

Sevenoaks Town Council

Minutes of the FINANCE & GENERAL PURPOSES COMMITTEE held at the Town Council Offices, Bradbourne Vale Road, Sevenoaks on Monday 31st October 2016

Meeting Commenced: 7.00 p.m.

Meeting Concluded: 8.25 p.m.

Cllr S G Raikes, Chairman	Apologies		Cllr R L Piper, Vice Chairman	Apologies
Cllr N J L Busvine	Present		Cllr R M C Hogarth	Present
Cllr J M Canet	Present		Cllr R J Parry	Present
Cllr M Chakowa	Apologies		Cllr E Parson	Apologies
Cllr A S Clayton	Present		Cllr P E Towell	Present
Cllr A Eyre, Mayor (ex officio)	Present		Cllr Mrs P C Walshe	Present
Cllr S Arnold, substitute for Cllr Piper	Present			

In the absence of the Chairman and Vice Chairman the Mayor chaired the meeting.

Prior to the meeting Mr Paul Lansdale, Chairman of the Sevenoaks Town Football Club addressed the Committee relating to the development of the club and the need for a more secure tenure relating to the football pitches and pavilion at Greatness Recreation Ground.

299. Apologies for Absence

Apologies for absence were received from Cllr Chakowa, Cllr Parson, Cllr Piper and Cllr Raikes.

300. Declarations of Interest

Cllr Eyre stated that he had a pecuniary interest in matters relating to agenda items 9b 'Station Screen' and 10 'Cash for the Community' and would not participate in the discussion or voting. Cllr Hogarth would chair the meeting at that point.

301. Requests for Dispensations

There had been no requests for dispensations.

302. Minutes of the Meeting held on 5th September 2016

It was noted that the attendance record should read Cllr Mrs P C Walshe not Cllr Mrs E T Waite.

The Chairman stated that Agenda Item 10 'Cash for the Community' and Agenda Item 15 'Sevenoaks Town Football Club' would be brought forward in the meeting.

303. Cash for the Community

It was noted that the project to generate additional funds for community projects had been considered at the Community Infrastructure Committee and Open Spaces and Leisure Committee.

RESOLVED: Proposed by Cllr Clayton, seconded by Cllr Parry and agreed that the Committee endorse the resolution of the Community Infrastructure Committee to commence the fundraising project in the New Year raising funds as shown below:-

Project	Target	STC Contribution	Fundraising Target
3G pitch at Knole Paddock for Rugby	£750,000	£250,000	£500,000
3G pitch at Greatness for Football	£500,000	£200,000	£300,000
Stag Community Arts Centre	£100,000		£100,000
Sevenoaks Day Nursery	Tbc		£100,000
			£1,000,000

304. Sevenoaks Town Football Club

The Sevenoaks Town Football Club currently operated on a one year rolling lease from Sevenoaks Town Council and now required more security in tenure to progress with its development plans.

RESOLVED: The following was proposed by Cllr Parry, seconded by Cllr Clayton and agreed unanimously:-

- i) To grant a 10 year licence / lease to Sevenoaks Town Football Club for pitches 1 and 2 at Greatness Recreation Ground, based on the Town Council's current lease policy;
- ii) To grant a 10 year licence / lease to Sevenoaks Town Football Club for the Pavilion at Greatness Recreation Ground, based on the Town Council's current lease policy and subject to provision of the Town Council's project for an accessibly public toilet.
- iii) To invite the Sevenoaks Town Football Club to put forward a credible case in the future for an investment plan requiring a long lease.
- iv) To delegate to the Chairman of Finance and General Purposes and the Town Clerk to progress i), ii) and iii).

305. Sub Committees

RESOLVED: To note the following:-

- i) Youth Council Minutes of the Annual General Meeting held on 12th October. The Mayor apologised for not being able to attend and hoped to attend the next meeting. Cllr Hogarth stated that at a recent meeting with Trinity School they expressed their wish to be involved.
- ii) Youth Services Committee due to be held on 21st September 2016 did not take place as it was inquorate.
- iii) Community Centre User Group Minutes of the meeting held on 10th August 2016. It was noted that the meeting scheduled for 3rd November 2016 would not be taking place.

