



Newton Flotman Parish Council

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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 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 will be reviewed every other year unless the law or the council’s financial activities requires that this is done sooner.

2. Accounting and Audit

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

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.

3. The Budget

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

4. Authority to spend

The Proper Officer has the authority of Council to spend up to £500 in the event of an emergency. The Chairman or vice-Chairman (if the Chairman is absent) must be notified.

5. Banking

Monies received should be banked on a regular basis by the RFO. Handling large sums of cash should involve at least two people.

Bank reconciliations of all accounts should be completed monthly.

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.

6. Making Payments

Invoices for payment should be checked by the RFO and entered onto a schedule for approval by council. Payments will be made by cheque signed by two authorised members **or by electronic banking where once person (usually the RFO) submits the payment and two authorised members authorise the payment.** Payments may be made between council meetings subject to members being advised of the detail of the payment and that the payments having previously been authorised or are of an urgent nature see 4 above. 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 / credit card. Provided that prior approval has been granted, this may be done and the RFO will be reimbursed.

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.

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

Before placing an order for items costing £500 - £3,000 the RFO should strive to obtain 3 estimates.

For items costing in excess of £3,000 but under £25,000 three written quotes should be obtained.

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. Stores

The council keeps no stores.

13. 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.

14. 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.

15. 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.

Date Approved: September 2020
Date to be reviewed: September 2022