

# **Foxley Parish Council**

## **Financial Regulations: October 2023**

### **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).

The Responsible Financial Officer (RFO) administers the finances of the Council according to proper practises as established by this Financial Regulation.

The Financial Regulations are approved by full Council and can only be amended by full Council.

These regulations were updated and adopted in October 2023 and must be reviewed every 3 years unless the law or the Council's financial activities requires this be done sooner.

### **2. Responsible Financial Officer (RFO)**

2.1. The RFO is the Parish Clerk

2.2. All financial documentation will be the responsibility of the RFO (e.g., budgets, accounts, cheque books, bank statements, invoices etc.).

### **3. Effective Financial Management**

3.1. All payments shall be authorised at a Council meeting, approved (proposed and seconded) and paid in accordance with the law.

3.2. Four Councillors are approved by the bank to sign cheques, any two of the four are required for the signing of each cheque and cheque stub.

### **4. Risk Management**

The Council needs to be aware of the risks it faces and decide how to manage them. The risks will be assessed, and action taken to avoid the risk or to mitigate the impact of the risk. The RFO will be responsible for keeping the Risk Management Document.

4.1. All Foxley Parish Council (FPC) documents and files are stored on a computer and backed up on FPC One Drive.

4.2. Any FPC Councillor may have a shared access to the OneDrive files and documents.

4.3. All authorised payments will be entered into the computer system of receipts and payments within two weeks of authorisation.

4.4. Where payments are made by cheque, the cheque numbers will be recorded against the invoices.

4.5. Where payments are made by cash, a receipt will be issued by the RFO and one FPC signatory.

4.6. Bank statements will be reconciled with the computerised receipts and payments system.

- 4.7. The accounts shall be reviewed half-yearly against the annual budget
- 4.8. The RFO will be offered retraining at least every five years or whenever there is a change in the auditing system.

## **5. Accounts for Council meetings**

The clerk shall supply each Councillor prior to the Council meeting with a statement summarising:

- 5.1 the Council's receipts and payments since the last meeting.
- 5.2 the balances of the accounts held by the bank.

These should be considered by the Council (proposed and seconded) and once approved signed by the Chair.

## **6. Annual auditing**

The year-end accounting statements shall be prepared in accordance with Annual Governance and Accounting Return (AGAR) for the year ending 31 March.

- 6.1. The Council will have an agenda item for the approval of AGAR (Governance Statement followed by Annual Accounting Statement).
- 6.2. The Council will ask the Chair to sign on behalf of the whole Council.
- 6.3. When FPC qualifies as an exempt Council, and there will be no obligation on this Council to have an External Audit.
- 6.4. A suitably qualified person shall be appointed as Internal Auditor, and the appointment minuted, and he/she will sign the relevant section of AGAR.
- 6.5. All reports by the Internal Auditor shall be reviewed and considered by Council.
  - 6.5.1. Any recommendations should be implemented or reasons why they are not, recorded in the minutes.
- 6.6. There is a requirement to publish specified financial information, and the RFO will ensure that this is done.
- 6.7. Resident elector's rights:
  - 6.7.1. At the end of year accounts will be made available for residents to view in accordance with the financial regulations.
  - 6.7.2. They will be displayed on the Parish Council Notice Boards for the requisite amount of time and posted on the website for 5 years.
  - 6.7.3. At the end of the financial year the RFO shall detail the reserves and their intended purpose where the total amount of monies held are greater than the precept for one year.

## **7. The Budget**

The Budget is constructed referring to the last completed year (Actual), the present year (Forecast) and plans for the next year (Budgeted). This will be approved by full Council in time to submit the precept request to the Breckland Council.

## **8. Authority to spend**

- 8.1. Ordinary expenditure may be made by the Clerk once approved (proposed and seconded) at a Council meeting.
- 8.2. Urgent expenditure of up to £500 may be authorised by the clerk, notwithstanding any budgetary provision.
  - 8.2.1. Such spending should be reported to the Chair and at least one additional signatory within 10 days.
  - 8.2.2. The budget should be amended accordingly and presented to the Council at the next meeting.

## **9. Banking**

- 9.1. Monies received should be banked on a regular basis by the RFO. Handling cash should involve at least two people.
- 9.2. Bank reconciliations of all accounts should be presented to each ordinary meeting of the Council, including the original bank statement at year end. The Chair must sign this.
- 9.3. 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.
- 9.4. Amounts due to be paid by Direct debit or Standing Order should be reported to Council along with the normal payment schedule.

## **10. Making Payments**

- 10.1. Invoices for payment should be checked by the RFO and entered onto a schedule for approval by Council.
- 10.2. Payments should be made by cheques signed by two authorised members.
- 10.3. 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 or authorised at a previous meeting.

## **11. Salaries**

- 11.1. 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.
- 11.2. Salaries are completed by a payroll provider, agreed by the Council.

## **12. Loans and Investments**

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

## **13. Receipts**

- 13.1. The RFO should issue invoices promptly and institute efficient collection arrangements.
- 13.2. Irrecoverable amounts should be written off by the Council, following a report from the RFO.

- 13.3. VAT claims and returns should be completed promptly by the RFO (annually or within the VAT 4 years claims and returns regulations).

#### **14. Placing Orders & Contracts**

- 14.1. Before placing an order between £500 - £1,000, two written quotes should be obtained and approved by the Council.
- 14.2. For items costing more than £1,000 but less than £25,000, three written quotes should be obtained and approved by the Council.
- 14.3. For capital projects and other financial commitments estimated to cost more than £25,000 the Council's contract standing orders should be followed.

#### **15. Stores**

The Council keeps no stores

#### **16. Assets**

An asset register is maintained by the RFO and reviewed annually.

#### **17. Insurance**

- 17.1. The Council must ensure a suitable insurance policy is in place to cover:
- Employers Liability,
  - Public Liability,
  - Fidelity Guarantee.
  - Asset insurance (on specified assets)
- 17.2. This policy should be reviewed annually and agreed by the Council.

These regulations were reviewed at the meeting held on 12 October 2023 and adopted by the Council as Item 7 in the minutes.

Next review of these regulation is due in October 2025