

Financial Standing Orders

Adopted, 5th July 2007

1. *General*

1.1 These regulations apply to **Pertenhall and Swineshead Quality Parish Council**, hereinafter called "the Council".

1.2 The financial standing orders are approved by the Council to control its financial affairs.

1.3 The Parish Clerk/Responsible Finance Officer, hereinafter called the Clerk/RFO, shall be responsible for the proper financial management and administration of the Council's affairs. The Parish Clerk shall ensure that satisfactory arrangements exist for safeguarding the Council's assets in accordance with the financial regulations

1.4 Every employee of the Council or authorised agent acting on its behalf shall comply with these financial regulations, together with any amendment, addition or instruction as may be made from time to time, and shall consult with the Clerk/RFO with respect to any matter which is liable to affect the finances of the Council.

1.5 References in these financial regulations to employees of the Council include employees of authorised external organisations or agents. [e.g. grass cutting]

2 *Accounting*

2.1 In order that these regulations can be complied with, the Clerk/RFO shall be provided with any necessary information and, in addition, shall be allowed access to all relevant documents and records relating to the Council.

2.2 The following principle shall be observed in the application of accounting duties, that is, where possible, the duties of providing information regarding sums due, to or from, the Council and of calculating, checking and recording these sums shall be separated as completely as possible, from the duty of collecting or disbursing them.

3. *Audit*

3.1 The Council shall appoint an appropriately qualified/experienced internal auditor who shall report at least annually to the Council.

3.2 Internal and external auditors shall have authority to:

- a] Have access to all records, documents and correspondence relating to any financial transactions of the Council.

b] Require and receive such explanations as are necessary concerning any matter under examination.

- 3.3 The Clerk/RFO shall be notified immediately by an employee or councillor of all financial irregularities or suspected irregularities, or of any circumstances which may suggest the possibility of an irregularity affecting cash, stores or other property. The Clerk/RFO shall report all such irregularities to the Council and then, if considered necessary, to the Council's auditors and to the police.

4. *Banking Arrangements*

- 4.1 All payments to and from the Council shall be made under the direction of the Clerk/RFO.
- 4.2 Cheques drawn on behalf of the Council shall bear the signature of two out of the four Councillors so authorised by the Council
- 4.3 The Council will determine which Councillors will act as cheque signatories
- 4.4 All bank accounts shall bear an official title and under no circumstances shall an account be opened in the name of an individual officer or councillor.
- 4.5 The Council shall approve any banking arrangements or overdraft facilities.

5. *Budget*

- 5.1 The Clerk/RFO shall be given delegated authority to incur expenditure of which provision is made in the annual budget of the Council with the following exceptions which shall be first reported to the Council for approval:
- a) Variation in numbers or grading of employees
 - b) Employment of expert advisers and payments for specialist services in excess of £500.00
 - c) Purchase, leasing or rent of land or premises.
- 5.2 Any exceptional expenditure not provided for in the annual budget may only be incurred in accordance with the policies approved from time to time by the Council
- 5.3 Nothing in these financial regulations shall prevent the Clerk/RFO, (in consultation with the Chairman or Vice-Chairman where possible) from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency, subject to this action being reported to the next practicable meeting of the Council.
- 5.4 Where it appears that the amount of estimate of approved expenditure may be exceeded or that the amount of any approved income may not be reached, the Parish Clerk will inform the Council.
- 5.5 All arrangements for methods of financing are the responsibility of the Clerk/RFO.

6. Security

- 6.1 The Clerk/RFO is responsible for maintaining proper security at all times for all equipment, cash, documents, etc under her/his control. Any employee or member shall consult the Clerk/RFO in any case where security is thought to be defective or where it is considered that security arrangements may be needed.
- 6.2 The Clerk/RFO shall be responsible for maintaining proper security and privacy as respects information held in the computer installation or for its use.

7 Imprest Accounts n/a

8 Income

8.1 General

- a] Rules for the collection of all amounts of monies due to the Council shall be under the general control of the Clerk/RFO.
- b] The records kept by any employee or agent of the Council with regard to items of income shall be in such form as may be decided from time to time by the Clerk/RFO.
- c] Money or goods held or received by employees by virtue of their official position, but not being Council money or goods, shall be properly recorded in a form agreed by the Clerk/RFO.

8.2 Receipts

- a) All official receipt books, etc relating to the collection of income shall be ordered, controlled and issued by the Clerk/RFO. Every issue of any such document shall be acknowledged by the signature of the employee to whom the issue is made.
- b] No officer/member shall give a receipt for money received on behalf of the Council on any form other than an official receipt form.
- c] Every officer/member who receives monies on behalf of the Council shall keep a chronological account of all receipts.
- d] Where cheques are received, these shall be cross-referenced on the bank pay-in slip to the drawer, either by receipt number or name.

- 8.3 Payments to Bank** Every sum received by an authorised person shall be properly safeguarded and promptly paid into a bank.

8.4 Sundry Debtors

- a) All accounts for sums due to the Council shall be rendered, where practicable, by the Clerk/RFO and the remittance shall be paid to the Council.
- b) All debts owing to the Council may only be written off with the approval of the Council.

- c) The Clerk/RFO shall take the necessary legal action to recover outstanding debts.

8.5 *Disposal of Assets*

- a) Assets of stores and materials other than those bought specifically for resale shall not be sold or disposed of (excluding for "trade-in") except with the approval of the Council
- b) All such sales estimated to realise more than £250 per item shall be subject to competition.

