

Ellisfield Parish Council

Standing Orders

In any circumstances, not covered by the following Financial Standing Orders, it is agreed that the publication 'Model Standing Orders and Chairmanship' will be consulted and its recommendations adhered to.

"It is usually not necessary for very small councils to have standing orders, but it is always desirable for every council to possess a copy of one of the recognised models so that in difficulty the chairman can give a decision based upon an established precedent"

Local Government Administration. Sixth Edition. By Charles Arnold-Baker.

Financial Standing Order Number One

Bookkeeper's duties

- To record all transactions in a cashbook.
- To take custody of the paying in book and pay in cheques, etc. regularly.
- To receive bank statements.
- To reconcile the cash book with bank statements once a quarter and report any unresolved differences to the RFO.
- To operate PAYE, etc. if found necessary.
- To provide printed reports of all transactions once a quarter to the RFO for report to the PC (or report direct to the PC with a copy to the RFO).
- To provide a printed list of payments and receipts once a quarter to the RFO for report to the PC. (or report direct to PC with copy to the RFO).
- At half year to provide printed budget progress report, having made such virements as are authorised, to the RFO to report to the PC. (or report direct to PC with copy to RFO). (*virements -the process of transferring items from one financial account to another.*)
- To prepare a claim for VAT refunds and present to the RFO for signature,
- To prepare a financial report for the Charity Commissioners re: Allotments.
- At year end:
 - (a) balance and reconcile cash book and produce such reports and figures as are needed by the RFO to complete the Annual Return form for the external audit.
 - (b) make analysis of payments under 'Administration' heading, into individual headings as provided for in budget. i.e. insurance, audit, clerk's salary, etc.
- *General*
To attend, at Parish Council expense, any available training courses, which would assist with a wider understanding of the principles of Local Council accounting.

RFO's duties

- To retain overall responsibility for financial procedures.
- To send out any required bills and ensure prompt payment.
- Cheque book:
 - (1) To retain custody of the chequebook, obtain authorisation for payments and prepare cheques for signature by two members.
 - (2) To provide a schedule of payments made and authorised, to the bookkeeper *as they happen*. i.e. usually once a month after a meeting.
 - (3) To pass the chequebook to the bookkeeper each quarter to facilitate bank reconciliation.
- To arrange for new mandates for bank etc. on change of councillors.
- To produce a draft budget, in conjunction with the Chairman and the bookkeeper, with historical figures provided by the bookkeeper.
- To receive any payments which are not automatically credited to the bank account and pass to the bookkeeper for prompt paying in and recording.
- To retain custody of the insurance policy.
- To monitor the level of charges made for the allotments and burial grounds.
- To negotiate with the District Council regarding fees for work carried out on an agency basis.
- To retain control and custody of the Councils reserve account book and pass it to the bookkeeper for verification at every movement.

Duties of Cheque signatories

- Where appropriate, to check invoices are correctly calculated and the correct amount has been written on the cheque and cheque stub.
- To check that payments have been properly authorised by the Council.
- To sign cheques and initial cheque stub.

Duties of individual Councillors and the Council as a whole

- To make standing orders as are necessary for the efficient administration of the Council's financial affairs.
- To appoint a Responsible Financial Officer (RFO).
- To appoint an External Internal Auditor in accordance with such regulations as may from time to time be in force.
- To decide upon and set in place any necessary remedial action arising from audit reports.
- To decide upon, encode and regularly review a Risk Management strategy.
- To appoint one of its number to act as Internal Auditor to check the reconciliations and proper management of the Council's affairs each quarter.
- To make provision for the training of any person employed, whether on a paid or unpaid basis, to administer the Council's financial affairs.
- To receive and read such financial reports as are supplied and make enquiries if any which are mentioned above are not supplied in good time and where such reports are provided in advance of a meeting and further information is required, to ask for it in good enough time to allow the RFO to obtain it in time for the meeting.
- To provide such information or estimates as are necessary for the preparation of the draft budget with sufficient time to spare to allow accurate preparation of the draft budget.

Duties of (Internal) Internal Auditor (in house)

- To check that the quarterly reconciliation is arithmetically correct and that all necessary vouchers are present and that the balances in both accounts are as stated.
- To initial the reconciliations in the cash book to indicate that this has been done.

Duties of (External) Internal Auditor (independent)

The External Internal Auditor is legally excluded from taking any part in the management of the Parish Councils financial affairs, therefore he/she is not expected to give advice on such management.

His/her role is:

- To report to the Council on the adequacy of the systems of financial control and make such suggestions as he/she feels could be beneficial.
- To make such checks and reports as are specified in: "GOVERNANCE AND ACCOUNTABILITY IN LOCAL COUNCILS IN ENGLAND AND WALES – A PRACTITIONERS GUIDE"
A copy of this publication and any amendments thereto is to be supplied to the Internal Auditor.

Financial Standing Order Number Two

Contracts

(a) Where it is intended to enter into a contract exceeding £500 but not exceeding £5,000 in value for the supply of goods or materials or for the execution of works, the clerk shall give at least three weeks prior 'notice' of such intention in the same manner as public notice of a meeting is given.

Where the value of the intended contract exceeds £5,000 similar 'notice' shall be given in addition to *all firms included in the appropriate standing approved list of contractors maintained by the District Council or if no such list is maintained then in such newspapers circulating in the district as the Council shall direct.*

(b) The 'notice', if the contract exceeds £5,000, shall state the general nature of the intended contract and state the name and address of the person to whom tenders are to be addressed and the last day by which those tenders should reach the person in the ordinary course of post.

(c) If no tenders are received or if all the tenders are identical the Council may make such arrangements for procuring the goods, materials or executing the works, as it thinks fit.

(d) A 'notice' under this Standing Order shall contain a statement of the effect of Standing Orders No's 60, 61 and 62 of Model Standing Orders and Chairmanship, as reproduced below:

(60) If any candidate for any appointment under the Council is to his knowledge related to any member of, or, the holder of any office under the Council, he and the person to whom he is related shall disclose the relationship in writing to the Clerk. A candidate who fails to do so shall be disqualified for such appointment, and, if appointed, may be dismissed without notice. The Clerk shall report to the Council or to the appropriate Committee any such disclosure. Where relationship to a member is disclosed the Standing Orders on interests of members in contracts and other matters shall apply. The Clerk shall make known the purport of this Standing Order to every candidate.

(61) (a) Canvassing of members of any committee, directly or indirectly, for any appointment under the Council shall disqualify the candidate for such appointment. The Clerk shall make known the purport of this sub-paragraph of this Standing Order to every candidate.

(b) A member of the Council shall not solicit for any person any appointment under the Council or recommend any person for such appointment or for promotion; but nevertheless, a member may give a written testimonial of a candidate's ability, experience or character for submission to the Council with an application for appointment.

(62) Standing Orders No's 60 and 61 shall apply to tenders as if the person making the tender were the candidate for an appointment.