306. Finance Reports

RESOLVED: It was unanimously agreed to accept the following financial reports and that the Responsible Finance Officer would review the economically viable minimum charge for credit card machines:-

- i) Statement of Accounts
To 31st August 2016 and to 30th September 2016 and the Responsible Financial Officer's report relating to Variance Analysis.
- ii) Suppliers Accounts
1st August 2016 – 30th September 2016 totalling £51,789.28
- iii) Payroll Account
Payments listed in the schedule 1st August to 30th September 2016 totalling £58,373.60
To confirm Member Allowances for 2016/17 have been communicated and would be paid.
- iv) Petty Cash Account
Payments from the account listed in the schedules 1st August to 30th September 2016 totalling £534.32
- v) Internal Audit
Letter dated 21st September 2016 relating to the first internal audit visit for 2016/17.

- vi) Financial Regulations
The updated Financial Regulations to fall in line with the National Association of Local Councils model regulations and to include reference to changes in procurement legislation. To be attached to Minutes.
- vii) Hospitality and Gifts Register
To note the hospitality or gifts received by employees during the period from 1st August to 30th September 2016.

307. Draft Revenue Estimates and Rolling Capital Programme

RESOLVED: To note the Draft Revenue Estimates and Rolling Capital Programme would be presented to the Finance & General Purposes Committee meeting on 28th November 2016.

308. Christmas Lights Switch On 2016

The Town Clerk provided a verbal report stating that all arrangements were in place for the Christmas Lights Switch On event to take place as normal on the last Friday of November which would be 25th November 2016.

It was also noted that a smaller event would be held at Hollybush Shops on Thursday 24th November 2016.

Town Council officers had worked hard to increase donations from local businesses and this had proved to be most successful. Significant donations had been received from Specsavers £2,500, Conway £10,000 and Deliveroo £1,000.

The generous donation from Conway had enabled the Town Council to purchase the additional new Christmas Lights which had previously been identified and discussed at the Community Infrastructure Committee.

309. Sevenoaks Town Partnership

RESOLVED:

- i) To note the Annual General Meeting Minutes of the Sevenoaks Town Partnership held on 5th October 2016.
- ii) To agree to contributing £2,000 towards the one off cost of £4,000 for the installation of an Information Screen in Sevenoaks Mainline Station. It was noted that the Stag had agreed to pay £1,000 and £1,000 would be met from Sevenoaks Town Partnership funds.

310. Financial Queries from Open Spaces & Leisure Committee held on 17th October 2016.

The Responsible Financial Officer had circulate a report with the agenda providing details of the queries raised at the Open Spaces & Leisure Committee.

RESOLVED: To note the report.

311. NALC Larger Local Council Committee

RESOLVED: To note that Cllr Parry had been elected to the NALC Larger Local Council Committee.

312. DCLG: 2017/18 Local Government Finance Settlement Technical Consultation Paper

RESOLVED: To note Sevenoaks Town Council's response to the Technical Consultation Paper in relation to the recommendation for referendum for Town and Parish Council's increase to Precepts.

313. Community Infrastructure Levy (CIL) October 2016 Receipt

RESOLVED: To note the receipt and agree the expenditure as follows relating to the CIL payment:-

	Date	CIL Payment	Community Infrastructure project expenditure
1	October 2015	£22,667.50	£7,365 Buckhurst Play Area Equipment £15,302.50 Stag
2	April 2016	£7,171.88	Surfacing of Buckhurst Lane Play Area
3	October 2016	£60,783.44	£33,000 Vine Pavilion Roof (subject to clarification for infrastructure spending) £27,783 Greatness Rec. Public Toilets
	Total	£90,622.82	

314. Current Matters and Priorities

RESOLVED:

- i) To note the report relating to updates of current matters and priorities as distributed with the agenda.
- ii) To note that Linden Chase had been recognised as a Public Right of Way.
- iii) Following the notification that the developers for the Raleys scheme had received planning permission it was agreed given that it was very unlikely that there would be a judicial review, due to no objections having been

received that the Town Council appoint the professional team for the Bat & Ball Centre and start to progress the project.

RESOLVED under the Public Bodies (Admission of Meetings) Act 1960 to exclude the public and press for the following item by reason of the confidential nature of the business.

