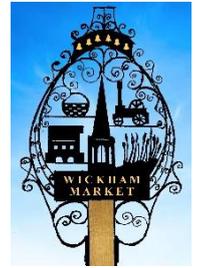


# WICKHAM MARKET PARISH COUNCIL ESSENTIALS

## No. 7: Value for Money



### Financial Regulations<sup>1</sup>

The Financial Regulations are based on a model prepared by the National Association of Local Councils (NALC) and tailored to the needs of Wickham Market Parish Council by resolution. They are reviewed and adopted at the Annual Meeting of the Parish Council and at any other time where an amendment is considered necessary by the Council.

Wickham Market Financial Regulations covers 15 pages. This brief is intended to extract the key elements relating to value for money when spending public funds, to demonstrate proper practices are in place<sup>2</sup>.

In simple terms, Wickham Market Parish Council require three comparable quotes for all goods or services procured. The Council has added a lower limit of £300, where this requirement does not necessarily apply<sup>3</sup>

### Extracts from Wickham Market Parish Council adopted Financial Regulations with paragraph numbers, together with relevant extracts from the *Practitioners Guide in Blue Italic*

**1.6.** Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

**1.7.** Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

*The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the manner in which tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.*<sup>4</sup>

**1.9.** The RFO;

- acts under the policy direction of the council.
- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices.
- ensures the accounting control systems are observed.
- assists the council to secure economy, efficiency and effectiveness in the use of its resources.

## 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:

- the council for all items over £5,000;
- a duly delegated committee of the council for items up to £5,000; or
- the RFO, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £500

Contracts may not be disaggregated to avoid controls imposed by these regulations.

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<sup>1</sup> regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation

<sup>2</sup> 'proper practices' refers to Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG)

<sup>3</sup> Financial Regulations 11.1 g

<sup>4</sup> Practitioners' Guide 1.14

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**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 council, or duly delegated committee.

*Actions during the year — An authority needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.<sup>5</sup>*

**5.6.** In respect of grants the Finance & General Purpose committee 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 £5,000 shall before payment, be subject to ratification by resolution of the council.

**6.3.** Payments may be made by Cheque, Standing Order, Direct Debit or internet banking. (*i.e. not cash*)

**6.20.** The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

### 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.** 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 Regulation 11.1 below.

**10.3.** A member may not issue an official order or make any contract on behalf of the council.

**10.4.** 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.

*Standing Orders must include provisions for securing competition and regulating the manner in which tenders are invited. To comply with these requirements, authorities should set within their Financial Regulations a limit for the purchase of goods and services above which three estimates or quotes should be invited from persons or firms competent to do the work.<sup>6</sup>*

*As far as possible, a fully priced official order should be sent to suppliers in advance of delivery of goods. Official orders both commit a supplier to a price and help prevent unauthorised credit being granted in the authority's name.<sup>7</sup>*

### 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
- g) 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 RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £300 the Clerk shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply

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<sup>5</sup> Practitioners' Guide 1.25

<sup>6</sup> Practitioners' Guide 5.35

<sup>7</sup> Practitioners' Guide 5.36