**COLSTON BASSETT FINANCIAL REGULATIONS -Revised April 2025**

 **DISCLAIMER**

The Model Financial Regulations template produced by the National Association of Local Councils (NALC)) in March 2025 forms the basis of this document.

Any modification for use by Colston Bassett Parish Council has been done in good faith to reflect the size of the Council and the activities it undertakes.

Bold text indicates legal requirements, which any council cannot change, omit or suspend.

# General

* 1. These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council’s governing documents and shall be observed in conjunction with the council’s Standing Orders.
	2. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. [The Clerk has been appointed as RFO for this Parish Council and these regulations apply accordingly.] 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.
* determines on behalf of the council its accounting records and control systems.
* ensures the accounting control systems are observed.
* ensures the accounting records are kept up to date.
* seeks economy, efficiency and effectiveness in the use of council resources; and
* produces financial management information as required by the council.
	1. **The council must not delegate any decision regarding:**
* **setting the final budget or the precept (council tax requirement);**
* **the outcome of a review of the effectiveness of its internal controls**
* **approving accounting statements.**
* **approving an annual governance statement.**
* **borrowing.**
* **declaring eligibility for the General Power of Competence; and**
* **addressing recommendations from the internal or external auditors**
	1. In addition, the Finance Advisory Group will consider all council financial matters, including the Precept before bringing their recommendations to full council at a formal Parish Council meeting. This Group will comprise the Chairman of Council, The Finance lead, an additional Parish councillor and RFO, with an Internal Auditor in attendance by invitation.

As with full council meetings, voting rights of the Finance Advisory Group are restricted to Councillors only but any financial decisions made by the Group are only recommendations and, as such, do not pre-empt or supersede decisions made by full council.

# Risk management and internal control

* 1. **The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
	2. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
	3. **The accounting control systems determined by the RFO must include measures to:**
* **ensure that risk is appropriately managed;**
* **ensure the prompt, accurate recording of financial transactions;**
* **prevent and detect inaccuracy or fraud; and**
* **allow the reconstitution of any lost records;**
* **identify the duties of officers dealing with transactions and**
* **ensure division of responsibilities.**
	1. At each Parish Council meeting a current print out of the bank balances for all three accounts; the current, reserve and De-fib accounts, shall be circulated to councillors.
	2. Regular back-up copies shall be made of the records on any council computer or laptop and stored either online or in a separate location from the computer. The RFO and council shall put measures in place to ensure that the ability to access any and all documentation pertaining to the Parish Council is not lost or compromised if the RFO leaves or is incapacitated for any reason.

# Accounts and audit

* 1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
	2. **The accounting records determined by the RFO must be sufficient to explain the council’s transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
* **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate.**
* **a record of the assets and liabilities of the council.**
	1. The accounting records shall be appropriate to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
	2. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.
	3. **The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices**.
	4. **Any officer or member of the council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary.
	5. The council shall ensure that the internal auditor:
* is competent and independent of the financial operations of the council;
* reports to council in writing at least once each year.
* can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
* has no involvement in the management or control of the council
	1. Internal or external auditors may not under any circumstances:
* perform any operational duties for the council;
* initiate or approve accounting transactions;
	1. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors unless the correspondence is of a purely administrative nature.

# Budget and precept

* 1. **Before setting a precept, the council must calculate its requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
	2. The Finance Advisory Group lead on reviewing estimates of all receipts and payments for the forthcoming financial year prepared by the RFO. This budget forecast forms the basis upon which to recommend the Precept for the ensuing Financial year and any changes to the Reserve at Full Council. Council will review these recommendations and set the Precept and Reserve not later than the beginning of January.
	3. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
	4. The RFO shall **issue the precept to the billing authority no later than the end of February.** This budget forecast shall form the basis of financial control for the ensuing year.
	5. The budget (REVENUE) for any one financial year should ideally be equal to the amount set by Precept. Any shortfall may, with agreement of Council be covered by utilising some of the existing Reserve.
	6. The closing balance from the previous financial year determined from final, audited and approved accounts, shall be transferred to the Council Reserve (deposit) Account at the earliest opportunity and in support of 4.3 above.
	7. Transfer of funds from the Council Reserve (deposit) Account may be made for specific and desirable services, schemes or projects authorised and minuted by Council.
	8. The Reserve account shall be maintained at £12,000. This sum may only be revised by resolution at a full Council meeting, authorised and minuted accordingly.
	9. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned or anticipated.

# Procurement

* 1. **Members and officers are responsible for obtaining value for money at all times.** Any Councillor procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, where possible, by obtaining prices from several suppliers.
	2. For contracts of a significant value the RFO or Councillor shall ideally seek at least three quotes or estimates if fixed pricing is not appropriate or available.

