

# EXMOOR PARISH COUNCIL

## FINANCIAL STANDING ORDERS – ADOPTED SEPTEMBER 2019

### REVIEWED with minor amendments MAY 2023

#### 1. GENERAL

1.1 The council shall appoint the Responsible Finance Officer (this can also be the clerk)

1.2 The Responsible Finance officer shall maintain such accounts at such banks as the Council may, from time to time, determine.

1.3 All cheques shall be signed by two authorised signatories. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.

1.4 Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

1.5 On receipt of each bank statement it shall be reconciled with the Income and Expenditure Excel document on the Council's laptop.

1.6 Receipted Accounts shall be filed and kept for each financial year.

1.7 The Income and Expenditure Excel document, the Cheque book and Bank Statements together with the relevant Reconciliation Statements shall be presented by the Responsible Finance Officer for inspection at the May Meeting. The Responsible Finance Officer will report the balance of the bank account and all incomings and outgoings at every meeting.

1.8 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

1.9 The 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.

1.10 Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

1.11 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for

council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

1.12 The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk [or RFO] (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

1.13 An Asset document shall be maintained on the council laptop giving details of all non-cash assets owned by the council.

1.14 Insurance premiums and all other due accounts shall be paid on time and the Council shall ensure that all monies due to it are demanded and received on time.

1.15 12 months of Value Added Tax shall be claimed at the end of the financial year for all large expenditure items.

1.16 A Budget for the next financial year shall be presented to the November Meeting of the Council showing the existing financial position of the Council together with known or expected income and expenditure for the following 18 months in order that the council may decide the value of precept required for the next financial year. The approved annual budget shall form the basis of financial control for the ensuing year. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

1.17 The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the November meeting each year. The RFO shall issue the precept request to the billing authority and shall supply each member with a copy of the approved annual budget.

1.18 If the Council intends to enter into a contract exceeding £2,000 in value for the supply of goods or services or for the execution of works the Clerk shall give at least three weeks public notice of such intention in the same manner as public notice of meetings of the Council is given.

1.19 Following an appraisal of the Clerk and RFO's previous 12 months employment, which will take place in June, the Clerks salary will be reviewed in July by the parish council and any changes made will come in to effect on the 1<sup>st</sup> July of that year.

## **2. PAYMENT OF SALARIES**

2.1 As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

2.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

2.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.

2.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

2.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

2.6 An effective system of personal performance management should be maintained for the senior officers.

2.7 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

2.8 Before employing interim staff the council must consider a full business case.

### **3. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

3.1 All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

3.2 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.

3.3 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

3.4 The internal auditor shall:

- be competent and independent of the financial operations of the council;
- report to council in writing one annual written report during each financial year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and

- have no involvement in the financial decision making, management or control of the council.
- 3.5 Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
  - initiate or approve accounting transactions; or
  - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 3.6 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.7 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

#### **4. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

4.1 It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.

4.2 The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.

The above was reviewed and approved at the full meeting of the Exmoor Parish Council on 26<sup>th</sup> September 2019.