

CRESWELL PARISH COUNCIL

RESPONSIBLE FINANCIAL OFFICER

Role and Duties

1. Purpose and statutory basis

The Responsible Financial Officer (RFO) is the officer appointed by Creswell Parish Council to be responsible for the proper administration of the Council's financial affairs.

Section 151 of the Local Government Act 1972 requires a local authority to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs.

The RFO administers the Council's finances and provides professional financial advice to the Council. Financial decisions which are reserved to the Council remain the responsibility of the Council as a corporate body.

2. Financial administration

The RFO shall:

1. Be responsible for the proper administration of the Council's financial affairs.
2. Maintain the Council's accounting records accurately and in accordance with applicable legislation, proper practices and the Council's Financial Regulations.
3. Maintain appropriate supporting documentation for financial transactions.
4. Maintain the Council's cashbook, ledger or other accounting system.
5. Record income and expenditure promptly and accurately.
6. Maintain appropriate arrangements for the security and integrity of financial records.
7. Ensure that financial procedures and controls adopted by the Council are applied.
8. Bring significant failures to comply with financial controls to the attention of the Council.

3. Banking and payments

The RFO shall:

1. Administer the Council's banking arrangements in accordance with the Council's Financial Regulations and banking mandate.
2. Prepare payments for authorisation in accordance with the Council's approved procedures.
3. Ensure that payments are supported by appropriate invoices or other evidence.
4. Ensure that expenditure has appropriate legal, budgetary and Council or delegated authority.
5. Maintain appropriate records of payments and authorisations.

6. Carry out regular bank reconciliations and present them for independent verification or Council scrutiny as required by the Council's Financial Regulations.
7. Administer income received by the Council and ensure that it is properly recorded and banked.

The RFO's administration of a payment does not replace any requirement for Council approval or other authorisation required by the Council's Financial Regulations.

4. Budget and precept

The RFO shall:

1. Prepare draft annual budget information for consideration by the Council.
2. Provide financial information and advice to assist the Council in determining its spending priorities.
3. Prepare appropriate estimates of income and expenditure.
4. Advise the Council regarding reserves and the financial implications of proposed expenditure.
5. Assist the Council in determining its annual precept requirement.
6. Submit the approved precept request to the relevant billing authority within the required timescale.
7. Monitor actual income and expenditure against the approved budget throughout the financial year.
8. Report material variances and emerging financial issues to the Council.

The RFO advises and prepares financial information. **The Council determines and approves its budget, precept and spending priorities.**

5. Financial reporting

The RFO shall:

1. Provide appropriate financial reports to meetings of the Council.
2. Report the Council's financial position at appropriate intervals.
3. Provide information on balances, reserves, budget performance and significant commitments.
4. Draw the Council's attention to potential overspends, insufficient budget provision or other material financial risks.
5. Provide financial information required to support informed Council decisions.

6. Annual accounts and AGAR

The RFO shall:

1. Prepare the Council's year-end accounting records.
2. Prepare the accounting information required for the Annual Governance and Accountability Return (AGAR).

3. Present the relevant accounting statements and supporting information to the Council for approval within the required statutory timetable.
4. Assist the Council in considering the Annual Governance Statement by providing relevant financial and control information.
5. Arrange publication of financial and audit documentation required by legislation and applicable transparency requirements.
6. Maintain appropriate supporting records for the annual accounts and AGAR.

The Council remains responsible for approving the Annual Governance Statement and Accounting Statements as required by the applicable statutory framework.

7. Internal and external audit

The RFO shall:

1. Make financial records and supporting documentation available to the Council's appointed internal auditor.
2. Assist the internal auditor with reasonable requests for information and explanation.
3. Bring internal-audit findings and recommendations to the Council's attention.
4. Administer correspondence and information required by the appointed external auditor.
5. Prepare and submit documentation required for the annual external audit or exemption process, as applicable.
6. Bring external-audit correspondence, reports or recommendations to the Council.
7. Assist the Council in implementing agreed recommendations arising from audit.

8. Exercise of public rights

The RFO shall administer the statutory arrangements relating to public rights in respect of the Council's annual accounts, including:

1. Preparing and publishing the required notices.
2. Making accounting records and supporting documents available for inspection where required by law.
3. Responding appropriately to requests made during the statutory inspection period.
4. Liaising with the external auditor where necessary.

