

## SHERINGHAM TOWN COUNCIL

### FINANCIAL STANDING ORDERS

**as agreed and adopted by Council 8 January 2008  
and amended 14 June 2011 (Min7916)  
and reviewed and amended on 7 May 2013  
reviewed 13<sup>th</sup> May 2014 and amended 3<sup>rd</sup> June 2014  
as agreed and adopted 1<sup>st</sup> December 2015  
as agreed and adopted 9<sup>th</sup> January 2018**

#### 1. GENERAL

- 1.1 These financial regulations shall be the policy for the financial transactions of the Council and may only be amended or varied by resolution of the Council.
- 1.2 The responsible financial officer ("RFO") under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.
- 1.4 The RFO shall advise the Councillors appointed as Finance Officers on the management of the Council's financial affairs.
- 1.5 Committees do not have spending powers but make recommendations on expenditure within their remit.

#### 2. ANNUAL ESTIMATES

- 2.1 Each Committee shall formulate and submit proposals to the Council in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November in each year.
- 2.2 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by Finance Officers and the RFO.
- 2.3 The Council shall review the estimates not later than the end of January in each year and shall set the Precept to be levied for the ensuing financial year. The RFO shall supply each Member with a copy of the approved estimates.
- 2.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

#### 3. BUDGETARY CONTROL

- 3.1 All resolutions approving expenditure must state in the budget where the money is held.
- 3.2 Expenditure beyond the budgeted amount can be made by a resolution stating the source of the overspend.
- 3.3 Emergency expenditure not budgeted for can be made from the Contingency Budget or General Reserves.
- 3.4 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 for Public and Staff safety, whether or not there is any budgetary provision for the expenditure, subject to the limit of £2000.00. The Clerk shall report such action to the Council as soon as practicable thereafter.
- 3.5 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the Council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.6 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 The RFO shall keep a record of all Council financial transaction in an Income and Expenditure book.
- 4.2 For the convenience of administration computer financial records may be kept also.
- 4.3 Upon the receipt of monthly bank statements the RFO shall conduct a comparison of the transactions on the statements with records in the Income and Expenditure book.
- 4.4 Quarterly comparisons of Income and Expenditure shall be presented to the Council at the relevant intervals.
- 4.5 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to and report thereon to its June meeting.
- 4.6 An external auditor with responsibilities for conducting internal audits will carry out routine checks on invoices, payments, bank accounts and statements at quarterly intervals in accordance with the 2003 Regulations.
- 4.7 An external auditor shall conduct an annual review of the management of the VAT transactions.
- 4.8 A Councillor can ask to inspect the financial records during normal office hours.
- 4.9 A parish elector may ask to inspect the financial records during normal office opening hours. Council staff must be given 7 days notice of relevant documents required for inspection.

#### 5. BANKING ARRANGEMENT AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. Two accounts shall be maintained at the bank, a general account and an investment account.
- 5.2 Cheques drawn on the general account in accordance with the schedule referred to in the previous paragraph shall be signed by the Clerk and two duly authorised Councillors.
- 5.3 The general account shall not be overdrawn at the bank. Transfers to fund it shall be made from the Council's investment account.
- 5.4 The RFO is to report to the Council if the balance in the investment accounts falls below £15,000.00.

#### 6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO issuing the order. Before certifying an invoice the RFO shall satisfy him/herself that the work, goods or services, to which the invoice relates have been received, carried out, examined and approved.
- 6.3 Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure heading. S/He shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4 A schedule of payment or certified invoices shall be prepared by the RFO and checked by two Finance Officers before being presented to the Council at its monthly meeting. Councillors are to inspect the invoices and sign the schedule. If the schedule is in order the payments shall be authorised by a resolution of the Council.

7. PAYMENT OF SALARIES AND WAGES

- 7.1 The payment of all salaries and wages shall be made by the RFO from the general account in accordance with the payroll records.
- 7.2 All time sheets shall be certified as to accuracy by or on behalf of the Clerk.
- 7.3 Gross salaries of Council employees shall be listed in the Annual Estimate. All payroll records other staff details and employment details are confidential.

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 of time in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Council shall be in the name of the Council.
- 8.3 All borrowings shall be effected in the name of the Council.
- 8.4 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 notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges periodically following a report of the Clerk.
- 9.4 Any bad debts exceeding 3 months shall be reported to the Council for appropriate action to be taken.
- 9.5 All sums received on behalf of the Council shall either be passed to the RFO for banking or be banked by the appointed person collecting the money as directed by the Council. In all cases all receipts shall be deposited with the Council's bankers weekly.
- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, 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.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 An official order or letter shall be issued for all work, goods and services, unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 The Clerk or RFO is responsible for obtaining value for money at all times. The Clerk or RFO issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

11. CONTRACTS

- 11.1 Procedures as to the contracts are laid down in the Council's Standing Orders as follows:
  - (a) Every contract made by the Council shall comply with these Standing Orders, and no exception from any of the following provisions of these Standing Orders shall be made otherwise than by direction of the Council provided that

these Standing Orders shall not apply to contracts which relate to items (i) and (v) below:

- (i) for the supply of gas, electricity, water, sewerage, telephone and communication services
  - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
  - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant
  - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council
  - (v) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- (b) Where it is intended to enter into a contract:  
exceeding £5000.00 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) as the Clerk shall invite tenders from at least three firms, such firms to be taken from the appropriate approved list
- (c) When applications are made to waive Standing Orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk and the last date by which such tenders should reach the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specially marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (e) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of the full Council.
- (f) If less than three tenders are received for contracts valued above £5000.00 or if all tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (g) The Council shall not be obliged to accept the lowest or any tender.

## 12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract.
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## 13. STORES AND EQUIPMENT

- 13.1 The appointed person in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard quality at the time of delivery is made.
- 13.3 Stocks shall generally be maintained at the required levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for an annual check of all stocks and stores.

14. PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable, and purpose for which held in accordance with regulation 4(3)(b) of the Accounts & Audit Regulations 2003 (as amended).
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council.

15. INSURANCE

- 15.1 The RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Clerk.
- 15.2 The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim
- 15.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

16. REVISION OF FINANCIAL REGULATIONS

- 16.1 It shall be the duty of the Council to review the Financial Regulations annually to make such amendments as required.