

BRINTON & SHARRINGTON PARISH COUNCIL FINANCIAL REGULATIONS

Contents:	Page
1. General	2
2. Accounting and Audit	2
3. The Budget	3
4. Authority to spend	3
5. Banking	3
6. Making Payments	4
7. Salaries	4
8. Loans, Balances and Investments	4
9. Receipts	4
10. VAT	4
11. Placing Orders	4
12. S137 Payments – Councils without GPC	5
13. Contracts	5
14. Stores	5
15. Assets and Insurances	5
16. Risk Management	5

Abbreviations:

RFO Responsible Financial Officer

AGAR Annual Governance and Accounting Return

G & A Governance and Accountability – Practitioners Guide produced by JPEG and known as ‘Proper Practices’

GPC General Power of Competence

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 and Accountability). The Council must have an RFO. The RFO must administer the finances of the Council according to proper practises. Financial Regulations must be approved by Full Council and must only be amended by full council.

These regulations were approved 26 November 2024 and will be updated in 2025 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

- 2.1. The RFO must be responsible for maintaining the cash book and should complete the year end receipts and payments accounts from the totals in the cash book.
- 2.2. Accounts should be presented showing a comparative previous year. The totals in the accounts are then transferred to the relevant sections of AGAR.
- 2.3. The Council may appoint a member or suitably qualified person to be an Internal Control Officer, to undertake regular inspections of the cash book, and other financial activities.
- 2.4. 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 must report their findings to the Council. This appointment should be made at least three months ahead of the year-end and a quotation should be received for this work. The Internal Auditor must complete the relevant section of the 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.
- 2.5. 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 the External Audit, and if so agree and sign (Clerk and Chair) the Certificate of Exemption, then they consider and complete the Annual Governance Statement the Clerk and Chair sign to confirm and then agree the Accounting Statements, Chair to sign to confirm (this should

have already been signed by the RFO). This must be done within statutory time limits, by 30 June.

- 2.6. The RFO must advertise Electors Rights, as required by law to include both the notice and supporting statement.
- 2.7. 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).
- 2.8. 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). 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. Reserve funds should be identified. The Budget must be approved by the Council in time to submit the precept request to the District Council. The RFO must report to Council at the half year point on actual spending against Budget highlighting and explaining any significant variances. Significant is 20% over/under Budget.

4. Authority to spend

Under LG Act 1972 s101, urgent expenditure of up to £500 (excluding vat) may be authorised by the Clerk, notwithstanding any budgetary provision. Such spending should be reported to the Chair and then to the 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, supported by a quotation.

5. Banking

- 5.1. Monies received must be banked on a regular basis by the RFO. Handling cash should involve at least two people and must be banked intact.
- 5.2. The Council should record in the minutes any changes in the bank mandate. The Chair should sign the end of year bank reconciliation and bank statement(s).
- 5.3. 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, or to avoid interest charges being paid. Amounts so paid should be reported to council along with the normal payment schedule.

6. Making Payments

6.1. 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.

6.2. Payment authorisation

Payments should be made by cheques signed by two authorised councillors.

or

Where internet banking arrangements have been agreed, two named councillors will be authorised to approve transactions.

6.3. Card Payments

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 and agreed by council, 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, are approved by the Council and submitted to the agreed Agent for processing. Any change in salaries must be agreed by the Council. Expenses to be refunded to officers, must be supported by detailed invoices.

8. Loans, Balances 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

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 (excluding vat). For items costing £1,000 - £5,000 (excluding vat) The Parish Council will strive to obtain two written quotations before committing to expenditure. For items costing £5,000 – £10,000 (excluding vat) the Parish Council will strive to obtain three written quotations. Items between £10,000 and up to £25,000 (excluding

vat) should be detailed in a tender document. For items costing in excess of £25,000 (excluding vat) see **Contracts** below.

12. S137 Payments – Councils without GPC

The RFO should check that the Council has the necessary power to incur the expenditure. S137 payments should be identified in a separate column of the cash book and be identified as such (and minuted) at the meeting at which they are approved.

13. Contracts

For capital projects and other contracts estimated to cost in excess of £25,000 (excluding VAT) the Council's Standing Orders "Contracts and Procurement" must be followed. These must be detailed in full in Standing Orders.

14. Stores

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

15. Assets and Insurances

- 15.1. An Asset Register must be maintained by the RFO and reviewed annually by the Council.
- 15.2. 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.
- 15.3. The Council may consider maintaining assets through an Earmarked Reserve.
- 15.4. Assets should be inspected annually, and details should be recorded.
- 15.5. Surplus assets must be disposed of, with the approval of council, for the best possible price.
- 15.6. 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. The Council should forward a copy of the asset register to their insurer and arrange appropriate cover.

16. Risk Management

The Council needs to be aware of the significant risks that it faces and decide how to manage them. The risks must be assessed, and action taken to minimise the risk. This must be recorded in a Risk Management Document. The identified schedule of risks included in this document must be risk assessed using the Risk Matrix in G&A as well as identifying ways of minimising risk. Examples of this, include insurance, inspections and risk assessments. The RFO must be responsible for this document and the Council must review this annually.