For smaller purchases, the RFO or Councillor shall seek to achieve value for money.

* 1. **Contracts must not be split to avoid compliance with these rules.**
	2. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
	3. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**
	4. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
	5. No individual member, or informal group of Councillors may issue an official order or make any contract on behalf of the council.

# Banking and payments

* 1. The Council's banking arrangements, including the bank mandate, shall be made by the Financial Portfolio Lead, overseen by the RFO and approved by the Council.
	2. Currently Colston Bassett Parish Council’s Banking mandate is with Unity Trust Bank and the mandate currently supports 4 authorised signatories. These 4 signatories should always include the Finance Lead and Chair. The RFO has viewing rights only. Under no circumstances must an authorised signatory be involved in approving any payment to themselves.
	3. The Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error.
	4. All invoices or requests for reimbursement should be examined for arithmetical accuracy, and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council. Only then should a schedule of these invoices be submitted by the RFO for approval by Council at the next possible Council meeting. If the schedule is in order, it shall be authorised by Council, shown in the minutes of the meeting and paid through the online banking process at the earliest opportunity. See 4.25 for clarification where an exceptional urgent payment is required.
	5. Normally, the Portfolio Finance Lead would pay any approved invoices unless it is the Finance Lead who requires reimbursement, or they are unable to make the online payment due to absence.
	6. Where an invoice or reimbursement request exceeds £1500, the online banking process is currently configured with Unity Trust Bank so that it requires two authorised signatories to complete the payment transaction.
	7. All payments shall be made by online banking, in accordance with a resolution of the council.
	8. Where a regular monthly, quarterly or yearly payment is required, (such as a salary or payroll charge) this amount may be paid by standing order through the bank account. Any amendments to the standing orders must be notified to council at a full meeting for agreement before any change is made.
	9. The RFO, in conjunction with two other authorised signatories shall have delegated authority to authorise an invoice for payment urgently, only in the following circumstances:
		1. payments of up to £1500 excluding VAT in cases of serious risk to the delivery of a Parish Council service or to public safety.
		2. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date for payment is before the next scheduled meeting of the council, where the RFO and Finance Lead certify that there is no dispute or other reason to delay payment. The details of any such payment must be included in the next Council meeting for subsequent ratification by Council.

# Petty Cash

1. The council will not maintain any form of cash float. In the unlikely event that cash is received by the Parish Council in the form of reimbursement, donation, income etc. it must be declared to Council immediately by the recipient. It is not possible to pay cash into the Parish Council Bank account so an alternative solution to receive the cash must be sought and agreed upon by the Council.

# Payment of salaries and allowances

* 1. **As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.**
	2. **Councillor allowances(where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
	3. Salary rates shall be agreed by the council, or a duly delegated committee. No changes shall be made to any employee’s gross pay, emoluments, or terms and conditions of employment without the prior consent of the council.
	4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
	5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.

# Loans and investments

* 1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.

# Income

* 1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
	2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a budget report of the RFO.
	3. The RFO shall ensure that VAT is correctly recorded in the council’s accounting software and that any VAT Return required is submitted from the software by the due date. OR Any repayment claim under section 33 of the VAT Act 1994 shall ideally be made quarterly where the claim exceeds £100 and at least annually before the end of the financial year.

# Insurance

* 1. The RFO shall keep a record of all insurances effected by the council and the property and risks covered. The Finance Lead, in conjunction with the RFO is responsible for reviewing these annually, before the renewal date, in conjunction with the council’s review of risk management. Where a Community Asset is not insured at all, or isn’t insured exclusively by the Council, care must be taken and evidence proffered by the insurer to corroborate that the asset is correctly and appropriately ensured.

The RFO shall give prompt notification to the Council of all new risks which require to be insured and of any alterations affecting existing insurances.

* 1. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council at the next available meeting.

# Assets, Properties and Estates

The RFO shall make appropriate arrangements 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 Accounts and Audit Regulations. No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any consents required by law.

The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified annually. The asset register includes a maintenance review schedule to support budgetary planning and control.

At least every Five years, from and including 2025, the Memorandum of Understanding between the Village Hall Management Committee and the Parish Council shall be reviewed for fitness of purpose.

# Financial Regulations

* 1. The council shall review these Financial Regulations at the end of each financial year.
	2. The council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.
	3. The Council’s Financial Regulations, like its Full Standing Orders, should be published on the Council’s website.

# These Financial Regulations were adopted by the council at its meeting held on Tuesday 2nd September 2025