

HUSBANDS BOSWORTH PARISH COUNCIL

Financial Regulations (Revised March 2019)

1 General

- 1.1 These financial regulations shall 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 income and expenditure on revenue services and receipts and payments on the capital account shall be prepared each year by the RFO.
- 2.2 The council shall review the estimates in November of each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

3 Budgetary Control

- 3.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved council budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the revenue budget unless a virement has been approved by the council.
- 3.3 The RFO shall periodically provide the council with a statement of income and expenditure to date under each head of the approved revenue and capital budgets.
- 3.4 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year without approval of the council.
- 3.5 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.6 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

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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 2003.
- 4.2 The RFO shall be responsible for completing the annual accounts of the council as soon as practicable after the end of the financial year and shall submit them to the council.
- 4.3 The following principles shall be observed in connection with accounting duties.
 - a) The duty of providing information, calculating, checking and recording sums due to, or from, the council, should be separated as completely as possible from the duty of collecting or dispersing them.
 - b) Officer charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4 The RFO shall be responsible for ensuring the appointment of an internal auditor to install and maintain an adequate and effective system of internal audit of the council's accounting, financial and other operations in accordance with regulation 5 of the Account and Audit Regulations 2003. Any officer or member of the council shall, if the RFO requires, make available such documents of the council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

5 Banking Arrangements and Cheques

- 5.1 The council's banking arrangements shall be made by the RFO and approved by the council.
- 5.2 Cheques drawn on the bank account shall be signed by two authorised signatories.
- 5.3 Transactions payable by BACS shall be signed by two authorised signatories.

6 Payment of Accounts

- 6.1 Apart from petty cash payments, all payments shall be affected by cheque or other order drawn on the council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice, the officer shall satisfy him/herself that the work, goods or services to which the invoice related have been received, carried out, examined and approved.
- 6.3 Duly certified invoices shall be examined in relation to arithmetical accuracy and coded to the appropriate expenditure head. All possible steps shall be taken to settle all invoices submitted and which are in order, within 30 days of their receipt.

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6.4 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

- a) The RFO may maintain a petty cash float to a limit specified by the Council for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash, together with the appropriate receipts, shall be kept to substantiate the payment.
- b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- c) Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the council.

7 Payment of Salaries and Wages

7.1 The payment of all salaries and wages shall be made by the RFO from the payroll balance in accordance with the payroll records.

8 Loans and Investments

8.1 All loans and investments shall be negotiated by the RFO in the name of the council and shall be for a set period of time in accordance with council policy. Changes to loans and investments should be reported to the council at the earliest opportunity.

8.2 All investments of money under the control of the council shall be in the name of the council.

8.3 All borrowings shall be effected in the name of the council.

8.4 All investment certified and other documents relating thereto shall be retained in the custody of the 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 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the council.

9.3 The council will review all fees and charges annually, following a report of the clerk.

9.4 Any bad debts shall be reported to the council.

9.5 All sums received on behalf of the council shall either be paid to the RFO for banking or be banked by the officer collecting the money as directed by the RFO. In all cases, all receipts

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shall be deposited with the council's bankers with such frequency as the RFO consider necessary.

- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- 9.7 Each transfer of official money from one member of staff to another shall be signed for by the receiving officer.
- 9.8 Personal cheques shall not be cashed out of money held on behalf of the council.

10 Order 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, e.g. petty cash purchases. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 All officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practical that the best available terms are obtained in respect of each transaction.

11 Contracts

- 11.1 All contracts shall be authorised by Council.

12 Payments under Contracts for Building or other Construction Works.

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorisation certificates of the architect or other consultants engaged to supervise the contract.
- 12.2 Where contracts provide for payment by instalments, the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the council.
- 12.3 Any variation to a contract or addition or omission from a contract must be approved by the clerk in writing, the council being informed where the final cost is likely to exceed the financial provision.

13 Stores and Equipment

- 13.1 All employees of the Parish Council shall be responsible for the care and custody of stores and equipment in their charge.

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- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The clerk shall be responsible for an annual check of all stocks and stores.

14 Properties and Estates

- 14.1 The clerk shall make appropriate arrangement for the custody of all title deeds of properties owned by the council. The RFO shall 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 5(3)(b) of the Accounts and Audit Regulations 2003.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the council.

15 Insurance

- 15.1 The RFO shall effect all insurance and negotiate all claims on the council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the council and the property risks covered thereby and annually review it.
- 15.3 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.

16 Revision of Financial Regulations

- 16.1 It shall be the duty of the council to review the financial regulations from time to time and to make such recommendations as it considers are required.

Revised – March 2019