

FROXFIELD & PRIVETT PARISH COUNCIL

FINANCIAL REGULATIONS

1. INTRODUCTION

These regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of financial control that facilitates the effective exercise of the council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. Nothing contained in or omitted from these regulations supersedes, removes, replaces or reduces any powers, duties, responsibilities and obligations laid down in the several Acts of Parliament and/or Government Orders and Regulations concerning Local Councils and further accounts and audit regulations currently in force.

2. RESPONSIBLE FINANCIAL OFFICER (RFO)

The RFO is a statutory office and shall be appointed by the Council. FPPC has appointed the Clerk as RFO for this Council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices, and shall ensure that the accounting control systems are maintained and kept up to date. The RFO shall produce financial management information as required by the council. Prior to approval of the annual return, the Council shall review the effectiveness of its internal controls.

3. BUDGET AND BUDGETARY CONTROL

- a) The RFO shall formulate and submit proposals to the Council in respect of income and expenditure including the use of reserves, on an annual basis. The Council shall review this budget and settle the precept for the following year. The Clerk shall produce for every Council meeting a statement forming part of the agenda of income and expenditure and shall present proposed items of expenditure for approval. Expenditure proposed on provision of goods and services shall be authorised in accordance with the Council's standing orders. Where it is necessary to make a payment before it has/can be approved by the Council such payment shall be certified as to its correctness and urgency by the Clerk/R.F.O. and may then be authorised by the Chairman or in his/her absence by the Vice-Chairman. All payments dealt with under this Regulation shall be separately included in the next schedule of payments laid before the Council.
- b) The RFO shall be responsible for collecting all monies due to the Council. All monies received shall be banked at the earliest opportunity.
- c) The Clerk is entitled to be reimbursed for all expenses which occur whilst undertaking their duties, however if more than £100 is to be spent in any one transaction the items must be authorised prior to purchase.

4. ACCOUNTING AND AUDIT

RFO shall complete all requisite annual financial statements including the annual return that shall then be submitted to the Council for their approval and authorisation, prior to submission to the Audit Commission.

RFO shall ensure there is an adequate and effective system of internal audit in place. The Internal Auditor shall be competent and independent.

5. BANKING AND PAYMENTS

Council's banking arrangements shall be regularly reviewed for efficiency. All payments shall be made by cheque. All cheques to have two authorised signatories and cheque stubs to be initialled by same. The Council will not maintain a petty cash float.

On a regular basis, RFO will present all relevant documentation to a designated Councillor, who will check all payments against invoices and bank statements and then verify the bank reconciliation prepared by the RFO.

6. ASSETS

RFO shall maintain an accurate record of all assets.

7. INSURANCE

The Council shall maintain a proper insurance policy to provide cover for its activities and responsibilities and shall include adequate cover for public liability, employer's liability and fidelity guarantee.

8. VAT

The RFO shall maintain adequate VAT records, shall submit appropriate returns as required and annually claim reimbursement of VAT paid on goods and services.