9. *Risk Management*

- 9.1 The Clerk /RFO will advise the Council on maintaining appropriate and adequate insurance cover and help the Council to carry out an annual risk assessment.
- 9.2 The Clerk/RFO shall be responsible for arranging all necessary insurances and dealing in the first instance with any claims.
- 9.3 The Clerk/RFO shall be responsible for notifying any modifiable event to the Council's insurer or appropriate agent.
- 9.4 The Clerk/RFO shall annually, or at such other period as she/he should consider necessary, review all insurances and report from time to time to the Council.
- 9.5 The Clerk/RFO shall consult the Council's insurer in respect of the terms of any indemnity, which the Council is requested to give.

10. *Inventories*

- 10.1 Inventories of the Council's property shall be prepared and kept up to date by the Clerk/RFO.
- 10.2 Inventories shall be in a form to be determined by the Clerk/RFO and shall be checked with the physical asset at least once per annum or at such frequency as the Parish Clerk may require.
- 10.3 A list of inventory items to be written off shall be kept by the Clerk/RFO who can authorise the write-off of deficiencies due to fair wear and tear.
- 10.4 The Council's property shall not be removed otherwise than in the accordance of the ordinary course of the Council's business, or used otherwise than for the Organisation's purposes, except in accordance with the specific directions issued by the Clerk/RFO.

11. *Investments [not currently applicable]*

- 11.1 All investments of money under its control shall be made in the name of the Council or in the name of nominees approved by the Council
- 11.2 The certificates relating to the investment of all money shall be held in safe custody and in accordance with arrangements approved the Clerk/RFO.

12 *Payment of Accounts*

- 12.1 The normal method of payment of money due from the Council shall be by cheque or other instrument drawn on the Council's banking account by authorised signatories.
- 12.2 The Clerk/RFO preparing and member certifying accounts for payment shall have satisfied themselves that:
- a) The work's goods or services to which the account relates have been received, carried out, examined and approved.
 - b) The prices, extension, calculations, trade discounts, other allowances, credit and tax are correct.
 - c) The relevant expenditure has been properly incurred and is within the relevant estimate provision.
 - d) Appropriate entries have been made in inventories, stores, records or stock books as required.
 - e) The account has not been previously passed for payment and is a proper liability of the Council.
- 12.3 Any amendment to an account shall be made in ink and initialled by the officer making it, stating briefly the reasons where they are not self-evident. VAT invoices cannot be altered and a credit note or a replacement invoice must be obtained from the supplier.
- 12.4 Invoices shall not be made out by an officer/member of the Council except in the case of items of internally generated payments where no invoice is normally receivable (e.g. grant payments) when an internal voucher may be used. An officer/member shall not add any additional item or items to an invoice rendered by a tradesperson.

13. *Salaries*

- 13.1 The payment of all salaries, compensation and other emoluments to all employees shall be made under arrangements approved and controlled by the Council.
- 13.2 Appointment of all employees shall be made in accordance with the appropriate conditions of service with grades and rates of pay as approved by the Council.
- 13.3 No person shall be paid by the Council unless his or her contract of employment is with the Council except where approval has been given by the Council.

14. *Travelling, Subsistence and Financial Loss Allowances*

- 14.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made up to the last day of each month and submitted to the Clerk/RFO.
- 14.2 The certification by the Chairman and the Clerk/RFO shall be taken to mean that they are satisfied that the journeys were authorised, the expenses properly and

necessarily incurred and that the allowances are properly payable by the Council.

14.3 Payment of allowances to councillors/officers/employees entitled to claim shall be made by the Council.

15 *Computers*

15.1 The Clerk/RFO is responsible for all computer systems and maintenance of or extension to systems already operational and further development of new systems to be provided.

15.2 In order to avoid the spread of computer viruses, only those applications authorised or acquired by the Clerk/RFO shall be used.

15.3 Officers/members must not infringe copyright law by making unauthorised copies of computer software and shall comply with all provisions of any licences or other agreements to which computer software and hardware may be subject.

16 *Data Protection Act*

16.1 The Act regulates the computer processing of information relating to living individuals who can be identified from the information held. All holdings of personal data must be registered with the Data Protection Registrar.

16.2 In no cases should any information relating to any individual be disclosed in any way, to any person or body, except as specifically contained in the registration of that data under the Act.

17 *Purchasing/Procurement Procedure*

17.1 Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess £5,000 shall be procured on the basis of a formal tender as summarised below.

17.2 Any formal tender process shall comprise the following steps:

- a) a public notice of intention to place a contract to be placed in a local newspaper;
- b) a specification of the goods, materials, services and the execution of works shall be drawn up;
- c) tenders are to be sent, in a sealed marked envelope, to the Clerk/RFO by a stated date and time;
- d) tenders submitted are to be opened, after the stated closing date and time, by the Clerk/RFO and at least one member of Council;
- e) tenders are then to be assessed and reported to the appropriate meeting of Council or a committee.

17.3 The Council, or a committee, is not bound to accept the lowest tender, estimate or quote.

18. *Review of Financial Standing Orders*

The Financial Standing Orders of the Council shall be subject to regular review, at least once every four years.

19. *Distribution*

A copy of the Council's Financial Standing Orders shall be given to every employee and to every member of the Council. They will be available on the web site.

Adopted at the Parish Council meeting held on 5th July 2007