

Grundisburgh & Culpho Parish Council

FINANCIAL STANDING ORDERS

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 - 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 Responsible Finance Officer (RFO) is responsible for effecting transfers as required to keep the current account 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 moneys due to the Council and banking such on a regular basis.
- 2.2 Bank paying in slips will show details of the origin of payments received.
- 2.3 The Council will annually review all charges made for premises, services etc.
- 2.4 The RFO will report to the Finance Sub 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 for the forthcoming financial year and submit them to the Finance Sub Committee by the 20th November.
- 3.2 The Finance Committee shall meet in January/February to prepare a recommended budget for the following financial year which it will present to full Council at its next meeting normally held in March.
- 3.3 All Council members to be supplied with a copy of the draft budget prior to this meeting
- 3.4 Council will discuss, amend if necessary and approve the budget as the basis for the regular monitoring of the Council's finances (see sect.4.2).

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 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 provide the Council, at its by monthly meeting, 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 the full Council. Transfer from reserves will require a special minute.
- 4.4 The potential of raising a loan will require similar treatment to 4.3 above.

5. PAYMENT OF ACCOUNTS - EXPENDITURE APPROVAL

- 5.1 The RFO will, before presenting accounts for payment, satisfy him/herself that the account is correct, relates to the supply of goods or services that have been received and where relevant that the 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, to the chairman or other nominated Councillor, for 'verification' before presentation for payment.
- 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.

Payment of Accounts - Expenditure Approval cont...

- 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 for audit trail purposes.
- 5.7 By resolution, from time to time, named Councillors with mandated authority to sign may authorise expenditure on behalf of the Council to a maximum of £1,000 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, will be met.

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 Record will be kept of all such payments so as to be able to satisfy Inland Revenue inquiries.

8. PETTY CASH

- 8.1 The RFO may maintain a Petty Cash Float to meet day to day cash expenditure. The average float should not exceed £50.00.
- 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 on 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.

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 of parts for existing machinery, equipment or plant.

11. INSURANCE

- 11.1 The RFO will be responsible for ensuring that 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 bi monthly, lodged with the Councillor Internal Auditor and maintained in a separate location. The RFO will also hold a copy.
- 13.4 To reduce computer viruses no private or unauthorised software to be loaded on Council owned computers.

14. ACCOUNTING AND AUDIT

- 14.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 as amended.
- 14.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 14.3 The RFO shall be responsible for completing 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 for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.
- 14.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1996 as amended. 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.
- 14.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 14.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by the Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.
- 14.7 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative nature.

15 RISK MANAGEMENT

- 15.1 The Clerk (RFO) shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 15.2 When considering any new activity the Clerk (RFO) shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management Issues that arise to Council for consideration and, if though appropriate, adoption.

16. REVISION OF FINANCIAL STANDING ORDERS

- 16.1 No amendments to these orders can be made without reference to the Finance Committee and/or Council.
- 16.2 An addendum to be maintained to show, with section numbers, when amendments are made.

Revised 22 October, 2013