



AYTHORPE RODING PARISH COUNCIL

Financial Standing Orders

Financial Standing Orders are the written rules of a local council.

They are used to confirm the internal administrative and procurement procedures.

The council is responsible in law for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

These Orders cannot over-ride current legislation including emergency legislation.

1. Councillors

- 1.1 "Councillor" refers to a person elected or co-opted to that position.
- 1.2 Each Councillor will have a copy of the most recent Financial Standing Orders.

2. Responsible Financial Officer

- 2.1 The Responsible Finance Officer (RFO) is a statutory office and appointed by the Council.
- 2.2 The Parish Clerk will take on this role of managing the Council's financial affairs in accordance with Proper Practices.

3. Budget and Accounts

- 3.1 The RFO will maintain sufficient records to comply with Statutory Obligations.
- 3.2 The RFO will compile details of income and expenditure reconciled to the bank account(s) for each meeting.
- 3.3 At each meeting one Councillor may sign the most recent bank statement to confirm the balance minuted.
- 3.4 In year amendments to the budget will be discussed in Council and changes minuted.
- 3.5 Significant underspends or overspends will be brought to the attention of the Council and action taken to address any discrepancies.
- 3.6 The RFO will prepare a draft budget for consideration at the November meeting.

- 3.7 The RFO will calculate the Precept Demand based on the agreed budget for resolution at the January meeting.
- 3.8 The RFO will send the Precept Demand to Uttlesford District Council by the date notified by them.
- 3.9 The RFO will determine all accounting procedures and financial records of the Council in accordance with current legislation and guidance.
- 3.10 The RFO will complete the annual financial statements of the Council including the annual return after the end of the financial year and will submit and report on them to the Council at the May meeting.

4. Audit

- 4.1 The Council will review each year and ensure that there is an adequate, effective system of internal audit of the Council's accounting, financial and other procedures in line with Proper Practice.
- 4.2 An Internal Auditor will be appointed by the Council to carry out the work required to comply with the Proper Practice. The person appointed will be competent and independent of the operation of the Council.
- 4.3 The RFO will submit the Annual Return and requested documents to the External Auditor by the due date.
- 4.4 The RFO will ensure the audit is advertised and public rights upheld.
- 4.5 The RFO will publish all details as required.

5. Banking

- 5.1. The Council's banking arrangements will be made by the RFO and approved by the Council.
- 5.2 The Council has one account with TSB.
- 5.3. All items of expenditure will be authorised by the Council and the payments approved. The RFO will examine invoices and verify and certify the expenditure.
- 5.4. At least three Councillors to be authorised by the Council to sign cheques.
- 5.5 The RFO will prepare each cheque for signature. The supporting paperwork will be available. Each cheque to be signed by two authorised Councillors
- 5.6 To avoid a financial emergency or embarrassment, two Councillors may sign an urgent cheque outside the meeting. This will be minuted at the earliest opportunity.
- 5.7 At least three Councillors to be authorised to make online payments.
- 5.8 New online payees will be set up by the Chairman or other authorised Councillor.
- 5.9 The RFO will create each payment for authorisation by two Councillors. The supporting paperwork will be available. This will be minuted at the earliest opportunity.

6. Loans and Investments

- 6.1 The Council does not anticipate lending or borrowing funds.
- 6.2 All investments under the control of the Council will be in the name of the Council and all certificates or other documents will be retained by the RFO.

7. Income

- 7.1 The RFO will invoice for all income due to the Council.
- 7.2 The RFO will record and minute all income received.
- 7.3 Income is recognised in the accounts when it is received.
- 7.4 Income is banked in the TSB account.
- 7.5 All cash is banked. No petty cash held.

8. Expenditure

- 8.1 An official order or letter will be issued for all work or service paid for by the Council.
- 8.2 All Councillors are responsible for obtaining good value for money at all times.
- 8.3 The Councillor or RFO placing an order on behalf of the Council will ensure that good value and appropriate terms are obtained for the transaction.
- 8.4 Reasonable steps will be taken to obtain a minimum of two quotations for expenditure between £1,000 and £2,500. Three quotations are required for values over £2,500.
- 8.5 All estimates will be approved by the Council; while the Council is not obliged to accept the lowest quotation the reasons for accepting the quotation will be recorded.
- 8.6 The Council prefers to use local businesses where possible.

9. Risk

- 9.1 The RFO will ensure that a appropriate and accurate Register of Assets is maintained. It will be reviewed annually and updated when assets are acquired and/or disposed of. Assets are included at cost.
- 9.2 Councillors will be responsible for inspecting the assets not requiring specialist input and will report on condition at each meeting.
- 9.3 A RoSPA inspection of the Recreation Ground and play area will be undertaken annually. Council will consider the report and act accordingly.
- 9.4 A monthly inspection will be undertaken of the Bill Reeve Pavilion defibrillator
- 9.5 Any VAT repayment claim will be made once the amount exceeds £100.00 or at least annually coinciding with the financial year.

- 9.6 Following the annual risk assessment the Council will review the level of insurance cover and compare it to the Asset Register and ensure it is adequate and appropriate for the activities of the Council.
- 9.7 A risk assessment will be undertaken annually of all the activities of the Council and a report approved by the Council.
- 9.8 If the Council undertakes a new activity not covered by the existing risk assessment an assessment will be undertaken before the activity commences.

10. Clerk to the Council

- 10.1 The Council will appoint a Clerk which must be on an employed basis.
- 10.2 The Clerk will act as the Proper Officer of the Council.
- 10.3 The Clerk will act as Responsible Financial Officer.
- 10.4 As an employee of the Council the Clerk is covered by employment legislation.
- 10.5 The Clerk will be remunerated at the National Association for Local Councils hourly rate SCP21 for part-time Clerks. The Council may review this.
- 10.6 The Clerk will be employed for eighteen hours per month. The Council can permanently increase and/or extra paid hours can be negotiated.
- 10.7 The Clerk will be given an allowance per month to cover costs of working from home.
- 10.8 The Clerk will be reimbursed for all expenses incurred on behalf of the Council.

These Standing Orders were adopted by the Parish Council at a meeting of the Council held on September 13th 2021

Terms of Reference

"Council" refers to Aythorpe Roding Parish Council

All reference to the Responsible Financial Officer "RFO" applies equally to the Parish Clerk who is the person employed by the Parish Council for that purpose or any person authorised act in that capacity.

"Chairman" refers to the elected Parish Council Chairman or any Councillor acting in that capacity in the absence of the Chairman.

All terms are gender neutral.