
STATUTORY INSTRUMENTS

2003 No. 533

The Accounts and Audit Regulations 2003

Accounting records and control systems

5.—(1) Subject to paragraphs (3) and (4) and in so far as they are not in conflict with this paragraph or to any instructions given by a relevant body to its responsible financial officer, that officer shall determine on behalf of the body, its—

- (a) accounting records, including the form of accounts and supporting accounting records; and
- (b) accounting control systems,

and such an officer shall ensure that the accounting control systems determined by him are observed and that the accounting records of the body are maintained in accordance with proper practices and kept up to date.

(2) The accounting records determined by the responsible financial officer on behalf of a relevant body in accordance with paragraph (1)(a) shall be sufficient to show the body's transactions and to enable the responsible financial officer to ensure that any statement of accounts, income and expenditure account, statement of balances or record of receipts and payments and additional information to be provided by way of notes to the accounts, as the case may be, which are prepared under these Regulations, comply with these Regulations.

(3) The accounting records determined by the responsible financial officer on behalf of a relevant body in accordance with paragraph (1)(a) shall in particular contain—

- (a) entries from day to day of all sums of money received and expended by the body and the matters to which the income and expenditure or receipts and payments account relate;
- (b) a record of the assets and liabilities of the body; and
- (c) a record of income and expenditure of the body in relation to claims made, or to be made, by them for contribution, grant or subsidy from any Minister of the Crown, a body to whom such a Minister may pay sums out of moneys provided by Parliament or a Community institution.

(4) The accounting control systems determined by the responsible financial officer on behalf of a relevant body in accordance with paragraph (1)(b) shall include—

- (a) measures to ensure that the financial transactions of the body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records;
- (b) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- (c) procedures to ensure that uncollectable amounts, including bad debts, are not written off except with the approval of the responsible financial officer, or such member of his staff as is nominated by him for this purpose, and that the approval is shown in the accounting records; and
- (d) measures to ensure that risk is appropriately managed.