

WHISSONSETT PARISH COUNCIL

FINANCIAL REGULATIONS

Approved: 14th March 2022

Review Schedule: Annually

Abbreviations:

RFO - Responsible Financial Officer

AGAR - Annual Governance and Accounting Return

1. General

These regulations govern how the council conducts its financial affairs. They set out how all financial matters are dealt with (with reference to Governance & Accountability 2021 and “proper practises”). The RFO administers the finances of the council according to proper practises. Financial Regulations are approved by full council and can only be amended by full council.

2. Accounting and Audit (Internal & External)

The RFO must be responsible for maintaining the council’s cash book and completing the year end accounts. The RFO shall complete the year end accounts, and the relevant sections of the AGAR in accordance with the statutory time limits.

The RFO must advertise Electors Rights, as required by law.

A suitably competent and independent person must be appointed by the council as its internal auditor, to undertake an annual review of the council’s internal control systems and they shall report their findings to the council. They will complete the relevant section of AGAR.

The council will have an agenda item for the approval of AGAR (Governance Statement followed by Annual Accounting Statement). The council will ask the Chairman to sign on behalf of the council.

All reports by the Internal and External Auditor shall be considered by council. Any recommendations should be implemented or reasons why they are not, recorded in the minutes.

There is a requirement to publish specified financial information and the RFO will ensure that this is done.

3. The Budget

The Budget is constructed referring to the last completed year, the present year and plans for the next year and will include reserve funds. This will be approved by full council in time to submit the precept request to the District in January. The RFO reports regularly to Council on actual spending against budget, highlighting significant variances.

4. Authority to spend

Urgent expenditure of up to £500 may be authorised by the clerk, notwithstanding any budgetary provision. Such spending should be reported to Council as soon as possible and the budget should be amended accordingly.

5. Banking

Monies received should be banked on a regular basis by the RFO. Where possible, handling cash should involve at least two people.

Bank reconciliations of all accounts should be presented to each ordinary meeting of the council, including the original bank statement at year end. The chairman must sign this.

Direct debit or standing order payments may be permitted, with the approval of council, for regular items such as utility bills, ICO fee or payroll. Amounts so paid should be reported to council along with the normal payment schedule.

6. Making Payments

Invoices for payment should be checked by the RFO and entered onto a schedule for approval by council.

All payments shall be effected by BACS, cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council. BACS payments in accordance with the schedule as presented to council shall be set up by the RFO and authorised by one signatory to release the payments.

Payments may be made between council meetings subject to members being advised of the detail of the budget and that the payments have been included in the budget.

Cheques drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of the council in accordance with a resolution instructing that payment.

A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

The council has no debit/credit card. Payments may need to be made by the RFO which require the use of a personal debit card. Provided within budget, this may be done and the RFO will be refunded immediately.

7. Salaries

The RFO must ensure that all salary and other relevant payments comply with PAYE and other rules issued by HMRC and are approved by council.

8. Loans and Investments

The council has no loans, but if any were needed this would require full council approval. All loans would also require approval by the Secretary of State.

9. Receipts

The RFO should issue invoices promptly and institute efficient collection arrangements.

Irrecoverable amounts should be written off by the council, following a report from the RFO.

VAT claims and returns should be completed promptly by the RFO (at least annually).

10. Placing Orders

Where possible, before placing an order two written quotes for items costing £500 -£1000 should be sought. For items costing in excess of £1000 but under £25,000 three written quotes should be obtained. 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.

Before committing to expenditure, the RFO should check that funds are available within the budget and that the council has the necessary power to incur the expenditure.

11. Contracts

For capital projects and other contracts estimated to cost in excess of £25,000 the council's contract standing orders should be followed.

12. Assets

An asset register is maintained by the RFO and reviewed annually. Surplus assets should be disposed of, with the approval of council, for the best possible price.

13. Insurance

The council has an insurance policy which is reviewed annually and which includes Employers Liability, Public Liability, and Fidelity Guarantee. Asset insurance is agreed by the council.

14. Risk Management

The council needs to be aware of the significant risks that it faces and decide how to manage them. The risks will be assessed and action taken to minimise the risk. This will be recorded in a Risk Management Document. Risk can be managed through insurance, inspections and risk assessments.
