

CLEY 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 the 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 and year end to Council on actual spending against budget highlighting significant variances. Unspent balances at the year-end are either retained in the working balance or with council approval transferred into reserves. 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 Council in accordance within the statutory time limits.

The RFO will advertise Electors Rights and the AGAR (Pages 3 - 6) 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 3). AGAR should be sent to the External Auditor by the beginning of July (when applicable).

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 his / her personal debit card, with prior approval of the Council and this would be refunded afterwards.

A Cash Book will be maintained with bank reconciliations being advised to Council at each meeting along with all receipts and payments. The End of Year Bank Reconciliation should be signed by the Chairman along with the original bank statement.

3. Banking

The Parish Council holds three bank accounts, one standard Community Account where the majority of payments are made and precept received, another Community Account which holds only money fundraised by the Parish Council and a Business Account which holds the councils reserves.

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

Invoices for payment should be checked by the Clerk 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. These must be reported to 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 bills or payroll. Amounts so paid should be reported to the Council along with the normal payment schedule.

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

The Clerk and Chairman have access to online banking to check balances of all Cley Bank Accounts and make online payments when necessary.

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. Salaries and any other payments must be approved by the Council. Expenses claims must be supported by receipts.

5. Payments and 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.

Before placing an order two 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.

Online payments using the Council's online banking system will only be processed with prior consent of the Parish Council and recorded as an online payment in the parish minutes. All online payments require additional online authorisation from the Chairman.

The Parish Council does not hold a debit or credit card, in emergencies payments maybe made on the Clerks personal card and reimbursed with appropriate explanation at the next Parish Council Meeting.

The Parish Council does have a Go Fund Me Online fundraising account, whereby any donations received by members of the public are transferred independently into the separate Fundraising Account held with Barclays Bank.

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. An asset register must be maintained, and reasonable valuation must be recorded on this and included in Box 8 of the Annual Return. "Reasonable" is 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 4th June 2019 Date to be reviewed June 2022