

## WHISSONSETT PARISH COUNCIL

### FINANCIAL REGULATIONS

These regulations govern how the council conducts its financial affairs. They set out how all money matters are dealt with (with reference to Governance & Accountability 2017) and should be complied with at all times. They are approved by the Council and can only be amended by Council as an agenda item with proper notice.

#### **1. The Budget**

The Budget is constructed referring to the last completed year, the present year and plans for the next 3 years. This will be approved by the Council in time to submit the precept request to the District Council in January. The RFO reports at the half year point to Council on actual spending against budget highlighting significant variances. Any unspent funds from the budget will become part of the year end working balance or, on a decision by the Council, be transferred to reserve funds. Urgent expenditure of up to £1,000 may be authorised by the clerk, notwithstanding any budgetary provision. Such spending should be reported to the Council as soon as possible and the budget should be amended accordingly.

#### **2. Accounting and Audit**

Accounting procedures and financial records shall be determined by the RFO, according to "Proper Practices".

The RFO shall be responsible for preparing the Council's financial statements, completing the relevant sections of the AGAR required by proper practices, and submitting them to Council in accordance with the statutory time limits.

The RFO will advertise Electors Rights and AGAR (Pages 2 - 4) (and page 5 if an External Audit is undertaken) and other financial documents. A suitably competent and independent person shall be appointed by the council as its internal auditor, to undertake an annual review of the council's internal control systems and report thereon to the Council. The appointed person should complete the relevant section of the AGAR (Page 5).

All reports by the Internal Auditor / External Auditor shall be considered by Council. Any recommendations should be implemented or reasons why they are not, recorded in the minutes. The Council should review the effectiveness of its internal audit arrangements and internal control on an annual basis.

The use of any form of corporate credit card is not permitted. The Clerk may make payments on their personal debit card, with prior approval of the Council and this would be refunded afterwards. Evidence of payments should always be submitted.

#### **3. Banking**

Monies received should be banked on a regular basis by the RFO. Invoices should be issued. Wherever possible arrangements for handling cash should involve at least two people.

A bank reconciliation for the Community Account should be presented to each ordinary meeting of the Council. The original bank statement should be signed by the Chairman at the year end along with the Bank Reconciliation.

#### **4. 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 the Council. The Clerk must keep a time sheet detailing time spent and work undertaken. Salaries and any other payments must be approved by the Council. Expenses claims must be supported by receipts. Salaries and expenses are paid quarterly and must be supported by a payslip. Where there is no Council meeting held at the end of the quarter approval of the payment can be made at an earlier council meeting. The payment must have the date of the quarter end.

#### **5. 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 at the next meeting, with appropriate explanations. Direct debit or standing order payments may be permitted, with the approval of council, for regular items such as utility bill. Amounts so paid should be reported to the Council along with the normal payment schedule. Before placing an order three quotes for items costing in excess of £1000 - £10,000 should be 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 capital projects and other contracts estimated to cost in excess of £10,000 the council's contract standing orders should be followed.

VAT claims should be completed at least annually by the RFO.

#### **6. Assets**

Assets should be recorded on an inventory list, which should be checked periodically by the RFO. Where appropriate assets should be properly maintained and sufficient funds should be included in the revenue budget to enable this to happen. Surplus assets should be disposed of, with the approval of council, for the best possible price. The asset list of the Council should be totalled and included in Box 8 of the Annual Return. Items should be recorded at either purchase cost or insurance valuation.

#### **7. 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, risk assessments, policies all of which must be reviewed. This document should be reviewed annually.

Date Approved: March 2018

Date to be reviewed: by March 2021