



Financial Regulations 2020

Tysoe Parish Council

These Financial Regulations were adopted on 05/05/2020
Review Date – Annual (unless legislative changes require
earlier review)

Table of Contents

1. General	2
2. Accounting and Audit (Internal and External)	4
3. Annual Estimates (Budget) and Forward Planning.....	6
4. Budgetary Control and Authority to Spend.....	7
5. Banking Arrangements and Authorisation of Payments	8
6. Instructions for the Making of Payments	10
7. Payment of Salaries	13
8. Loans and Investments.....	14
9. Income	15
10. Orders for Work, Goods and Services	16
11. Contracts.....	16
12. Assets, Properties and Estates	18
13. Insurance	19
14. Risk Management	19
15. Suspension and Revisions of Financial Regulations	19
Appendix 1. Basic Financial Controls - Summary.....	21
Appendix 2. Schedule of Activities.....	22

1. General

- 1.1 These financial regulations govern the conduct of financial management by Tysoe Parish Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's two governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts.
- 1.2 Tysoe Parish Council is responsible in law for ensuring that its financial management is adequate and effective, and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3 Tysoe 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 Tysoe Parish Council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance and Accountability Return, Tysoe Parish Council must review the effectiveness of its system of internal control to ensure it is in accordance with proper practices.
- 1.6 Deliberate or wilful breach of these regulations by an employee or Councillor may give rise to disciplinary proceedings.
- 1.7 Members of Tysoe Parish Council are expected to follow the instructions within these regulations and not to entice employees or other Councillors to breach them. Failure to follow instructions within these regulations brings the office of Councillor into disrepute.
- 1.8 Tysoe Parish Clerk has been appointed as Responsible Financial Officer (RFO) and these regulations apply accordingly.
- 1.9 The Clerk/RFO;

- a) acts under the policy direction of Tysoe Parish Council and with the direct support of those Councillors with responsibility for financial management.
- b) administers Tysoe Parish Council's financial affairs in accordance with all Acts, Regulations, and proper practices.
- c) decides on behalf of Tysoe Parish Council accounting records and accounting control systems.
- d) ensures the accounting control systems are observed.
- e) maintains the accounting records of Tysoe Parish Council ensuring that they are up to date in accordance with proper practices.
- f) assists Tysoe Parish Council to secure economy, efficiency, and effectiveness in the use of its resources; and
- g) produces financial management information as required by Tysoe Parish Council.

1.10 The accounting records produced by the Clerk/RFO shall be sufficient to show and explain Tysoe Parish Council's transactions and enable the Clerk/RFO to ensure that any record of receipts and payments and additional information prepared for the council from time to time comply with the Accounts and Audit Regulations.

1.11 The accounting records produced by the Clerk/RFO shall contain:

- a) entries from day to day of all sums of money received and expended by Tysoe Parish Council and the matters to which the receipts and payments relate.
- b) a record of the assets and liabilities of Tysoe Parish Council and
- c) wherever relevant, a record of Tysoe 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 Clerk/RFO shall include:

- a) procedures to ensure that the financial transactions of Tysoe 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 uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the Clerk/RFO and that the approvals are shown in the accounting records; and

e) measures to ensure that risk is effectively managed.

1.13 Tysoe Parish Council is not empowered by these regulations or otherwise to delegate certain specified decisions. Any decision regarding:

- a) setting the final budget or the precept (council tax requirement).
- b) approving accounting statements.
- c) approving an Annual Governance and Accountability Section 1 - Statement.
- d) Borrowing.
- e) writing off bad debts.
- f) declaring eligibility for the General Power of Competence.
- g) and addressing recommendations in any report from the internal or external auditors,

shall be a matter for the full Council only.

1.14 In addition, Tysoe Parish Council must:

- a) determine and keep under regular review the bank mandate (list of signatories) for all 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 the relevant committee in accordance with its terms of reference.

1.15 In these financial regulations, references to the Accounts and Audit Regulations shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations, the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Accounting and Audit (Internal and External)

2.1 All accounting procedures and financial records of Tysoe Parish Council shall be determined by the Clerk/RFO in accordance with the Accounts and Audit Regulations, appropriate guidance, and proper practices.

