in 11.1a (England), 11.1b (England) and 11.1k (Wales)) may be varied by the council and should be reviewed regularly and confirmed annually by the council. In the absence of an appropriate list, the words in square brackets should be omitted.

You will find information that requires amending for your local council in paragraphs

- 1.8 and 1.14
- 2.2
- 3.1 and 3.2
- 4.1, 4.4, 4.5 and 4.8
- 5.1, 5.2, 5.4, 5.5 and 5.6
- 6.3, 6.4, 6.6, 6.15, 6.17, 6.18, 6.19, 6.20, 6.21 and 6.22
- 7.3
- 9.10
- 11.1
- 12, 12.1, 12.2 and 12.3
- 13, 13.1, 13.2, 13.3 and 13.4
- 14.2
- 15.1, 15.2 and 15.5
- 16 and 16.1
- 17.1 and 17.2
- 18.2

A zoom conference meeting took place on Thursday 9th April with the members of the Budget & Finance Working Group (Cllrs B Spencer, C Spencer and W Haymes).

Amendments to the Financial Regulations were discussed and agreed. These are detailed below and shown in red on the Draft Financial Regulations.

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| DETAILS | AMENDMENT |
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| 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. [The Clerk has been appointed as RFO for this council and these regulations will apply accordingly.] | <i>Bracket removed and highlighted wording retained</i> |
| 1.14 approve any grant or a single commitment in excess of [£5,000]; | <i>Removed 'in excess of £5,000</i> |
| 2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman and a authorised signatory [or a cheque signatory] shall be appointed to verify reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as including any exceptions, to and noted by the council [Finance Committee]. | <i>Removed or a cheque signatory but included authorised signatory. Removed brackets for all accounts Removed Finance Committee. Reporting to should be to the full Council.</i> |
| [3.1. Each committee (if any) shall review its three year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of [November] each year including any proposals for revising the forecast.] | <i>Removed – with the exception of a Staffing Committee BPC does not have any committees</i> |
| 3.2. The RFO must each year, by no later than [month], 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 [relevant committee and the] council. | <i>Inserted 'November' Removed relevant committee and insert budget and finance working group for recommendation to the Full Council</i> |
| 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: <ul style="list-style-type: none"> the council for all items over [£5,000]; a duly delegated committee of the council for items over [£500]; or the Clerk, in conjunction with Chairman of Council or Vice Chair Chairman of the appropriate committee, for any items below £500. | <i>Amend from £5000 to £500 Remove reference to committee Include items below £500 Remove reference to committee but insert Vice Chair.</i> |
| 4.4. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time. | <i>As discussed with BFWG October included.</i> |
| 4.5. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of [£500]. The Clerk shall | <i>Remove brackets – retain £500</i> |

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| <p>report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.</p> | |
| <p>4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget.</p> | <p><i>Remove For this purpose "material" shall be in excess of [£100] or [15%] of the budget.</i></p> |
| <p>5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. [The council shall seek credit references in respect of members or employees who act as signatories.]</p> | <p><i>Insert 'reserve the right to to seek credit references' As per 2014 FR's.</i></p> |
| <p>5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council {or finance committee}. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council {or finance committee}. The approved schedule shall be ruled off and initialled by the Chairman 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.</p> | <p><i>Remove 'Finance Committee'</i></p> |
| <p>5.4. The RFO shall examine invoices for arithmetical accuracy and analyse 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 council {or Finance Committee} meeting.</p> | <p><i>Remove 'Finance Committee'</i></p> |
| <p>5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:</p> <ul style="list-style-type: none"> a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council {or finance committee}; b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council {or finance committee}; or c) fund transfers within the councils banking arrangements up to the sum of [£10,000], provided that a list of such payments shall be submitted to the next appropriate meeting of council {or finance committee}. | <p><i>Remove 'Finance Committee'</i></p> |
| <p>5.6. For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries,</p> | <p><i>Remove 'Duly authorised committee' and Finance Committee'</i></p> |

