

COSTOCK PARISH COUNCIL **FINANCIAL REGULATIONS**

These Financial Regulations were reviewed and adopted by the Council at its meeting
Held on 15 February 2023

1 GENERAL

- 1.1 These financial regulations govern the conduct of the financial transactions of Costock Parish Council ("the Council") and may only be amended or varied by resolution of the Council.
- 1.2 The Parish Clerk shall be the Council's Responsible Financial Officer (RFO).
- 1.3 The RFO, under the direction of the Council, shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The RFO shall be responsible for the production of financial management information.

2 ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.2 The draft budget shall be reviewed by the Council and approved not later than the end of January in each year.

3 BUDGETARY CONTROL

- 3.1 Unspent budgetary provisions will not be carried forward to a subsequent year.
- 3.2 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the expenditure has been approved by the Council, or the requisite borrowing approval has been obtained.
- 3.3 All capital works shall be administered in accordance with the Council's Standing Orders and any financial regulations relating to contracts and tenders.

4 ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be provided by the RFO as required by the Accounts and Audit Regulations 2015.

- 4.2 The RFO shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall complete the Accounts of the Council contained in the Annual Return and shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 2015.
- 4.4 The RFO shall ensure that there is an adequate and effective system audit of the Council's accounting, financial and other operations in accordance with proper practices.
- 4.5 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers and for the display or publication of any Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations 2015.
- 4.6 An Internal Auditor shall be appointed by the Council and shall carry out the work required in accordance with proper practices. The Internal Auditor shall be appropriately qualified and independent of the operations of the Council. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and not involved in the financial decision-making, management, or control of the Council.
- 4.7 The internal audit will take place yearly and an annual statement of assurance confirming that it has adequate systems in place will be produced.
- 4.8 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless it is correspondence of a purely administrative matter.

5 **BANKING ARRANGEMENTS AND PROCEDURES**

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council.
- 5.2 A schedule of all payments shall be prepared by the RFO and presented to each meeting of the Council together with any supporting invoices or other documentation for approval. The approved schedule will be initialled by the Chair.
- 5.3 Three Councillors shall be appointed at the annual meeting of the Parish Council as authorised Councillors to sign cheques or authorise online payments and deposit account transfers.
- 5.4 Where a payment is to be made by cheque and the cheque will be signed by authorised Councillors who shall also initial the counterfoil. Payment by BACS will be displayed on the account sheet as suc.

- 5.5 Wherever possible, payments will be made using online banking. The following paragraphs set out the principles and procedures of operation of the online account with particular attention to the raising of payment request and their authorisation. The actual process of operating the online account(s) will be subject to the rules and security authorisation process of the agreed bank.
- A] The online bank account will be operated on the following basic principles:
- (a) The RFO will raise the requests
 - (b) The Council will authorise the payments and transactions online
- B] The raising of payment requests and authorisation will apply to:
- (a) New Direct Debits and amendments to any existing Direct Debits
 - (b) New Standing Orders and amendments to any existing Standing Orders (see C below)
 - (c) Payment of accounts (Regulation 6)
- C] Income received:
- (a) Cheques and cash will be paid into the account using the procedures defined by the bank. A record of receipts will be kept by the RFO.
 - (b) BACS payments can also be made direct into the current account. It is the responsibility of the RFO to check these payments have been received and recorded.

6 **PAYMENT OF ACCOUNTS**

- 6.1 Before payment of accounts is made the RFO should be satisfied that the goods have been received, are in accordance with the specification, that the account is correctly made out and that the relevant expenditure has been properly incurred.
- 6.2 All expenditure shall be authorised by resolution of the Council, except where otherwise provided in the Council's Standing Orders or these regulations.
- 6.3 The RFO may incur expenditure or make approval for payments on behalf of the Council without prior approval in the following circumstances:
- (a) where emergency action is required subject to a limit of £300;
 - (b) to order small value items within the budget, up to a cost of £300 per item
 - (c) where payment is necessary to avoid a penalty or interest payment under a contract or statutory provision and the RFO is satisfied that there is no dispute or other reason to delay payment
 - (d) the Council did not have to seek tenders for expenditure if agreed to under a cost of £500.

Any such payments made must be reported to the Council at the next meeting.

- 6.4 The Council may award a single supplier a contract up to a level of £300 without seeking two prices.

7. **PAYMENT OF SALARIES**

The RFO shall be responsible for keeping all salary information up to date, including details of income tax, national insurance, pensions and national insurance pay awards; and for submitting the monthly Real Time Information (RTI) returns.

8 **INCOME**

8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

8.2 The RFO shall promptly complete any VAT Return that is required. 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 **INVESTMENTS AND LOANS**

9.1 Any investments of money under the control of the Council shall be in the name of the Council and made under arrangements approved by the Council.

9.2 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose.

9.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

10 **INSURANCE**

10.1 The RFO shall arrange all insurance cover and negotiate all claims on the Parish Council's insurers.

10.2 The RFO will ensure that all new risks are brought to the attention of the Council.

10.3 The RFO will ensure that all Council property, effects and risks are insured, and annually review the situation.

10.4 The RFO will inform the Council in the event of any loss liability or any other situation, which may lead to a claim.

10.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance, which shall cover the maximum risk exposure as determined by the Council.

11. **RESERVES GUIDANCE**

11.1 The Council shall review their reserves each year and make a decision as to the appropriate level of reserves for the following year considering the risk of a delay in payment of the precept by Rushcliffe Borough Council and the Council's running costs, regular commitments and planned future projects.

11.2 To enable the Council to continue to function in the event of a delayed precept payment, the Council will maintain a level of financial reserves of a minimum of 50% of the precept.

12 **REVISION OF FINANCIAL REGULATIONS**

It shall be the duty of the Council to review the financial Regulations of the Council from time to time and to make such recommendations as may be appropriate.

* * * *