

CLAYDON & WHITTON PARISH COUNCIL

FINANCIAL STANDING ORDERS

(To be read in conjunction with the Standing Orders of the Parish Council.)

1 BANK ACCOUNTS

- 1.1 Bank accounts shall not be set up or closed without the authority of the Council and recorded in the minutes.
- 1.2 Every account shall be identified with the Council's name as part of its title.
- 1.3 All income is to be banked promptly – no expenditure from un-banked income other than that allowed under petty cash rules.
- 1.4 In addition to a current account a high interest account will be maintained for funds not immediately required. The RFO has authority, and is responsible, for effecting transfers between these accounts to ensure the current account is always kept in credit.
- 1.5 Cheques to show that at least two signatures are required.
- 1.6 Cheques to be used in sequential order.

2 INCOME

- 2.1 The RFO will be responsible for collecting all monies due to the Council and banking such on a regular basis.
- 2.2 Bank paying slips will show details of the origin of all receipts.
- 2.3 The Council will annually review all charges made for premises, services, etc. as part of the budget setting process.
- 2.4 The RFO will report to the Finance Committee and/or Council of all bad debts in excess of 3 months.

3 ANNUAL BUDGETS

- 3.1 Committees, where operational, will prepare expenditure proposals covering both revenue and capital requirements to be used in a draft budget proposal to be brought before Council.
- 3.2 Estimates of anticipated receipts/income and payments/expenditure and capital requirements, other than those covered in 3.1 above, will be made by the RFO together with the Chairman of the Finance Committee.
- 3.3 The Finance Committee shall prepare a draft budget and recommend, to full Council, such budget for the next year as the basis for setting the precept.
- 3.4 All Council members to be supplied with a copy of the draft budget and any subsequently amended version.
- 3.5 Council will discuss and approve the budget as the basis for setting the precept, its timely submission in the requisite format to the council tax collection authority and for the regular monitoring of the Council's finances.

4 CONTROLLING EXPENDITURE & REPORTING TO COUNCIL

- 4.1 Committees are empowered to plan expenditure against approved budgets. Potential over expenditure will require approval of the Finance Committee and eventually full Council (the Finance Committee/RFO will supply Council with a draft amended annual budget indicating where savings can be made). Once agreed the amended budget becomes the operational control budget.
- 4.2 The RFO will, at least once every quarter, provide committees and Council with updated income and expenditure figures against agreed budgets. Reports will be minuted and appended to the minutes.
- 4.3 Capital expenditure will require prior agreement of full Council and be fully minuted.
- 4.4 Transfers from reserves require a special minute.
- 4.5 Any proposal to raise a loan is to be presented to Council in written format with a full justification including repayment method and timing.

5 PAYMENT OF ACCOUNTS – EXPENDITURE APPROVAL

- 5.1 The RFO will, before presenting accounts for payment, satisfy herself that the account is correct, relates to the supply of goods or services that have been received and where relevant that VAT has been shown. If the RFO is uncertain as to the standard of work, quantity, etc. the invoice will be referred directly to Council or where a separate committee exists, e.g. playing field, to the chairman or other nominated councillor, for 'verification' before presenting for payment. This verification to be evidenced in writing by signature or initials.
- 5.2 The RFO will prepare a list of 'verified' invoices for approval at the next full Council.

- 5.3** Cheques to cover 'verified' invoices will be raised by the RFO and presented for signature to those Councillors with mandated authority to sign.
- 5.4** All cheques for signature will be accompanied by the relevant 'verified' invoice. 'Cash with order' requirements, deposits, etc. where there is no invoice, will be covered by a copy letter, suppliers order form, etc. **At least one of the cheque signatories will initial the invoice** to cross confirm it agrees with the cheque details.
- 5.5** The RFO and the cheque signatories will initial the cheque stubs to indicate it agrees with the cheque details.
- 5.6** The cheque number will be added to the 'paid' copy invoice for audit trail purposes.
- 5.7** By resolution from time to time, the Clerk may authorise expenditure on behalf of the Council to a maximum of £2,000 provided that in their view the interests of the Council require such authority to be given prior to the next Council meeting, by reason of emergency or extraordinary circumstances and provided a full report of the expenditure and reason for it is made at that meeting.

