

GUNTHORPE WITH BALE 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). The Council must have a RFO. The RFO must administer 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 were approved September 2025 and will be updated in September 2027 unless there are changes in local government law, or the Council's financial activities change or professional qualified advice is received requiring 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 receipts and payments accounts from the totals in the cashbook.

Accounts should be presented showing a comparative previous year. The totals in the accounts are then transferred to the relevant sections of AGAR.

The Council may appoint a member to be an Internal Control Officer, to undertake regular inspections of the cash book, and other financial activities.

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. A quotation should be received for this work. They must report their findings to the Council and will complete the relevant section of AGAR (Page 4).

They must make a report to Council which must include any explanations for "No" boxes on page 4. This report must be considered by the Council, prior to signing off the AGAR. Any recommendations must be implemented or reasons why they are not, recorded in the minutes.

The Council must have an agenda item for consideration and approval of the AGAR. Firstly, they consider whether they can and wish to exempt themselves from External Audit, and if so agree and sign (Clerk and Chairman) the Certificate of Exemption, then they consider and complete the Annual Governance Statement the Clerk and Chairman sign to confirm and then agree the Accounting Statements, Chairman to sign to confirm (this should have already been signed by the RFO). This must be done within statutory time limits, by 30 June

The RFO must advertise Electors Rights, as required by law to include both the notice and supporting statement.

As an exempt Council, there is no obligation on a smaller Council to have an External Audit. There is a requirement to publish specified financial information, and the RFO must ensure that this is done (refer Transparency Regulations).

The Council must have an item on every agenda where the Council's finances can be considered. Reporting on receipts and approval of payments should happen at every

meeting with bank reconciliations (i.e. the cash book reconciled to the bank) and budget monitoring to be done at every meeting. This is part of Internal Control

3. The Budget

The Budget must be constructed referring to the last completed year (both the budget and the actual, the present year (at a half year point), the predicted year-end figures and plans for the next two years. Reserve funds should be identified. The budget must be approved by the Council in time to submit the precept request to the District Council in January. The RFO must report to Council at the half year point on actual spending against budget highlighting and explaining any significant variances.

4 Authority to spend

Under LG Act 1972 s101 urgent expenditure of up to £500 may be authorised by the Clerk, notwithstanding any budgetary provision. Such spending should be reported to the Chairman and then to Council as soon as possible and the budget should be amended accordingly. Any items of expenditure may be authorised by the Clerk provided it has been approved by Council and is included within the budget and an invoice has been received,

5. Banking

Monies received should be banked on a regular basis by the RFO. Handling cash should involve at least two people and must be banked intact.

The Council should record in the minutes any changes in the bank mandate. The Chairman should sign the end of year bank reconciliation and bank statements.

Direct debit or standing order payments may be permitted, with the approval of Council, for regular items such as the 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 must be checked by the RFO and entered onto a schedule for approval by Council. Quotations should be attached to invoices as part of the audit trail.

Payments should be made by cheques signed by two authorised members. Where payments are made via online banking they should be authorised by two authorised members. Contractual 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.

The Council has no debit / credit card. Payments may need to be made by the RFO which require the use of a personal debit or credit card. Provided within budget, this may be done and the RFO refunded.

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. PAYE is administered using the online HMRC Tools App.

Any change in salaries must be agreed by the Council. Expenses to be refunded to officers, must be supported by detailed invoices

8. Loans and Investments

The Council has no loans, but if any were needed this would require full council approval. End of year balances must identify the Working Balance and Reserves held and their purpose.

9. Receipts

The RFO shall issue invoices promptly and the Council must have agreed collection arrangements, issuing a statement after 30 days. Irrecoverable amounts can only be written off by the Council, following a report from the RFO.

10. VAT

VAT claims and returns should be completed promptly by the RFO (at least annually).

11. Placing Orders

Before placing an order one written quotation is required for items costing up to £1,000. For items costing £1,000 - £5,000 two quotations should be obtained before committing to expenditure. For items costing £5,000 – £10,000 three written quotations should be obtained. Items between £10,000 and up to £30,000 should be detailed in a tender document. For items costing in excess of £30,000 see **Contracts** below.

12. Contracts

For capital projects and other contracts estimated to cost in excess of £30,000 including VAT the council's Standing Orders "Contracts and Procurement" must be followed. These must be detailed in full in Standing Orders.

13. Stores

The Council keeps no stores., other than miscellaneous items such as stationery.

14. Assets

An asset register must be maintained by the RFO and reviewed annually by the Council. The asset register must contain detail of the valuations of the assets i.e. cost price or replacement cost and the site of the asset. The total valuations figure is transferred to Box 9 of AGAR.

The Council may consider maintaining assets through an Earmarked Reserve.

Assets should be inspected annually and details should be recorded.

Surplus assets must be disposed of, with the approval of council, for the best possible price.

15. Insurance

The Council has an insurance policy which is reviewed annually, and which must include Employers Liability and Fidelity Guarantee. Public Liability Insurance, while not mandatory, should be included in the policy.

16. 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 and the Council must review this annually.

Date Approved.....September 2025

Date to be reviewed.....September 2027