

These are Walton Community Council's Financial Regulations and they may be changed in accordance with requirements.

### **1. Responsible Finance Officer**

The Parish Council will appoint a Responsible Finance Officer (RFO) who will be responsible for the following:

#### **1.1 Reporting and financial records**

- 1.1.1 Monitoring and maintaining an audit trail for all committee and full council budget expenditure & income
- 1.1.2 Maintaining the income and expenditure records for the Council using word, excel or proprietary software
- 1.1.3 Producing end of month budget reports to Full Council and Committees, comparing actual expenditure to budget, and showing explanations of material variances (in excess of 15% of the budget)
- 1.1.4 Cost Centre and Project Management Accounting.

#### **1.2 Budgeting and precept, and Annual Return**

- 1.2.1 Preparation of reports to enable the Council to determine budgets and precept
- 1.2.2 Calculation of cash flow for year end
- 1.2.3 Preparing the accounts of the Council for the annual audit, and any other related documents, which must be submitted to the Council by 31<sup>st</sup> May each year
- 1.2.4 Making arrangements for the exercise of electors' rights in relation to the Annual Return.

#### **1.3 Bank accounts**

- 1.3.1 Managing the Council's bank account(s)
- 1.3.2 Producing a monthly bank reconciliation of WCC Bank Accounts for verification by the Chair or the Regulatory Committee or another appointed councillor
- 1.3.3 Maintaining a quarterly reconciliation of a petty cash float of £250 for incidental expenses.

#### **1.4 Payroll**

- 1.4.1 Maintaining and checking payroll records
- 1.4.2 Payroll administration and schedule of deductions for all employees / contractors
- 1.4.3 Salary Sacrifice administration (e.g. childcare vouchers) and other staff expenses
- 1.4.4 Pension administration (calculations carried out by external pension administrator)
- 1.4.5 HMRC Year End Return (carried out by external payroll provider).

### **1.5 Invoicing, payments and VAT**

- 1.5.1 Preparing and issuing invoices, and credit control
- 1.5.2 Issuing Purchase Orders where necessary, and maintenance of records.
- 1.5.3 Receiving invoices for goods and services, ensuring that the invoice is correct and that the goods/service have been provided
- 1.5.4 Where necessary, ensure payments are in compliance with a three-stage process of 'purchase order', 'Invoice', and 'Goods and Service Receipts'
- 1.5.5 Preparing cheques for signature
- 1.5.6 Preparing & presenting a payment schedule for authorisation for agreement to pay via internet transfer (BACS, CHAPS or SWIFT)
- 1.5.7 Publication of payments over £500
- 1.5.8 VAT calculations on any Vatable services
- 1.5.9 Reclaiming VAT, where possible, from HMRC.

### **1.6 Insurance and Assets**

- 1.6.1 Ensuring that the Council has adequate insurance cover, including public liability cover
- 1.6.2 Maintaining an asset register and inventory.

### **1.7 Grants and s.106**

- 1.7.1 Provision of financial information to support external grant applications
- 1.7.2 Maintaining a record of s.137 grant expenditure and awards.
- 1.7.3 Expenditure and grants to be agreed by resolution
- 1.7.4 Record keeping and administration of s.106 monies, including annual reporting to Milton Keynes Council.

## **2. Internal Audit**

The Council will appoint an Internal Auditor.

## **3. Expenditure**

- 3.1 All expenditure must be approved by Full Council or a Committee but must be within that Committee's expenditure limit.
- 3.2 Purchase Orders are required for all expenditure over £500, unless in the case of an emergency or where the proposed expenditure has been authorised in advance by the Council or a Committee.
- 3.3 The procurement of goods and services over £500 and up to £5,000 would be subject to obtaining three quotes - See Annex A.
- 3.4 The procurement of goods and services over £5,000 and up to £25,000 would be subject to the Invitation to Quote (ITQ) procedure – See Annex A.
- 3.5 The Council will use Contracts Finder (<https://www.gov.uk/contracts-finder>) for the procurement of goods and services over £25,000, and this

procurement would be subject to the Invitation to Tender (ITT) procedure – See Annex A

- 3.6 At least three quotes should be sought for expenditure over £5,000 except where the council is constrained to use a specific supplier for a particular service e.g. Milton Keynes Council.
- 3.7 The Council Manager (and in her absence, the Deputy Council Manager) will have powers to procure goods or services up to £500, as per the Council's adopted Direct Award procedure (Annex A).

#### **4. Authorisation of Payments**

##### **4.1 Authorisation of payments list**

- 4.1.1 All payments are to be approved by Regulatory Committee or Full Council (authorised payments list), including payments by Direct Debit, card payments, summarised salaries information and any other payments.
- 4.1.2 Payment lists should be accompanied by relevant invoices or receipts and signed by two Councillors, and all invoices are to be initialled by a Councillor.

##### **4.2 Cheques**

- 4.2.1 No-one receiving benefit from a cheque or bank transfer should sign that cheque or authorise the transfer.
- 4.2.2 Whoever signs the cheque must also initial the front of the counterfoil.
- 4.2.3 Cheques must be signed by two authorised persons, in accordance with the bank's mandate procedures. Cheques should be signed by at least one Councillor and may not be signed by two Council employees. Cheques may be signed by two Councillors or one Councillor together with an authorised Council officer (Council Manager or RFO).