315. House in the Basement (HitB) Youth Café

It was noted that the Town Council had not been successful in winning the KCC Commissioning bid for youth services in the Sevenoaks District. The contract had been awarded to West Kent Extra and the Town Council awaited news relating to the organisations intentions for delivery and how this could involve House in the Basement Youth Café.

RESOLVED:

- i) HitB continues to operate as present until the end of the financial year, 31st March 2017 at a cost of £16,300. Costs to be met from £10,000 Youth Outreach Reserves, £6,000 from 2016 / 17 Other Youth Creditors in reserve (balances from unspent grants).
- ii) Sevenoaks Town Council funds from the 2017 / 18 budget two evenings per week from the precept, reallocating £10,000 funds from Youth Outreach to HitB Youth Café.
- iii) Potential partners, including West Kent Extra be approached for interest in operating additional sessions at their cost.
- iv) Sevenoaks Town Council work towards providing additional session at HitB Youth Café by the following means – a) Grants and Sponsorship, b) Income generating provision e.g. after schools or school holiday clubs and c) Hire Income.

There being no further business the Chairman closed the meeting.

Signed
Chairman

Dated

SEVENOAKS TOWN COUNCIL

FINANCIAL REGULATIONS

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1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for Members and officers. Financial regulations must be observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council.
- 1.9. The RFO;
 - acts under the policy direction of the Council;
 - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the Council its accounting records and accounting control systems;

- ensures the accounting control systems are observed;
 - maintains the accounting records of the Council up to date in accordance with proper practices;
 - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the Council; and
 - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (Council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.

1.14. In addition the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £5,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Town Clerks (SLCC).

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. 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.
- 2.2. 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.
- 2.3. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or Member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.4. 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.
- 2.5. The internal auditor shall:
- be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of 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.
- 2.6. 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.
- 2.7. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

- 2.8. 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.
- 2.9. The RFO shall, without undue delay, bring to the attention of the Finance & General Purposes Committee any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. Each committee (in consultation with the Responsible Finance Officer) shall review its three year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposals for revising the forecast.
- 3.2. The RFO (in consultation with the Town Clerk) must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance & General Purposes Committee. In turn, the Committee shall consider these estimates and submit recommendations to the Council no later than the end of January each year and shall recommend the Precept to be levied for the ensuing financial year.
- 3.3. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. 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 end of January each year. The RFO shall issue the precept to the billing authority and shall supply each Member with a copy of the approved annual budget.
- 3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved committee budget. This authority is to be determined by:

- the Council for all items over [£5,000];
- a duly delegated committee of the Council for items over [£500]; or
- the Town Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items up to [£5000].

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. In cases of extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council which in the Town Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of [£5,000]. The Town Clerk shall report such action to the chairman as soon as possible and to the Council as soon as practicable thereafter.

4.6. For delegated decisions exceeding £5,000, or decisions where the effect is to grant a permission or license or affect the right of an individual, written records of the date, decision, alternative options considered, and associated background papers are retained in a file available to the public for 6 years.

- 4.7. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained. A proposal to incur expenditure, which is not included in the budget or is in excess of the budget, shall be promptly drawn to the attention of the Finance and General Purposes Committee for approval. Following approval, this may be funded from existing reserves and if deemed appropriate, added to any future Precept.
- 4.8. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.9. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget.
- 4.10. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. All accounts will be clearly identified with Sevenoaks Town Council as part of the title. Arrangement shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO shall be authorised to maintain bank accounts with financial institutions that have been approved by the Finance and General Purposes Committee and that he/she considers necessary for the Council's financial administration. No account may be opened or closed without the prior approval of the Finance and General Purposes Committee and the Town Clerk.
- 5.3. No monies shall be paid out of or transferred to or from any account without the authority of the Town Clerk, his/her authorised Deputy or the Responsible Finance Officer.
- 5.4. All bank payment instructions shall be ordered and issued only on the authority of the Town Clerk, his/her designated Deputy or the Responsible Finance Officer and only when they are satisfied that the appropriate checks per below have been satisfactorily carried out.