- 2.2 Once a quarter and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations produced by the Clerk/RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by Tysoe Parish Council
- 2.3 The Clerk/RFO shall complete the Annual Governance and Accountability Return as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.4 Tysoe 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 member of Tysoe Parish Council shall make available such documents and records as appear to the council to be necessary for the audit and shall, as directed by the council, supply the Clerk/RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.5 The internal auditor shall be selected from a recommended list supplied by WALC (ref GPN466 - Internal Auditor List), appointed and shall carry out the work in relation to internal controls required by Tysoe Parish Council in accordance with proper practices.
- 2.6 The internal auditor shall:
- a) be competent and independent of the financial operations of Tysoe Parish Council
 - b) report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year.
 - c) demonstrate competence, objectivity, and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - d) not be involved in the financial decision making, management or control of Tysoe Parish Council.
- 2.7 Internal or external auditors may not under any circumstances:
- a) perform any operational duties for Tysoe Parish Council.
 - b) initiate or approve accounting transactions.
 - c) or direct the activities of any Tysoe Parish Council employee, except to the extent that such employees have been appropriately 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 Clerk/RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10 The Clerk/RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. Annual Estimates (Budget) and Forward Planning

- 3.1 Tysoe Parish Council will maintain a rolling 3-year Budget Forecast. This forecast will be reviewed annually.
- 3.2 Each committee (if any) shall review its three-year Budget Forecast. 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.
- 3.3 The Clerk/RFO must by January each year 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 an annual budget to be considered by Tysoe Parish Council.
- 3.4 Tysoe Parish Council shall consider annual budget proposals in relation to the council's three-year budget forecast including recommendations for the use of reserves and other sources of funding and update the forecast accordingly.
- 3.5 Tysoe Parish Council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The Clerk/RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.6 The approved annual budget shall form the basis of financial control for the ensuing year beginning April.

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) Tysoe Parish Council for all items over £1,000.
- b) a duly delegated committee of Tysoe Parish Council for items over £250; or
- c) the duly delegated Clerk/RFO if operating under delegated authority,
- d) the Clerk/RFO, in conjunction with Chairman of Tysoe Parish Council or Chairman of the appropriate committee, for any items below £250.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk/RFO, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these 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 Tysoe Parish Council or duly delegated committee. During the budget year and with the approval of 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 a subsequent year.

4.4 The salary budgets are to be reviewed at least annually in September for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk/RFO and the Chairman of Council or relevant committee.

4.5 In cases of extreme risk to the delivery of council services, the Clerk/RFO may authorise revenue expenditure on behalf of Tysoe Parish Council which in the Clerk/RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement, or other work, whether there is any budgetary provision or not for the expenditure, subject to a limit of £500. The Clerk/RFO shall report such action to the Chairman as soon as possible and to the 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 Tysoe Parish Council is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.

- 4.7 All capital works shall be administered in accordance with Tysoe Parish Council's standing orders and financial regulations relating to contracts.
- 4.8 Where deemed appropriate/necessary the Clerk/RFO or Councillor may settle an agreed and previously authorised invoice or make a payment on behalf of the Council and then reclaim this sum by submitting proof of expenditure and payment to the Clerk/RFO where the sum involved does not exceed £100. All such payments will be authorised by the Council following usual procedures.
- 4.9 The Clerk/RFO shall on a monthly basis provide Tysoe Parish Council with an electronic Financial Pack. The monthly Financial Pack will contain copies of:
- a) all invoices for payment,
 - b) the previous months bank statement
 - c) any Grant applications
- and the following reports run from Scribe:
- d) Bank Reconciliation report
 - e) Net Position report, comparing actual expenditure against budget
 - f) Transactions Report – Payments
 - g) Transactions Report – Receipts
- 4.10 On a quarterly basis the Clerk/RFO will provide Tysoe Parish Council with the monthly Finance Pack (see 4.9) and the following reports run from Scribe:
- a) Quarterly Flexed Budget report accompanied by explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget.
 - b) Reserve Balances.
- 4.11 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking Arrangements and Authorisation of Payments

- 5.1 Tysoe Parish Council's banking arrangements, including the bank mandate, shall be made by the Clerk/RFO, and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

5.2 The Clerk/RFO shall prepare a Finance Pack to Tysoe Parish Council at each meeting.

5.3 The council shall review the Finance Pack and, having satisfied itself that the information is accurate shall authorise payments by a resolution of the council. The Transactions Report – Payments will be 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.

