BUNWELL PARISH COUNCIL
FINANCIAL REGULATIONS

Abbreviations
RFO – Responsible Financial Officer
AGAR – Annual Governance and Accounting Return
G&A – Governance and Accountability Practitioners Guide

1. General
These regulations govern how the Council conducts its financial affairs. The Council shall appoint a Responsible Financial Officer (RFO) who shall administer the Council finances in accordance with proper practices. Financial Regulations may only be amended by Full Council and shall be reviewed annually.

2. Accounting and Audit
The RFO shall maintain accounting records, prepare year-end accounts and AGAR returns, publish all statutory notices and transparency information. An independent Internal Auditor shall be appointed annually. Internal audit reports shall be considered by Council and recommendations implemented or minuted. The Council shall consider the Annual Governance Statement, Accounting Statements and Certificate of Exemption where applicable. Finance, bank reconciliation and budget monitoring shall be reported to every ordinary meeting.

3. The Budget
The budget shall be prepared using previous year actuals, current year performance, year-end forecasts and known future commitments. Reserve funds shall be clearly identified. Significant variances exceeding 20% above or below budget shall be explained to Council. The budget shall be approved in time for submission of the precept request.

4. Authority to Spend
Urgent expenditure up to £500 may be instigated by the Clerk under delegated powers. Such expenditure shall be reported to the Chairman and then to Council as soon as practicable and will follow normal banking procedures. All expenditure shall be within approved budgets and supported by appropriate documentation.

5. Banking
All monies shall be banked promptly and intact. Cash handling shall involve at least two people. Changes to banking arrangements shall be approved by Council. Bank reconciliations shall be presented regularly and signed by the Chairman at year end. Direct Debits and Standing Orders may be used where approved by Council.

6. Making Payments

Invoices shall be checked by the RFO and recorded on a payment schedule. Supporting quotations shall be retained for audit purposes. Internet banking payments shall be prepared by the Clerk and authorised by two councillor signatories. Personal card purchases may be reimbursed where supported by receipts and approved expenditure.

7. Salaries

The RFO shall ensure compliance with PAYE, National Insurance and HMRC requirements. Payroll services may be outsourced. No changes to salaries, contractual hours or employment terms shall be made without Council approval. Employee expenses shall be supported by receipts or invoices.

8. Loans, Balances and Investments

The Council currently has no loans or investments. Any future borrowing or investment activity shall require Council approval. Year-end balances shall separately identify general reserves and earmarked reserves together with their purpose.

9. Receipts

The RFO shall issue invoices promptly and maintain effective arrangements for debt collection. Reminder notices may be issued after 30 days. Bad debts may only be written off by resolution of Council.

10. VAT

VAT claims and returns shall be completed promptly and at least annually.

11. Procurement and Placing Orders

Before expenditure is committed, sufficient budget provision and legal power shall be confirmed. Up to £1,000 requires one quotation; £1,000–£5,000 requires two quotations; £5,000–£10,000 requires three quotations; £10,000–£25,000 requires a formal tender process; above £25,000 procurement rules and Standing Orders apply.

12. Contracts

Contracts and capital projects exceeding £30,000 including VAT shall be managed in accordance with the Council Standing Orders on Contracts and Procurement.

13. Stores

The Council maintains only limited office consumables and stationery.

14. Assets and Insurance

An asset register shall be maintained and reviewed annually. Asset details shall include location and valuation. Assets shall be inspected annually. The Council shall maintain Employers Liability, Public Liability and Fidelity Guarantee insurance and ensure assets are appropriately insured.

15. Risk Management

The Council shall maintain a Risk Management Document identifying significant risks and the controls used to manage them. The document shall be reviewed annually. Risk management measures may include insurance, inspections, internal controls, health and safety assessments and financial monitoring.

Approval

Date Approved: _____

Review Date: _____