# Foxley Parish Council – Financial Regulations: January 2019

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 2018 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.

These regulations were approved XXX and will be updated in XXX unless the law or the council’s financial activities requires that this is done sooner.

1. **Responsible Financial Officer**

The Responsible Financial Officer is the Parish Clerk

All financial documentation will be held by the RFO e.g. cheque books, bank statements, invoices etc.

1. **Effective Financial Management**
   1. All payments shall be authorised at a council meeting, approved and paid in accordance with the law.
   2. Three councillors are approved by the bank to sign cheques, two of the three are required for the signing of each cheque and they shall then initial the cheque stub.
2. **Procedures to avoid risk from lack of financial control** 
   1. Foxley Parish Council files stored on the computer shall be backed up monthly
   2. All authorised payments will be entered into the computer system of receipts and payments within two weeks of authorisation
   3. Where payments are made by cheque, the cheque numbers will be written onto invoices
   4. Bank statements will be reconciled with the computerised receipts and payments system
   5. A receipt will be issued for all cash received by the council
   6. The accounts shall be reviewed half-yearly against the annual budget
   7. The responsible financial officer shall seek retraining whenever there is a change in the auditing system or every five years, if the auditing system remains unchanged, to ensure that financial systems are correctly adhered to.
3. **Accounts and auditing**

At each council meeting a copy of the cash book showing the receipts, payments and balance for the period from the previous meeting should be prepared by the Parish Clerk this should be considered by the council and if approved signed by the chairman.

The clerk shall supply each councillor prior to the council meeting with a statement summarising

a. the council’s receipts and payments since the last meeting

b. the balances of the accounts held by the bank

c. The year-end accounting statements shall be prepared in accordance with AGAR for the year ending 31 March. A suitably qualified person shall be appointed as internal auditor, and the appointment minuted, and he/she will sign the relevant section of AGAR

1. The RFO must advertise Electors Rights, as required by law.
2. 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.
3. All reports by the Internal Auditor shall be considered by council. Any recommendations should be implemented or reasons why they are not, recorded in the minutes.
4. As an exempt council, there is no obligation on this council to have an External Audit. There is a requirement to publish specified financial information, and the RFO will ensure that this is done.
5. Elector’s rights

The end of year accounts will be made available for residents to view in accordance with the financial regulations. They will be displayed on the Parish Council Notice Boards for the requisite amount of time and posted on the website for 5 years.

**6 The Budget**

The Budget is constructed referring to the last completed year, the present year and plans for the next 2 years (reserve funds). This will be approved by full council in time to submit the precept request to the Breckland Council. The RFO reports regularly to Council on actual spending against budget highlighting significant variances.

1. **Authority to spend**
2. Urgent expenditure of up to £XXX 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. Expenditure may be authorised by the Clerk provided this has been included within the budget.
3. **Banking**

Monies received should be banked on a regular basis by the RFO. 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.

The RFO may move money between bank accounts without prior approval by the council.

1. **Making Payments**

Invoices for payment should be checked by the RFO and entered onto a schedule for approval by council. Payments should be made by cheques signed by two authorised members. *Payments may be made between council meetings subject to members being advised of the detail of the payment and that the payments have been included in the budget.*

*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.*

1. **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. Salaries are completed by a payroll provider, agreed by the council.

1. **Loans and Investments**

Foxley council has no loans, but if any were needed this would require full council approval.

1. **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)

1. **Placing Orders**

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

1. **Contracts**

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

1. **Stores**

The council keeps no stores

1. **Assets**

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

1. **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.

1. ***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. The RFO will be responsible for this*.

The Financial regulations shall be reviewed regularly at least once every 3 years

These regulations were reviewed at the meeting held on 21st February 2019 and adopted by the Council as item 6.2 on the minutes

Next review of these regulation is due in July 2020