



# Theydon Bois Parish Council

Parish Office, The Village Hall, Coppice Row,  
Theydon Bois, Essex CM16 7ER

Clerk to the Council: Mrs Jennifer Endean

## **FINANCIAL STANDING ORDERS** **(Issue 5 adopted (January 2022))**

### **1. General**

1.1 These Financial Standing Orders govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council.

1.2 These Financial Standing Orders are subsidiary to Issue 12 of the Council's Standing Orders adopted in November 2021 and the Council's Financial Regulations.

1.3 The Responsible Financial Officer ('RFO'), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.

1.4 The RFO shall be responsible for the production of financial management information.

1.5 The Finance Committee ('FC') as appointed by the Parish Council will set the financial standards to be followed in respect of all the financial transactions entered into by the Parish Council and periodically audit observance. The FC shall be responsible for continuously reviewing the Parish Council's financial procedures and making recommendations to the full council where improvements and efficiencies in practices and procedures can be made.

1.6 The Chairperson of the Finance Committee ('FC Chairperson') shall have specific responsibility to ensure that the Parish Council does not commit to expenditure which cannot be met from reserves plus future income derived either from assets, an acceptable level of parish precept or other income which it can reasonably expect to accrue. Additionally, the FC Chairperson will monitor cash flow projections and audit the integrity of financial transactions. Day to day responsibility for cash management remains with the RFO.

### **2. Annual Estimates**

2.1 Any Councillor may formulate and submit proposals to the FC in respect of revenue and capital costs for the following financial year not later than the end of October each year.

2.2 Detailed projections of all receipts and payments for the current year shall be prepared by the RFO and submitted to the FC who will meet in November and prepare a draft budget for the following year.

2.3 The Council shall review the draft budget not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year by January 31st. The RFO shall supply each member with a copy of the approved estimates.

2.4 The annual budgets shall form the basis of financial control for the ensuing year.

### 3. **Budgetary Control**

3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget.

3.2 No expenditure may be incurred to exceed the amount provided in the revenue budget without the prior consent of the Council.

3.3 The RFO shall provide the Council for Full Council meetings with a statement of income and expenditure to date and under each head of the budgets, a comparison of actual expenditure against that planned.

3.4 The FC Chairperson will review all budgets, financial projections, financial reports, performance against forecast etc. and Report at full council meetings.

3.5 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.6 Unspent provisions in the revenue budget shall become an increase in surplus in the subsequent year.

3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available or the requisite borrowing approval has been obtained.

3.8 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

#### 4. **Accounting and Audit**

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2015 as amended 2021.

4.2 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 FC. The RFO shall thereafter retain a responsibility to ensure that such report is presented to the full Council as soon as is practicable.

4.3 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 2015 as amended 2021, or set by the Auditor.

4.4 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 2015. 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.

4.5 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.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by the Accounts and Audit Regulation 2015.

4.7 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 matter.

#### 5. **Banking Arrangements and Cheques**

5.1 The Council's banking arrangement shall be made by the RFO and approved by the FC. They shall be regularly reviewed for efficiency by the FC Chairperson.

5.2 A schedule of the payments made and budget comparison, forming part of the Agenda for the Meeting, shall be prepared by the RFO and be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be

initialled by the Chairman of the Meeting and one other authorised for banking Councillor. If more appropriate, the detail may be shown in the Minutes of the Meeting.

5.3 Authorised payments to be made by electronic banking are entered online by the RFO and authorised online by one approved Councillor. Cheques drawn on the bank account conforming with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by any two of the authorised members of the Council as advised to and registered with the Bank.

5.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil and subsequently the online banking authorising Councillor shall sign and date on doing so a copy of the payment schedule.

## 6. **Payment of Accounts**

6.1 All payments shall be effected by cheque, council credit card, online banking or other order drawn on the Councils' bankers.

6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, without delay.

6.4 The Council will not maintain any form of cash float. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

## 7. **Payment of Salaries**

7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for tax and national insurance may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.

## 8. **Loans and Investments**

8.1 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period in accordance with Council policy. Loans will have the prior approval of the Council.

8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually) by the Finance Committee.

8.3 All investments of money under the control of the Council shall be in the name of the Council.

8.4 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.

8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

## 9. **Income**

9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council

9.3 The FC will review all fees and charges annually after submission of proposals from councillors for such review.

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6 The origin of each receipt shall be entered on the paying-in slip.

9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.

9.8 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.

9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. **Orders for Work, Goods and Services**

10.1 Procedures as to Orders are contained in the Council's Financial Regulations.

11. **Contracts**

11.1 Procedures as to Contracts are contained in the Council's Financial Regulations and subject to:

- (a) the RFO shall invite for any tenders from at least three firms and shall give at least two weeks notice of such intention in the same manner as public notice of meetings of the Council is given.

12. **Stores and Equipment**

12.1 The Clerk shall be responsible for the care and custody of stores and equipment.

12.2 Delivery Notes shall be obtained in respect of all goods received and goods must be checked as to order and quality at the time delivery is made.

12.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

12.4 The FC Chairperson shall be responsible for periodic checks, at least annually, of stocks and stores.

13. **Insurance**

13.1 Following an annual risk assessment in conjunction with the FC Chairperson, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

13.2 The RFO shall give prompt notification to the Insurers of all new risk or properties which require to be insured and of any alternations affecting existing insurances.

13.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby.

13.4 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.

13.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

14. **Revision of Financial Regulations**

14.1 It shall be the duty of the RFO together with the FC to review the Financial Regulations of the Council from time to time and report to the Council.