STODY WITH HUNWORTH 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 administers the finances of the Council according to proper practises. Financial Regulations must be approved by Full Council and can only be amended by Full Council.

These regulations were approved 17th March 2026 and will be updated in 2028 unless the law or the Council's financial activities requires 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 cash book. The RFO shall complete the year end accounts, and the relevant sections of the AGAR in accordance with the statutory time limits.

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. A quotation should be received before appointment for this work. The Internal Auditor will complete the relevant section of AGAR. They must make a report to the Council which will be considered by the Council prior to signing the AGAR. Any recommendation must be implemented or reasons why they are not recorded in the minutes

The Council will have an agenda item for the approval of AGAR. Firstly they consider whether they can and wish to exempt themselves from External Audit and, if so agree and sign the Certificate of Exemption, they then consider and complete the Annual Governance Statement and then agree the Accounting Statements. This must be done within the statutory time limits, by 30th June.

The RFO must advertise Electors Rights, as required by law.

As an exempt council, there is no obligation on this Council to have an External Audit. There is a requirement to publish specified financial information, and the RFO will ensure that this is done.

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 and budget monitoring to be done at every meeting. This is part of Internal Control.

3. The Budget

The Budget is constructed referring to the last completed year (both the budget and the actual), the present year (at the half year point) the predicted year-end figures and plans for the next year. Reserve funds should be identified The Budget must be approved by Full Council in time to submit the precept request to the District Council. The RFO reports regularly to Council on actual spending against budget highlighting 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 the Council as soon as possible and the budget should be amended accordingly. Any items of expenditure may be authorised by the Clerk provided this has been Approved by Council, 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.

Bank reconciliations of all accounts should be presented to each ordinary meeting of the Council. The Council should record in the minutes any changes to the bank mandate. The Chairman should sign the end of year bank statement.

Direct debit or standing order payments may be permitted, with the approval of Council, for regular items such as 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 should be checked by the RFO and entered onto a schedule for approval by Council. Payments will be authorised by two signatories to the Council's bank account either online or by cheque. 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 card. Provided within budget, this may be done and the RFO will be refunded. Expenses to be refunded to officers must be supported by detailed invoices.

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. Any change in salaries must be Approved by Council. Salaries are completed using HMRC PAYE Tools and agreed by the Council.

8. Loans and Investments

The council has no loans, but if any were needed this would require full Council approval. The Council have no investments. All funds are currently held in the current account.

9. Receipts

The RFO should issue invoices promptly and institute efficient collection arrangements. 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. 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 is maintained by the RFO and reviewed annually by the Council. Assets will be maintained through reserve funds. Surplus assets should 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 includes Employers Liability, Public Liability, and Fidelity Guarantee. Public Liability, 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 must be assessed and action taken to minimise the risk. This must be recorded in a Risk Management Document. Risk can be managed through Insurance, inspections and risk assessments. The RFO will be responsible for this document and the Council will review this annually.

Date Approved………17th March 2026……….

Date to be reviewed………2028…………