GARSINGTON PARISH COUNCIL

Adopted by the Parish Council 5th September 2016, revised 2017, revised Oct 2018, revised August 2019, revised April 2020

FINANCIAL STANDING ORDERS

These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. The council is responsible in law for ensuring its financial management is adequate and effective and that the council has a sound system of financial control which facilitates the effective exercise of the council’s functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the council meets these responsibilities.

The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the council. The clerk has been appointed as RFO for this council and these regulations will apply accordingly. The RFO, acting under the policy direction of the council, shall administer the council’s financial affairs in accordance with proper practices. The RFO shall determine on behalf of the council its accounting records and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the council are maintained and kept up to date in accordance with proper practices.

BANK ACCOUNTS

* Bank accounts shall not be set up or closed without the authority of the Council and recorded in the minutes.
* Every account shall be identified with the Council’s name as part of the title.
* All income is to be banked, no expenditure from un-banked income other than that allowed under petty cash rules.
* Cheques must be signed by two nominated Councillors.
* Cheques are to be used in sequential order.

INCOME

* The RFO will be responsible for collecting all monies due to the Council and
* banking such on a regular basis.
* Bank paying slips will show details of the origin of payments received.
* The Council will annually review all charges made for premises, services etc.
* The RFO will report to the Council all bad debts in excess of 3 months.

ANNUAL BUDGETS

* The RFO and Chairman will prepare estimates of anticipated receipts/income and payments/expenditure and capital requirements prior to the meeting in November.
* The RFO and Chairman shall prepare a draft budget for the November meeting.
* All Council members are to be supplied with a copy of the draft budget and any subsequently amended version.
* The Council will discuss and approve the budget at the November meeting as the basis for setting the precept and for the regular monitoring of the Council’s finances. The RFO shall issue the precept to the billing authority.

CONTROLLING EXPENDITURE AND REPORTING TO COUNCIL

* Once a year the RFO will provide the Council with up-dated income and expenditure figures against agreed budgets. Reports will be minuted and appended to the minutes.
* Capital expenditure will require prior agreement of the Council.
* The potential of raising a loan will require the prior agreement of the Council.
* The RFO shall supply to each member as soon as practicable after 31 March in each year a statement of the receipts and payments of the Council for the completed financial year. The Statement of Accounts of the Council (which is subject to external audit) shall be presented to Council for formal approval before the end of the July.

PAYMENT OF ACCOUNTS EXPENDITURE APPROVAL

* 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 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 for verification before presentation for payment.
* Cheques to cover verified invoices will be raised by the RFO and presented for signature to those Councillors with mandated authority to sign.
* 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, supplier’s order form etc. At least one of the cheque signatories will initial the invoice to cross confirm that it agrees with the cheque details.
* The RFO and cheque signatories will initial the cheque payment stubs/log to indicate that it agrees with the cheque details.
* The cheque number will be added to the paid copy invoice for audit trail purposes.
* Expenditure up to a threshold of £1,000 may be authorised between full council meetings only by written agreement of a qualified majority of 2/3rds of the council members, and in consultation with the RFO. For the purposes of written confirmation, emails are deemed acceptable.
* All payments and claims upon the Council shall be laid before the Council.
* The RFO is authorized to pay any regular bills which require payment between meetings (salaries, electricity bills, etc). All regular payments shall be laid before the Council at the next meeting.
* A schedule of payments to be made shall be included in the agenda and presented to the council for approval. Approval of all payments will be shown in the minutes.
* The RFO shall promptly complete any VAT return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

Additions to Financial Regulations regarding payments using Online banking

* If thought appropriate by the Parish Council, payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
* No employee or Councillor shall disclose any PIN or password relevant to the working of the Parish Council or its bank accounts to any person not authorised in writing by the council.
* Regular back-up copies of the records on any computer shall be made and shall be securely stored away from the computer in question.
* The Parish Council and any members using computers for the council’s financial business shall ensure that anti-virus, anti-spyware and firewall software with automatic updates together with a high level of security is used.
* The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on the account.
* Access to any internet banking account will be directly to the access page and not through a search engine or email link. Remembered or saved passwords facilities must not be used on any computer used for council banking work.

SALARIES AND OTHER STAFF PAYMENTS

* The Council will review salaries and other payments annually.
* All salary levels and adjustments to be prior approved by the Council and minuted.
* Records to be kept to satisfy Inland Revenue inquiries.
* The RFO will ensure that Tax and NI liabilities, if any, are met.
* If a payment is necessary to avoid interest being charged due to late payment and the due date for payment is scheduled before the next meeting of the council, the RFO may settle such invoices, provided that a list of such payments shall be submitted to the next meeting of the council.
* If thought appropriate by the council, payment for utility supplies (energy, telephone and water) may be made by variable direct debit provided that the instructions are approved by the council and the decision recorded in the minutes. Direct debit mandates should be signed by two signatories. The approval of the use of a variable direct debit mandate shall be renewed by resolution of the council at least every two years.
* If thought appropriate by the council, payment of employees salaries may be made by standing order provided that the decision is approved by the council and the decision is recorded in the minutes. Standing order mandates should be signed by two signatories. Payment arrangements should be reviewed annually.

EXPENSES - Staff and Councillors

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

ORDERS

* 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.
* Copies of all orders are to be retained for audit purposes.

CONTRACTS - QUOTES

* Contracts covering a period of more than one year shall be approved by the Council.
* Where the supply of goods, material, equipment or services is required and the total expenditure is likely to exceed £1500, the RFO shall seek a minimum of 3 quotes.
* Failure to obtain 3 quotes, where there is evidence of at least 3 potential suppliers being sought, will not make the process invalid.
* Exceptions to these rules may be made for:
* The continued supply of services such as electricity, water, phone
* 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 or supply of parts for existing machinery, equipment or plant.

INSURANCE

* The RFO will be responsible for ensuring that the Council has adequate Insurance to include cover for property, third party liability, fidelity guarantee, employer’s liability and other areas as directed by the Council.
* The RFO will notify the Council of any new risks arising.
* The level of cover will be reported annually to the Council for approval.
* The RFO will be responsible for processing all claims and informing the Council.

ASSET REGISTER

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

INTERNAL AUDIT
The Council will nominate a Councillor who is NOT a cheque signatory to examine the accounting records of the Council annually to check that they are in order, all relevant supporting papers are being maintained and that the detail in these Standing Orders is being adhered to.

RISK ASSESSMENT
The council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed annually by the council.

REVISION OF FINANCIAL STANDING ORDERS
No amendment to these Standing Orders can be made without reference to the Council. An addendum is to be maintained to show, with section numbers, when amendments are made.

September 2017, revised Oct 2018, revised August 2019, revised April 2020