5.4 All invoices for payment shall be examined, verified and certified by the Clerk/RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by Tysoe Parish Council.

5.5 The Clerk/RFO shall examine invoices for arithmetical accuracy and assign them to the Cost Code/Centre. The Clerk/RFO shall take steps to present all approved invoices for authorisation at the next available council meeting.

5.6 The 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 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/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 meeting of council
- b) An expenditure item authorised under 5.7 below provided that a list of such payments shall be submitted to the next appropriate meeting of Tysoe Parish Council
- 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

5.7 For each financial year the 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 Tysoe Parish Council may authorise payment for the year provided that the requirements of [4. Budgetary Control and](#)

[Authority to Spend](#) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

- 5.8 A record of regular payments made under 5.7 above shall be drawn up and be signed by two members on each occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.9 In respect of grants, council shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £1,000 shall before payment, be subject to ratification by resolution of the council.
- 5.10 Members are subject to the Code of Conduct that has been adopted by Tysoe Parish Council and shall comply with this 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.
- 5.11 Tysoe Parish Council will aim to rotate the duties of members in these regulations so that onerous duties are shared out as evenly as possible over time.
- 5.12 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. Instructions for the Making of Payments

- 6.1 Tysoe Parish Council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under [5. Banking Arrangements and Authorisation of Payments](#) above, the council, a duly delegated committee or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.
- 6.3 Payments shall be affected by Direct Debit, BACS, CHAPS, or cheque (if requested and/or over £5,000) in accordance with a resolution of council.
- 6.4 Cheques or orders for payment drawn on the bank account in accordance with the schedule of payments as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by 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 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 at the next convenient meeting.
- 6.7 If thought appropriate by Tysoe Parish Council, payment for utility supplies (energy, telephone, and water) may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed annually by resolution of the council.
- 6.8 If thought appropriate by Tysoe 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 members are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed annually by resolution of the council.
- 6.9 If thought appropriate by Tysoe Parish Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed annually by resolution of the council.
- 6.10 If thought appropriate by Tysoe Parish Council, payment may be made by internet banking transfer provided evidence is retained showing which members approved the payment. Payments shall be affected by a member independently of the Clerk/RFO.
- 6.11 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to Tysoe Parish Council records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of the council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope, has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next

available meeting of Tysoe Parish Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

- 6.12 No employee or Councillor shall disclose any PIN or password, relevant to the working of Tysoe Parish Council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.13 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.14 Tysoe Parish Council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware, and firewall software with automatic updates, together with a high level of security, is used.
- 6.15 Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The bank mandate approved by Tysoe Parish Council shall identify several councillors who will be authorised to approve transactions on those accounts. The bank mandate will clearly state the amounts of payments that can be instructed using the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.16 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this requirement will be treated as a serious matter under these regulations.
- 6.17 Changes to account details for suppliers, which are used for internet banking may only be changed on after receipt of hard copy notification by the supplier and supported by authority for change signed by the Clerk/RFO. A programme of regular checks of standing data with suppliers will be followed.
- 6.18 Any Debit Card issued for use will be specifically restricted to the Clerk/RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by Tysoe Parish Council in writing before any order is placed.
- 6.19 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by Tysoe Parish Council. Transactions and purchases made will be reported to the council and authority for top-up shall be at the discretion of Tysoe Parish Council

- 6.20 Any corporate credit card or trade card account opened by Tysoe Parish 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.
- 6.21 Tysoe Parish Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO for example for postage or minor stationery items shall be refunded on a regular basis, at least quarterly.

