

**FULMODESTON and BARNEY PARISH COUNCIL**  
**FINANCIAL REGULATIONS**

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 2019 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 should be updated every third year, or when the law requires changes or when practises of the council are changed

**2. Accounting and Audit**

The RFO must be responsible for maintaining the councils 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 and write a separate report to the council.

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

An Internal Auditor is appointed annually. That Auditor must be “independent and competent”. 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.

Unless “Exempt” i.e. under £25,000 p.a. the council must have an external audit. Conclusion of this audit must be published and reports from this audit presented to council.

Best practise requires specified financial information to be published. and the RFO must 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 2 years (reserve funds). This will be approved by full council in time to submit the precept request to the District Council in January. The RFO

reports to Council on actual spending against budget highlighting significant variances at the half year point and year end point.

#### **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. Expenditure may be authorised by the Clerk provided this has been included within the budget.

#### **5. 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, but will inform the council when this has been done.

#### **6. 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.

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

#### **8. Loans and Investments**

The council has loans. Loans require full council approval. The council benefits from income generated by COIF funds.

#### **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**

