

# SOUTHWATER PARISH COUNCIL

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**RESPONSIBLE FINANCIAL OFFICER**



Produced: February 2015  
Revised: July 2018  
Updated: February 2022

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## 1. Introduction

- 1.1. The Responsible Financial Officer (RFO) which is a statutory role, must be appointed by each Council under Section 151 of the Local Government Act 1972. The roles of Executive Officer/RFO in relation to Southwater Parish Council being the one and same.

## 2. Role

- 2.1. The RFO, acting under the policy direction of the Council shall administer the Council's financial affairs in accordance with proper practices.
- 2.2. The RFO shall determine on behalf of the Council its accounting records and accounting control system.
- 2.3. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to-date in accordance with proper practices.
- 2.4. The RFO shall produce financial management information as required by the Council.
- 2.5. At least once a year the Council, prior to approving the annual return, shall conduct a review of the effectiveness of its systems of the internal control (prepared by the Internal Financial Controller) which shall be in accordance with proper practices.
- 2.6. Detailed estimates of all receipts and payments, including the use of reserves and all sources of funding for the year, shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.7. The RFO shall issue the Precept to the billing authority and shall supply each member of Council with a copy of the approved budget.
- 2.8. The RFO shall regularly provide the Council with a statement of receipts and payments to-date under each head of the budget, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.
- 2.9. The RFO may incur expenditure on behalf of the Council, which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Executive Officer shall report the action to the Council as soon as practicable thereafter.
- 2.10. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

- 2.11. The RFO shall complete the annual financial statements of the Council, including the Council's Annual Return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 2.12. The RFO shall complete the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and shall submit the Annual Return for approval and authorization by the Council within the timescales set by the Accounts and Audit Regulations.
- 2.13. The RFO shall ensure that there are adequate and effective systems of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- 2.14. The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers and for the display or publication of any Notices and statements of account required by the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015.
- 2.15. The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal Controller, Internal and External Auditors, unless the correspondence is of a purely administrative matter.
- 2.16. The Council's banking arrangements including the Bank Mandate shall be made by the RFO and approved by the Council. These shall be regularly reviewed for efficiency.
- 2.17. A schedule of the payments required forming part of the Agenda for the Meeting shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is not in order it shall be authorized by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the Minutes of the Meeting.
- 2.18. All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 2.19. The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 2.20. If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of the Council where the RFO certifies that there is no dispute or other reason to delay payment, the RFO may (notwithstanding Financial

Regulation 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

- 2.21. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- 2.22. The RFO shall maintain the petty cash float of £250 for the purpose of defraying operational and other expenses. Vouchers for payment made from petty cash shall be kept to substantiate the payment. A separate petty cash return for both Parish Council and Leisure Centre shall be maintained.
- 2.23. The RFO is authorized to make the payment of salaries and payment of deductions from salary as may be required for tax, national insurance and pension contributions in accordance with the payroll records and on the appropriate date stipulated in employment contracts (normally the third week of each calendar month) provided that each payment is reported to and ratified by the next available Council Meeting. This to be by electronic payment to the Managing Agent.
- 2.24. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 2.25. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 2.26. The RFO will be responsible for the collection of all accounts due to the Council.
- 2.27. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 2.28. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the V.A.T. Act 1994 Section 33 shall be made quarterly coinciding with the financial year end.
- 2.29. The RFO shall ensure that any grant fund claims are made as appropriate.
- 2.30. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present where the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individual banking such cash.
- 2.31. The RFO shall control all order books.

- 2.32. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the minutes can record the power being used.
- 2.33. The RFO will ensure that any contract for the purchase of goods entered into by the Council is in accordance with the Financial Regulations approved by the Council (Section 11 and 12).
- 2.34. The RFO will be responsible for the maintenance of the Council's Asset Registers and Investments kept up-to-date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.
- 2.35. The RFO shall be responsible for the periodic checks of stocks and stores at least quarterly.
- 2.36. The RFO shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 2.37. The RFO shall keep a record of all insurances effected by the Council and property and risks covered thereby and annually review it.
- 2.38. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.
- 2.39. The RFO shall ensure that all appropriate employees of the Council shall be included in suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.
- 2.40. The RFO shall ensure that where the Council is custodian trustees of the Village Hall that a copy of the Management Trustees Annual Accounts is received.
- 2.41. The RFO shall prepare for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 2.42. When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.