7. Payment of Salaries

- 7.1 As an employer, Tysoe Parish Council shall arrange 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 council, or duly delegated committee.
- 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 council meeting, as set out in these 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 Tysoe Parish Council
- 7.4 Every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions is confidential. These are records not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any 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.
- 7.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these regulations, to ensure that only

payments due for the period have been paid.

- 7.6 An effective system of personal performance management should be maintained for the senior officers.
- 7.7 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.8 Before employing interim staff, the council must consider a full business case.

8. Loans and Investments

- 8.1 All borrowings shall be affected in the name of Tysoe Parish Council after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.
- 8.2 Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3 Tysoe Parish Council will arrange with that the council's banks and investment providers send a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk/RFO.
- 8.4 All loans and investments shall be negotiated in the name of Tysoe Parish Council and shall be for a set period in accordance with Tysoe Parish Council policy.
- 8.5 Tysoe 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 Strategy and Policy shall be reviewed by the council at least annually.
- 8.6 All investments of money under the control of Tysoe Parish Council shall be in the name of Tysoe Parish Council.
- 8.7 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

- 8.8 Payments in respect of short or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with [5. Banking Arrangements and Authorisation of Payments](#) and [6. Instructions for the Making of Payments](#).

9. Income

- 9.1 The collection of all sums due to Tysoe Parish Council shall be the responsibility of and under the supervision of the Clerk/RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the Clerk/RFO who shall be responsible for the collection of all accounts due to Tysoe Parish Council.
- 9.3 Tysoe Parish Council will review all fees and charges at least annually, following a report of the Clerk/RFO.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5 All sums received on behalf of Tysoe Parish Council shall be banked intact as directed by the Clerk/RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the Clerk/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 Tysoe Parish Council.
- 9.8 The Clerk/RFO shall promptly complete any VAT Return that is required. Any repayment claims 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 Tysoe Parish Council, the Clerk/RFO shall take such steps as are agreed by the 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.

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 Clerk/RFO.
- 10.3 All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in [11. Contracts](#) below.
- 10.4 A member may not issue an official order or make any contract on behalf of Tysoe Parish Council.
- 10.5 The Clerk/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 Clerk/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 relating to contracts are laid down as follows:
- a) Every contract shall comply with these regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation does not apply 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 Tysoe Parish Council
 - v) for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk/RFO shall act after consultation with the Chairman and Vice Chairman of council); and

- vi) for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b) Where Tysoe Parish Council intends to procure, or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹ .
- c) The full requirements of The Public Contracts Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².
- d) 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 Tysoe Parish Council.
- e) Such invitation to tender shall state the general nature of the intended contract and the Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk/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.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk/RFO in the presence of at least one member of Tysoe Parish Council.
- g) Any invitation to tender issued under this regulation shall be subject to Standing Orders 18 (c) and shall refer to the terms of the Bribery Act 2010.
- h) When it is entering 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/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk/RFO shall strive to obtain 3

¹ The Regulations require councils to 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

² Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
b) For public works contracts 5,225,000 Euros (£4,551,413)

estimates. Otherwise, Regulation 10.3 above shall apply.

- i) Tysoe Parish Council shall not be obliged to accept the lowest or any tender, quote, or estimate.
- j) Should it occur that Tysoe Parish Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

12. Assets, Properties and Estates

- 12.1 The Clerk/RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The Clerk/RFO shall ensure a record is maintained of all properties held by Tysoe 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.
- 12.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of Tysoe 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 £250.
- 12.3 No real property (interests in land) shall be sold, leased, or otherwise disposed of without the authority of Tysoe Parish Council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 12.4 No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to Tysoe 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).
- 12.5 Subject only to the limit set in Regulation 12.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a

report in writing shall be provided to Tysoe Parish Council with a full business case.

- 12.6 The Clerk/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.

13. Insurance

- 13.1 Following the annual risk assessment [14. Risk Management](#) the Clerk/RFO shall affect all insurances and negotiate all claims on Tysoe Parish Councils insurers noting all new risks, properties or vehicles which require to be insured and any alterations affecting existing insurances. Any change to the insurance cover or to the level of self-insurance (deductible) shall be approved by the Council.
- 13.2 The Clerk/RFO shall keep a record of all insurances effected by Tysoe Parish Council and the property and risks covered thereby and annually review it.
- 13.3 The Clerk/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 council at the next available meeting.
- 13.4 All appropriate members and employees of Tysoe 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 council.