9. VAT and taxation

The RFO shall:

1. Maintain appropriate VAT records.
2. Prepare and submit VAT claims or returns as required.
3. Ensure VAT is appropriately recorded within the Council's accounts.
4. Maintain relevant taxation records relating to the Council's financial affairs.

5. Seek specialist advice where taxation issues fall outside the reasonable professional competence of the RFO.

10. Payroll and employment-related financial administration

Where payroll administration forms part of the RFO's responsibilities, the RFO shall:

1. Administer salary payments in accordance with contracts and Council decisions.
2. Maintain appropriate payroll records.
3. Administer PAYE and National Insurance requirements and submissions to HM Revenue & Customs.
4. Administer pension contributions and other authorised deductions where applicable.
5. Ensure that salary changes and other payments are supported by appropriate contractual or Council authority.
6. Maintain appropriate confidential financial employment records.

11. Procurement and contracts

The RFO shall:

1. Advise the Council on the financial requirements of its Financial Regulations and applicable procurement requirements.
2. Assist with obtaining quotations or tenders where required.
3. Ensure proposed expenditure has appropriate budgetary provision.
4. Maintain appropriate financial records relating to contracts and procurement.
5. Advise the Council of significant financial commitments arising from proposed contracts.

The RFO may administer procurement processes but does not independently award contracts unless authority to do so has been lawfully delegated.

12. Assets and insurance

The RFO shall, in conjunction with the Clerk where appropriate:

1. Maintain appropriate financial records relating to Council assets.
2. Assist in maintaining the Council's asset register.
3. Ensure that significant acquisitions and disposals are properly reflected in the Council's financial records.
4. Assist the Council in reviewing the adequacy of insurance arrangements.
5. Maintain appropriate records of insurance premiums and claims.

13. Reserves and investments

The RFO shall:

1. Maintain records of the Council's general and earmarked reserves.
2. Report reserve balances to the Council.

3. Advise the Council regarding the adequacy and intended use of reserves.
4. Administer investments and deposits in accordance with Council decisions and adopted policies.
5. Monitor the security and accessibility of Council funds and bring relevant risks to the Council's attention.

Decisions concerning the level, allocation and use of Council reserves remain matters for the Council unless specifically delegated.

14. Financial risk and internal control

The RFO shall:

1. Assist the Council in maintaining an effective system of internal financial control.
2. Identify significant financial risks and bring them to the Council's attention.
3. Assist with the Council's periodic review of financial risk.
4. Recommend improvements to financial procedures where appropriate.
5. Support arrangements for independent checks and internal controls required by the Council's Financial Regulations.
6. Report suspected financial irregularities to the appropriate person or body in accordance with applicable procedures.

15. Financial Regulations

The RFO shall:

1. Administer the Council's finances in accordance with its adopted Financial Regulations.
2. Keep the effectiveness of financial procedures under review.
3. Recommend amendments to Financial Regulations where legislation, proper practices, banking arrangements or Council circumstances require them.
4. Advise councillors where a proposed course of action may conflict with the Council's Financial Regulations or other applicable financial requirements.

16. Limits of the RFO's role

The RFO administers and advises on the Council's financial affairs but does not replace the decision-making responsibilities of the Council.

Unless lawfully delegated, the RFO does not independently:

- determine the Council's annual budget;
- set the precept;
- determine councillors' spending priorities;
- approve expenditure requiring Council approval;
- create expenditure merely because an individual councillor requests it;

- award contracts requiring Council approval;
- determine the level or purpose of reserves; or
- vary the Council's Financial Regulations.

Individual councillors do not have authority to instruct the RFO to incur expenditure or make payments unless such authority has been lawfully delegated.

17. Accountability

The RFO is accountable to Creswell Parish Council for the proper administration of the Council's financial affairs.

The RFO is responsible for maintaining appropriate financial systems and records, providing impartial professional financial advice, identifying material financial risks and administering financial decisions lawfully made by the Council.

The Council remains collectively responsible for its financial governance, including approval of the budget, precept, Annual Governance Statement, Accounting Statements and those expenditure decisions reserved to the Council.

Creswell Parish Council

This document describes the principal functions and responsibilities of the Responsible Financial Officer. It should be read alongside the Council's Financial Regulations, Standing Orders, Scheme of Delegation, Risk Management arrangements and other adopted financial policies.