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| <p>PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council [,or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council [or Finance Committee].</p> | <p><i>Remove Superannuation Fund and insert Pension Scheme.</i></p> |
| <p>6.3. All payments shall be affected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council [or duly delegated committee].</p> <p>6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by [one] two member[s] of council [and countersigned by the Clerk,] in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.</p> | <p><i>Remove 'Duly delegated Committee'</i></p> <p><i>Insert: If thought appropriate by the Council, payment for certain items may be made by BACS or internet banking transfer 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 Council as made. (SLCC recommendation)</i></p> |
| <p>6.6. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council [or Finance Committee] at the next convenient meeting.</p> | <p><i>Remove 'Finance Committee'.</i></p> |
| <p>6.15. Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts 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.</p> | <p><i>Amend to Clerk / RFO</i></p> |
| <p>6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy or electronic notification by the supplier and supported by hard copy authority for change signed by [two of] the Clerk [the RFO] [a member]. A programme of regular checks of standing data with suppliers will be followed.</p> | <p><i>Insert 'or electronic' and amend to 'electronic notification authority from the Clerk / RFO to the</i></p> |

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| | account signatories.' |
| 6.18 Any Debit Card issued for use will be specifically restricted to the Clerk [and the RFO] and will also be restricted to a single transaction maximum value of [£500] unless authorised by council or finance committee in writing before any order is placed. | <i>Amend to Clerk / RFO</i> |
| 6.19 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council [Finance Committee]. Transactions and purchases made will be reported to the [council] [relevant committee] and authority for topping-up shall be at the discretion of the [council] [relevant committee]. | <i>Remove 6.19</i> |
| 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/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. | <i>Amended to 6.18 The Council now not have a corporate credit card of trade card but worth retaining – may be worth obtaining a Screwfix card.</i> |
| 6.21. 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 RFO] (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly. OR 6.22. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement. a) The RFO shall maintain a petty cash float of £50 [£250] for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment. b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations. c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.] | <i>I have £5.50 in the float. Now that we have on line banking I see less of a need for a petty cash float. I have discussed this with the Finance Working Group – the £5.50 will be used up on stamps, printing, stationery and once used operation of a petty cash system will no longer be needed.</i> |
| 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] [relevant committee]. | <i>Amended to Council or Staffing Committee. The Staffing Committee's Terms of Reference will state their 'delegated authority'.</i> |
| 9.10. Any income arising which is the property of a charitable trust shall be | <i>Delete 9.10</i> |

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| <p>paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).]</p> | |
| <p>11.1 g) Any invitation to tender issued under this regulation shall be subject to Standing Orders [], ¹[insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.</p> <p>h) 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 paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below [£3,000] and above [£100] the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.</p> | <p><i>Insert reference to Standing Order 18</i></p> <p><i>Retain as recommended</i></p> |

¹ Based on NALC's Model Standing Order 18d ©NALC 2018

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| <p>[12. Payments under contracts for building or other construction works]</p> <p>[12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).]</p> <p>[12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.]</p> <p>[12.3. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.]</p> | <p><i>Retain as suggested</i></p> |
| <p>[13. Stores and equipment]</p> <p>[13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.]</p> <p>[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.]</p> <p>[13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.]</p> <p>[13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.]</p> | <p><i>Remove FR13</i></p> |
| <p>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].</p> | <p><i>Retain as recommended</i></p> |
| <p>[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.]</p> | <p><i>Amend to 'The RFO Shall keep a record of all insurances affected by the council and the property and risks covered thereby and annually review it.'</i></p> |
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| <p>16. [Charities] [16.1. Where the council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.]</p> | <p><i>Non applicable – to be removed.</i></p> |
| <p>17. Risk management 17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually. 17.2. When considering any new activity, the Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.</p> | <p><i>Amend to Clerk / RFO</i></p> |
| <p><i>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.</i></p> | <p><i>No amendment required</i></p> |