

COSSINGTON PARISH COUNCIL
9 BENNETTS LANE, COSSINGTON, LEICESTERSHIRE, LE7 4UP

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Clerk to the Council – Emma Crowe

FINANCIAL REGULATIONS

1. GENERAL

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

2. ANNUAL ESTIMATES

- 2.1 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.2 The Council shall review the estimates no later than the end of November each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the budget accounts.
- 2.3 The annual budgets shall form the basis of financial control for the ensuing year.

3 BUDGETARY CONTROL

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget.
- 3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date.
- 3.4 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not

there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council as soon as practicable thereafter.

- 3.5 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, or the requisite borrowing approval has been obtained.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations.
- 4.2 The RFO shall be responsible for completing the annual financial statements of the Council 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 be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1996 as amended. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 4.7 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 the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO, which shall include internet banking, and approved by the Council.
- 5.2. Details of relevant invoices shall be presented to the Council and if in order shall be authorised for payment by a resolution of the Council unless previously approved.
- 5.3. Cheques drawn on the Council's bank accounts shall be signed by two Members. BACS payments shall be authorised by two Members and approved by full council at each monthly meeting, along with a full list of accounts to be paid, unless already approved. All Members should be made signatories when elected.
- 5.4. When the RFO is absent, the Council's cheque books shall be given to the Chairman to hold so that payments are not delayed.

6 PAYMENT OF ACCOUNTS

- 6.1 All payments shall be affected by cheque, BACS or by direct debit drawn on the Council's bankers.
- 6.2. All invoices for payment shall be examined, verified, and certified by the RFO. Before such certification, the RFO shall be satisfied that the works, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, or required under the Public Contracts Regulations 2015, and the due date for payment is before the next scheduled meeting of the Council, where the RFO certifies that there is no dispute or other reason to delay payment, the RFO may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting.
- 6.4 The Council will not maintain a cash float.

7 PAYMENT OF SALARIES

- 7.1 The payment of all salaries if applicable shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.
- 7.3 The Clerk/RFO to reimburse their mobile phone expenses on a monthly basis.
- 7.4 The Clerk to invoice the Council on a 3 monthly basis for running office costs of £25 per month.

8 LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.2 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 Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk / RFO.

9 INCOME

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.3 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.
- 9.4 Where any significant sums of cash are regularly received by the Council, the 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, printed and put with invoice by RFO.
- 10.2 All members and Officers are responsible for obtaining best value, for each transaction, usually by obtaining three quotations or estimates from appropriate suppliers, where the value is over £750.00 subject to any de minimis provisions in Regulation 11 (I) below.
- 10.3 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, ensure that the statutory authority shall be reported to the meeting

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 provided that these regulations shall not apply to contracts which relate to items (i) to (iii) below:
 - (i) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants; 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;
 - (ii) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk / RFO shall act after consultation with the Chairman.
 - (iii) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
 - (b) Where it is intended to enter into a contract exceeding £5,000 in value for the supply of goods or materials or for the execution of works or specialist services other than set out in (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.
 - (c) If less than three tenders are received for contracts above £5,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
 - (d) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 61, 63 and 64.
 - (e) When it is to enter into a contract less than £5,000 in value for the supply of goods or materials or for the execution of works or specialist services the Clerk / RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
 - (f) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
 - (g) The Council will obtain 3 estimates or quotes where possible for amounts over £750 - £5000.

12 PROPERTIES AND ESTATES

- 12.1 The Clerk/RFO shall make appropriate arrangements for the custody of all title deeds of land owned by the Council and ensure a record is maintained of all properties owned by the 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 Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.

12.2 No property or land shall be 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 £100.

13 INSURANCE

13.1 Following an annual risk assessment, the Clerk / RFO shall effect all insurances and negotiate all claims on the Council's insured risks.

13.2 The Clerk / RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

13.3 The 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 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.

14 REVISION OF FINANCIAL REGULATIONS

It shall be the duty of the Council to review the Financial Regulations of the Council annually.

Prepared by: Mrs E Crowe (Clerk & RFO)

Approved by: Mr S Cobley
Mrs P Morelli-McKeon
Mrs B Orridge
Mr H Sanderson
Mrs P Weston-Webb

The Financial Regulations was considered by Cossington Parish Council at its Parish Council Meeting on 17th February 2021 and approved by the council as a true statement of the course of events to be undertaken.