6 SALARIES & OTHER STAFF PAYMENTS

- 6.1** The Council will annually review salaries and other payments.
- 6.2** All salary levels and adjustments to be prior approved by Council and minuted.
- 6.3** Records to be kept to satisfy Inland Revenue inquiries.
- 6.4** The RFO will ensure that Tax and NI liabilities, if any, are met.
- 6.5** Chairman's allowance to be reviewed annually as part of the budget setting process and paid annually on 1st November in each calendar year.

7 EXPENSES – STAFF AND COUNCILLORS

- 7.1** Staff will be able to claim authorised travel and out of pocket expenses.
- 7.2** Councillors will be able to claim travel and out of pocket expenses for travel, outside of the parish, attending training or on other authorised Council work.
- 7.3** Rates to be agreed by Council, from time to time, and minuted.
- 7.4** All claims to be made in writing in the name of the person claiming and to be signed.
- 7.5** Records will be kept of all such payments so as to be able to satisfy Inland Revenue inquiries.

8 PETTY CASH

- 8.1** The RFO shall maintain a Petty Cash float to meet day to day cash expenditure. The float should not exceed £30.
- 8.2** The Petty Cash Book will be submitted for verification when further funds are required and as proof for those signing the cheque. The cheque to be included in the list – see sect. 5.2.

9 ORDERS

- 9.1** All orders for goods and/or services other than those obtained through Petty Cash, shall be confirmed in writing on Council headed paper or an order form. Where suppliers order forms are used a copy should be taken.
- 9.2** Copies of all orders to be retained for audit purposes and filed attached to paid invoices once fulfilled.

10 CONTRACTS – TENDERS

- 10.1** Contracts covering a period of more than one year shall be approved by full Council.
- 10.2** Where the supply of goods, material, equipment or services is required and the total expenditure is likely to exceed £2,500 the RFO shall seek a minimum of 3 tenders. Invitation to tender will be in writing with a similar and full specification and set closing date – return envelopes should indicate "Sealed Tender".
- 10.3** Sealed tenders will only be opened before a relevant committee or full Council and on the date previously agreed.
- 10.4** The Council will not be obliged to seek the lowest or any tender.
- 10.5** Failure to obtain 3 tenders, where there is evidence of at least 3 potential suppliers being sought, will not make the process invalid.
- 10.6** The exception to these rules may be made for:
- the continued supply of services such as electricity, phone, water & sewage.
 - the extension of an existing contract in order to allow for completion or supply.
 - the provision of specialist services such as those provided by solicitors, accountants, surveyors, valuers and other similar consultants.
 - the repair, supply or parts for existing machinery, equipment or plant.

11 INSURANCE

- 11.1** The RFO will be responsible for ensuring the Council has adequate insurance to include cover for property third party liability, fidelity guarantee, employers liability and other areas as directed by Council.
- 11.2** The RFO will notify the relevant committee and/or Council of new risks arising.
- 11.3** The level of cover will be reported annually to full Council for approval.
- 11.4** The RFO will be responsible for processing all claims and informing Council.

12 ASSET REGISTER

- 12.1** The RFO will maintain a Register of Council Assets, reviewed annually by Council.
- 12.2** No property shall be sold or otherwise disposed of without the consent of Council.

13 COMPUTERISED RECORDS

- 13.1** A copy of any passwords required to access financial records must be lodged in a secure place as dictated by the Council.
- 13.2** The RFO will agree with the Council the frequency of hard copy records.
- 13.3** Back-ups will be taken weekly and maintained in a separate location. Three such back-ups will be held and used in sequence.
- 13.4** To reduce computer viruses no private or unauthorised software to be loaded on Council owned computers.

14 INTERNAL AUDIT

- 14.1** The Council will nominate a Councillor/s or Council approved relevantly qualified Internal Auditor who will examine the accounting records of the Council annually to check they are in order, all relevant supporting papers are being maintained and that the detail in these Standing Orders is being adhered to.

15 REVISION OF FINANCIAL STANDING ORDERS

- 15.1** Reviewed every 3 years by the Finance Committee with any amendments taken to the council for approval.
- 15.2** No amendments to these orders can be made without reference to the Finance Committee and/or Council.
- 15.3** An addendum to be maintained to show, without section numbers, when amendments are made.

Signed

Chairman

Date of issue: 19 November 2012