

TARPORLEY PARISH COUNCIL

FINANCIAL STANDING ORDERS

1. The Clerk is the Responsible Financial Officer (RFO) of the Council and as such is responsible for the proper management of the council financial affairs in accordance with statute and good accounting practice.
2. The RFO will produce in consultation with such councillors as council may require a forward annual budget of income and expenditure in December each year. When approved the budget will form the basis for the amount to be precepted.
3. The council will maintain an interest earning bank account with all councillors as signatories and with access to records of transactions available to the RFO. Financial payments will be by cheque; receipts may be by cheque, bank transfer or cash; a petty cash system will not be operated.
4. The Council shall not spend any money or bind itself to spending money unless:
 - a. The Council has the statutory power to spend on this matter AND
 - b. The issue has first been an agenda item AND a specific resolution has been passed for that amount.
5. The RFO shall ensure that every payment is made under an appropriated statutory power and that payments are referenced to resolutions to provide an audit trail. The statutory power will be noted against the cheque or payment authority in the minutes.
6. Payments into a bank shall be done within two banking days. Identifying details shall be written on the counterfoil for each cheque paid in.
7. Orders for goods and services shall always be in writing with prior approval of the Council unless they are less than £ 100.00 and in budget or are an extreme emergency. In an extreme emergency, subject to a limit of £ 500, the RFO may incur expenditure to protect the interest of the council and subject to the certification as to the correctness of urgency by two Councillors. Such emergency expenditure shall be reported as a separate agenda item to the next council meeting. The RFO is authorised to incur and claim the cost of necessary office supplies and services to a limit of £ 100.00 per item.
8. All orders for payment will be presented to the council at regular meetings for approval or noting. All income will be presented for noting.
9. The Free Resource, such expenditure shall be specifically authorised by a resolution. (i.e. "Resolved that, under s.137 of the Local Government Act 1972 ... the Council..."). The RFO will keep a record of such expenditure to ensure statutory compliance.
10. The RFO will check monthly cashbook entries and other records of money received against the bank statement, receipt counterfoils, vouchers and supporting documents and produce a bank vs. cashbook reconciliation. These records will be subject to independent inspection by a member of Council who will initial the records and the inspection will be recorded in the minutes.
11. The RFO will provide Councillors with statements of expenditure against budget headings, income and bank balance on a monthly basis and will draw to the Councils attention significant variations from budget and delays in payment or clearance of cheques. The RFO will brief the council on the implications of variations from budget and the council may approve a budget head virement or provide other instructions subject to the constraints of statute and financial solvency.

12. The council will appoint a suitable professionally qualified auditor to undertake the internal audit. The RFO will liaise with the internal auditor to provide all necessary documents.
13. At financial year-end the RFO will prepare the annual statement of accounts and present them to the council for approval. The RFO will submit the accounts to the internal auditor and present the internal auditor report to the council for consideration. The RFO will submit the annual return to the external auditor in accordance with statutory requirements in force at that time.
14. The Council will when placing contracts adopt the concept of "Best Value" in relation to the appropriateness, quality and value for money of the goods and services to be procured. Where it is intended to enter into a contract for the supply of goods or execution of works exceeding £ 500.00 in value, the Council shall endeavour to obtain 3 separate quotes before deciding which supplier to accept. Contracts over £25,000 will be subject to a formal tender process by public notice and sealed tender. The Council will not be obliged to accept the lowest of any price offered. The Clerk and two Councillors will sign contracts over £ 500.00 in value.
15. The Council shall not enter into contracts without first passing a resolution (as these bind the Council to expenditure). Having entered into a contract then payments under the contract not exceeding £750.00 in any month may be made without further prior resolution.
16. Orders for the payment of money (cheques etc.) shall be signed for authorisation by any two members of the Council and signed for records by the RFO. A copy or counterfoil showing the reason for expenditure will be retained and initialled. The signatories will inspect quotations, invoices or other supporting documents to satisfy themselves as to the purpose of the payment and make such enquiries into the correct provision of the goods or services as they see fit.
17. So far as is reasonably practicable the RFO will ensure that goods and services paid for have been provided. The RFO will take reasonably practicable steps to ensure the safe keeping of goods purchased in accordance with council directions.
18. The Chairman or a councillor whose name shall be recorded in the minutes shall examine and initial the invoices and wage slips presented for payment at council meetings.
19. No loan or investment (other than an interest earning bank account) will be entered into without a resolution of the council and will be in accordance with statute.
20. The RFO will arrange for a suitable insurance to provide cover for risks to which the council may be exposed. Risks to be determined by an annual risk review and as prescribed by statute.
21. These Standing Orders (except those which are obligatory by law, as ruled by the Clerk) can be suspended, revoked or altered by resolution of the Parish Council. They shall be reviewed annually and reconfirmed at the annual meeting.

Signed: _____

Dated _____

Approved without amendment May 2009