##### **4.3 Internet Banking**

- 4.3.1 Once approved, payments will be submitted online in the Council's bank account by either the Responsible Finance Office or the Council Manager (or in her absence, the Deputy Council Manager).
- 4.3.2 Payments over £1,000 will require dual authorisation, being approved by an authorised signatory who is a Councillor, after submission by an authorised Council officer (Council Manager or RFO), in accordance with the bank mandate.
- 4.3.3 Card payments shall be limited to below £500.
- 4.3.4 Payment for utility supplies (energy, telephone and water), regular contract amounts, and any National Non-Domestic Rates may be made by direct debit provided that the instructions are signed by two signatories, including at least one Councillor, and any payments are reported to the Council as they are made.

### 5. Bank Accounts

- 5.1 The Council will hold a current account for the general day to day transactions.
- 5.2 The Council will hold an interest-bearing deposit account to hold the Council's reserves.
- 5.3 An interest-bearing bank account will be opened for each drawdown of s.106 monies.

### 6. Petty Cash

- 6.1 The petty cash system will be an imprest account of £250 normally but can be increased to £500 for large events where a float is required.
- 6.2 Cash withdrawals to maintain the float will be recorded on the payments list submitted to the council.
- 6.3 All payments must be accompanied by a receipt.
- 6.4 Use of petty cash will be authorised by either the Council Manager (or in her absence, the Deputy Council Manager) or the Responsible Finance Officer.

### 7. Expenses

- 7.1 All expenses are to be claimed by using the approved expenses claim form.
- 7.2 Reimbursement for mileage will be in accordance with the HMRC guidelines.
- 7.3 Reasonable public transport claims will be reimbursed on production of a valid ticket or receipt.
- 7.4 When a staff journey commences or ends at home, then the normal home to work mileage must be deducted from the total mileage.
- 7.5 Associated car parking costs will be reimbursed on production of a receipt (excluding fines).
- 7.6 Elected Councillors may claim mileage from the parish boundary when travelling on council business.
- 7.7 Co-opted Councillors may claim expenses for all travel when travelling on council business.

### 8. Subsistence

Reimbursement of actual cost must be supported by a receipt and in accordance with the Council's subsistence policy.

### 9. Councillor allowances

- 9.1 Elected Councillor allowances should be set with the recommendations of the Councillors' Allowances Remuneration Panel in mind. The Council should give reasons for any deviation from the recommendations.
- 9.2 Chairman's allowance may to be set at the Council's discretion or set with the recommendations of the Councillors' Allowances Remuneration Panel in mind. Any allowance awarded at the Council's discretion should be

fixed by the Council in advance, on a rational basis and may be awarded if the Chairman has been co-opted to the Council.

*See Local Government Act 1972 s.15(5) and 34(5) and Local Authorities (Members' Allowances) (England) Regulations 2003, SI 2003/1021, Reg 25(10 (added by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004, SI 2004/2596, Reg 4)*

- 9.3 Co-opted Councillors are not eligible for a Councillor's Allowance, although they may claim for expenses.

*See Local Authorities (Members' Allowances) (England) Regulations 2003, SI 2003/1021, Reg 25(10 (added by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004, SI 2004/2596, Reg 4)*

- 9.4 Elected councillor and Chairman allowances shall be processed through the Council payroll. The allowances will be paid in full, with tax being collected under the PAYE system. Councillors who do not receive tax returns will have their tax checked by HMRC in the traditional way.

- 9.5 Should a councillor or Chairman opt to receive the allowance outside the payroll system, that Councillor shall sign a declaration that they will pay income tax on this earned income via Self-Assessment (Annex B)

### **10. Authorised Overtime**

10.1 All overtime must be approved by the Council Manager.

10.2 Authorised overtime for the Council Manager is to be approved by the Chair or Vice Chair of the HR Committee.

### **11. Capital Items**

Assets with a value over £300 will be placed on the Council's asset register and assets under the value of £300 will be included in an inventory.

### **12. Depreciation**

There is no requirement to record depreciation of assets on the Council's Asset Register, but as a general rule, the following depreciative calculations will apply:

- All fixtures and fittings to be depreciated over 5 years
- IT equipment to be written-off within 3 years
- Vehicles to be depreciated over 5 years
- Buildings to be depreciated over 10 years
- Outdoor equipment to be depreciated over the life of the guarantee.

### **13. Land Assets**

Land assets (allotments) to be placed on the Council's asset register and valued at nominal cost, as appropriate.

### **14. Insurance**

14.1 An asset register and inventory will be kept of all assets to ensure that they are adequately covered by insurance for replacement purposes.

14.2 The amount required for fidelity insurance will be £500,000.

14.3 If substantial monies, assets or resources are acquired during the year, then additional and appropriate insurance must be sought.

14.4 The Council will ensure compliance with statutory insurance (employer's liability) and public liability requirements.

### **15. Risk Management**

Financial risks will be recorded in the Council's Risk Management Register.

### **16. Annual Accounts**

The Council must approve its accounts by 30<sup>th</sup> June of the year following the year to which they apply and before submission for audit.

### **17. Declarations of Pecuniary Interests**

Councillors will declare any pecuniary interests in their register of interest and at Full Council and Committee meetings, as per the Council's Code of Conduct.

### **18. Gifts and Hospitality**

Any gifts or hospitality to Councillors or staff worth over £25 should be recorded in the gifts and hospitality register.