

Stoke by Nayland Parish Council

FINANCIAL STANDING ORDERS

In all instances the Clerk acts as Responsible Financial Officer.
All financial decisions will be taken by the full Council unless explicitly otherwise provided in these Financial Standing Orders.

1. Bank Accounts

- i. Bank accounts will not be set up or closed without the authority of the Council and will be recorded in the minutes.
- ii. Every account will be identified with the Council's name as part of its title.
- iii. All income is to be banked – no expenditure from un-banked income is permitted.
- iv. In addition to a current account, a high interest account will be maintained for funds not immediately required. The Clerk is responsible for effecting transfers as required to keep the current account in credit.
- v. The cheques are to be signed by two signatories.
- vi. Cheques are to be used in sequential order.
- vii. The bank reconciliations are to be prepared quarterly at the end of March, June, September and December and checked by a Council member other than the chairman or a cheque signatory. They will be presented to the following Parish Council meeting.
- viii. In the case of Direct Debits/Standing Orders/BACS/internet transactions the Council's practice will accord with NALC's recommended practice.

2. Income

- i. The Clerk will be responsible for all monies due to the Council and banking such on a regular basis.
- ii. Bank paying-in slips will show the origin of payments received.

3. Annual Budgets

- i. A Budget Working Party open to all Council members will consider
 - Proposed significant expenditures (see Section 15 below);
 - The condition, maintenance needs and insurance cover of Council property;and make recommendations for a three-year plan for significant expenditures, including, if appropriate, provisions to meet needs which cannot be quantified at the time.
- ii. The Budget Working Party, advised by the Clerk, will prepare an overall draft budget proposal for the next financial year, including recommendations for lower and upper limits on financial reserves, to be

brought before the November meeting of Council, covering expenditure as at 3.i and income.

- iii. All Council members will be supplied with a copy of the draft budget and any subsequently amended version.
- iv. Council will discuss and approve the budget as the basis for the regular monitoring of the Council's activities.

4. Controlling Expenditure and Reporting to Council

- i. The Clerk will provide Council with updated receipts & payments figures against the agreed budget at each Ordinary Council Meeting. The reports will be appended to the agenda and minuted.

5. Payment of Accounts – Expenditure Approval

- i. The Clerk will, before presenting accounts for payment, be satisfied 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 Clerk is uncertain as to the standard of work, quantity, etc the invoice will be referred directly to Council for verification before presentation for payment.
- ii. The Clerk will prepare a list of verified invoices for approval at the next full Council meeting.
- iii. Cheques to cover verified invoices will be raised by the Clerk and presented for signature to two Councillors with mandated authority. They will be signed either immediately before or immediately after a Council or Committee meeting.
- iv. All cheques for signature will be accompanied by the relevant verified invoice. At least one signatory will initial the invoice to cross confirm that it agrees with the cheque details.
- v. The Clerk and cheque signatories will initial the cheque stub to confirm that it agrees with the cheque details.
- vi. The cheque number will be added to the 'paid' copy invoice for audit trail purposes.
- vii. In an emergency, the Chairman and the Clerk shall have authority jointly to approve expenditure of no more than £250, for ratification at the next Council Meeting.

6. Clerk's salary and other payments

- i. The Council will annually review the Clerk's salary and other payments as per the relevant contract.
- ii. All changes to the Clerk's salary and other payments are to be reported to the Council and minuted. All discretionary changes to salary levels and other payments are to be prior approved by Council.
- iii. The Clerk will ensure that records are kept to satisfy Inland Revenue inquiries and that tax and NI liabilities are met.

7. Expenses – Staff and Councillors

- i. The Clerk is entitled to claim authorised travel and out of pocket expenses.
- ii. Councillors are entitled to claim travel and out of pocket expenses for travel outside the parish, attending training or on other authorised Council work.
- iii. Rates are to be in line with the SALC recommended rate at the time.
- iv. All claims are to be made in writing, with appropriate detail enabling the claim to be checked without further reference, in the name of the person claiming and to be signed.
- v. Records will be kept of all such payments so as to be able to satisfy Inland Revenue inquiries.

8. Orders

- i. All orders for goods and/or services will be confirmed in writing on Council headed paper or order form. Where supplier's order forms are used a copy is to be taken.
- ii. Copies of all orders are to be retained for audit purposes.