14. Risk Management

- 14.1 Tysoe Parish Council is responsible for putting in place arrangements for the management of risk. The Clerk/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.
- 14.2 When considering any new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by Tysoe Parish Council.

15. Suspension and Revisions of Financial Regulations

- 15.1 It shall be the duty of Tysoe Parish Council to review these regulations of the council from time to time. The Clerk/RFO shall make arrangements to monitor changes in

legislation or proper practices and shall advise the council of any requirement for any consequential amendments.

15.2 Tysoe Parish 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 Tysoe Parish Council.

Appendix 1. Basic Financial Controls - Summary

1. The Council's bankers are HSBC. Tysoe Parish Council have only one bank account.
2. The Clerk/RFO is authorised to communicate with the bank by e-mail, post, and phone; can pay in money but cannot set up and make online payments. A member of the council has delegated authority to make online payments either resolved by the council or authorised by the Clerk/RFO under delegated authority.
3. Seven members of the parish council are authorized signatories to the account, reviewed annually; the Clerk/RFO is not a signatory.
4. A Budget for the 12-month period of 1 April to 31 March is agreed by the Parish Council by January each year and used to set the parish precept. Monthly budget comparisons are provided by the Clerk/RFO to the Council at each meeting along with the latest monthly bank reconciliation. On a quarterly bases, Flexed Budget reports are provided accompanied by explanations of material variances alongside a Reserves Balance statement for the quarter.
5. The Clerk/RFO produces a summary of the Parish Council's annual accounts for presentation to the Parish Council as soon as practicable after the end of the financial year and in any case before 30th June.
6. The Clerk/RFO will prepare the Annual Governance and Accountability Return by 30th June at the latest (but will endeavour to provide as soon as possible after financial year end), to support the period of public inspection during the external audit.
7. The Clerk/RFO will prepare and collate all records, documents, papers etc. as directed by the External Auditor, for the period of public inspection.
8. The financial position of accounts held by the Parish Council is advised to each Parish Council meeting along with a list of payments for resolution.
9. All requests for payment shall be accompanied by the appropriate paperwork as directed in this council's Financial Regulations.
10. All cheques are signed by two members of the Parish Council.
11. When paying by cheque, the invoice or approval slip is initialled by each signatory to the cheque and the cheque stub is also initialled.
12. Cheques are signed at Parish Council meetings when both the Clerk/RFO & Chairman are present.
13. No authorised signatory will be asked to sign a blank cheque.
14. The Parish Council appoint a member to check its finances on a quarterly basis.
15. The Risk Assessment and Asset Register will be checked annually.
16. The Parish Council annually appoints a competent independent internal auditor to check its accounts and to ensure that its activities are properly carried out and recorded.
17. The External Auditor, appointed by the sector-led body, will contact the Parish Clerk annually.

Appendix 2. Schedule of Activities

Month	Activity
April	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (March) • Quarterly Member Audit (January - March) • Submit VAT return for previous year • End of Year Budget Report • Appoint Internal Auditor
May	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (April) • Parish Assembly pt1 – projects for consideration over 1-3 years
June	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (May) • Internal Audit and AGAR complete
July	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (June) • Quarterly Budget Report (April – June) • Quarterly Member Audit (April – June)
August	
September	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (July & August) • Parish Assembly pt2 – projects provisionally agreed for budgeting over 1-3 years
October	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (September) • Quarterly Budget Report (July - September) • Quarterly Member Audit (July - September) • Tenders invited for annual contracts for new financial year
November	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (October)
December	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (November) • Draft Annual budget & 1-3-year Budget for approval
January	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (December) • Quarterly Budget Report (October - December) • Quarterly Member Audit (October – December) • Budgets approved • Precept application
February	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (January)
March	<ul style="list-style-type: none"> • Monthly Finance Pack for approval (February)