9. Contracts

- i. Contracts covering a period of more than one year are to be approved by Council with the full detail of the obligations involved having been circulated in writing at least a month beforehand.
- ii. Where the supply of goods, materials, equipment or services is required and the total expenditure is likely to exceed £3,000, the Clerk is to seek a minimum of three quotations.
- iii. Failure to obtain three quotations will not make the process invalid, where there is evidence of at least three potential suppliers being sought.
- iv. For one-off expenditure of over £100 normally two estimates will be obtained.
- v. The Council will not be obliged to accept the lowest or any quotation.
- vi. Exceptions to these rules may be made for:
 - the continued supply of services such as electricity, telephone, water and sewage. Contracts for the supply of such services will be reviewed, where alternative suppliers exist, at least every two years.
 - the extension of an existing contract in order to allow 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 or plant; but in every such case suitable justification will be required.

10. Insurance

- i. The Clerk will be responsible for ensuring the Council has adequate insurance to include cover for property, third party liability, fidelity guarantee, employer's liability and other areas as directed by Council.
- ii. The Clerk will notify Council of new risks arising.
- iii. The level of cover will be reported annually to Council for approval at the meeting prior to renewal of the policy.
- iv. Clerk will be responsible for processing all claims and informing Council.

11. Asset register

- i. The Clerk will maintain a Register of Council Assets, reviewed annually by Council prior to the renewal of the insurance cover for the succeeding year.
- ii. No property shall be sold or otherwise disposed of without the consent of Council.

12. Accounting & other records

- i. The Clerk will keep all accountancy and other records. All correspondence and accounting records are to be retained for at least 7 years. Minutes are to be kept in perpetuity.
- ii. Suitable arrangements will be made to back-up computerised records. Generally, accounting and other records will be in line with NALC recommendations.

13. Internal audit

The Council will annually appoint an independent person to act as internal auditor who will periodically examine the accounting records of the Council to check that procedures are being followed, all relevant supporting papers are maintained and that these Standing Orders are being adhered to.

14. Donations and Grants to External Bodies

- i. Donations are unconditional payments made to non-commercial organisations for purposes predominantly for the benefit of Stoke by Nayland and its residents. Donations will not be made to organisations located outside Stoke by Nayland except by way of recognition of specific services already rendered to Stoke by Nayland or its residents. These payments may require to be made under s.137.
- i. Grants are contributions to projects being managed by another village organisation. They will be made only for specific purposes and for expenditure incurred within 12 months of the application. Grants require a written application by the grantee setting out the reasons for the application, the funds required and the date by which they are needed.

- ii. Applications for a donation or a grant will be supported by the organisation's audited accounts for the two most recent years, its constitution and officers.

15. Spending on Projects

Significant spending commitments, comprising one-off expenditures of £1,000 or more and recurrent expenditures of £200 per year or more, whether direct expenditure by the Parish Council or by way of donation or grant (see 14), will be subject to a three stage process with each stage be considered at different meetings. The requirements for each stage are:

1. The proposal is considered by the Parish Council or the Budget Working Party and the benefits to the Parish are identified. If the proposal is felt worthy of further exploration an individual or group is identified to produce a written feasibility study that will be submitted to a subsequent Parish Council meeting.

2. The written feasibility study i.e.

- what are the needs
- what funding options have been considered
- how will the project be achieved
- what other requirements should be satisfied
- what is the total budgeted cost?

is to be presented to the Parish Council at least one week before its meeting. If the Parish Council accepts the feasibility study, it will identify an individual or group to seek quotations as per 9 above and any necessary permissions.

3. The necessary quotations and permissions are to be presented to the Parish Council at least a week before the Parish Council meeting at which the Council may take a decision to make a formal commitment to the project.

16. Revision of Financial Standing Orders

- i. No amendments to these orders may be made without reference to the Council.
- ii. An addendum is to be maintained to show the section number when amendments are made.

Signed..... Date:
Chairman, Stoke by Nayland Parish Council

Amendments:

- 1) New para 1.7 2 Feb 1999
- 2) Amended para 4.1 1 Oct 2002
- 3) Amended para 14 1 Oct 2002
- 4) Major review 5 May/8 September 2009
 - Bank reconciliations to be performed quarterly
 - Para 3 clarified
 - Receipts & Payments to be reported to every Council meeting
 - Amendment to cheque signing procedure
 - Para 6 clarified
 - References to petty cash removed
 - Requirement to review contracts at least every two years added
 - Computer back-up requirement added
 - New para 14
 - New para 15
 - Drafting changes for clarity and consistency
- 5) Major review 10 November 2015
 - Provision for Budget Working Party
 - Incorporation of NALC recommendations
 - Sections 1, 2, 3, 4, 5 and 9 amended
 - Other changes for clarity and consistency