- All bank payment instructions shall show a designated space for two signatories authorised by the Finance and General Purposes Committee.
 - All cheques shall be issued in sequential order and not more than two books of cheques per account shall be in use at any one time.
 - All cheques/cash received shall be banked at the earliest opportunity and at the very least within 5 working days of receipt.
 - A register of cheques/cash received shall be maintained at the point of receipt by a Member of the Finance team and compared to the paying in book by a different Member of the Finance team on a regular basis.
 - Bank reconciliations shall be performed promptly on a monthly basis and reviewed by the Responsible Finance Officer and Town Clerk.
- 5.5. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
- 5.6. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, by the next available Council [or Finance & General Purposes Committee] meeting.
- 5.7. For each financial year the Town Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Council [,or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council [or Finance & General Purposes Committee].
- 5.8. A record of regular payments made under 5.7 above shall be drawn up and be signed by two Members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.9. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.10. 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.

- 5.11. The Council will aim to rotate the duties of Members in these Regulations so that onerous duties are shared out as evenly as possible over time.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The Council will make safe and efficient arrangements for the making of its payments. All payments shall be effected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with these regulations

- 6.2. Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Town Clerk or RFO shall give instruction that a payment shall be made.

For all payments other than petty cash:

- All invoices must be authorised by two Members of the Council
 - two bank signatories must review the supporting documentation and sign/initial the invoices to evidence their review prior to payment.
 - Invoices for £5,000 or more must additionally be authorised prior to payment by at least one Member of the Council.
 - Invoices below 5,000 may be authorised post payment by two Members of the Council
- 6.3. All invoice claims and accounts for payment shall be examined, verified and certified by the RFO with a counter signature from a Manager when applicable.
- 6.4. Before certifying the invoice, the RFO and the applicable Manager shall satisfy him/herself that:
- a. the work, goods or services to which the account relates have been received, carried out, examined and approved.
 - b. The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.
 - c. The relevant expenditure has been properly incurred, and is within the relevant estimated provisions.
 - d. The account has not been previously passed for payment and is a proper liability of the Council.
- 6.5. Certification of an invoice shall imply that the above mentioned checks have been applied to the satisfaction of the certifying Officer and Manager, that the Standing

Orders with regard to contracts have been complied with in full and that the expenditure was necessary for the purpose of the expenditure heading thereon.

- 6.6. Duly certified invoice shall be passed to the Finance Department who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure heading, if not already done so by the certifying Officer or Manager.
- 6.7. The Finance team will take all possible steps to settle invoices submitted, and which are in order, within the period stipulated in the suppliers' terms of trade and wherever a discount is offered for prompt or early settlement, he/she shall ensure that the discount is taken.
- 6.8. Approval of payments by cheque must be evidenced by two bank signatories initialling the cheque stubs. Approval of BACS/internet payments shall be evidenced by two bank signatories initialling computer generated payments listings.

A Member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

- 6.9. Payment for utility supplies (energy, telephone and water), any National Non-Domestic Rates and any other main service providers may be made by variable Direct Debit provided that the instructions are signed by two bank signatories and reported to the Finance and General Purposes Committee on the Schedule of payments referred to in Regulation 5. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 6.10. If thought appropriate by the Responsible Finance Officer, payment for certain items may be made by Banker's Standing Order provided that the instructions are signed by two bank signatories and reported to the Finance and General Purposes Committee on the Schedule of payments referred to in Regulation 5.15. All Standing Orders are to be reviewed and reapproved at least every 2 years.
- 6.11. The final authorisation for internet payments shall be made by any two Officers on the bank mandate to include the Town Clerk, Deputy or Assistant Town Clerk or Responsible Finance Officer.
- 6.12. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and must be retained as supporting evidence. A programme of regular checks of standing data with suppliers will be followed.
- 6.13. Any corporate credit card account opened by the Council will be specifically restricted to use by the Town Clerk, his/her Deputy or Assistant or the Responsible Finance Officer and shall be subject to automatic payment in full at

each month end. Other Members of the Finance team will have access to the corporate credit card for making payments on line or over the telephone but only upon instructions from either the Town Clerk, his/her Deputy or Assistant or the Responsible Finance Officer. Officers' personal credit or debit card should not be used. Continuous payment authorities whereby regular payments are charged to the corporate credit card may be established where required (e.g. for mobile phone/iPad/Adobe software contracts) provided that the authorities are approved by two bank signatories and reported to the Finance and General Purposes Committee on the Schedule of payments referred to in Regulation 5

- 6.14. A Schedule summarising all the payments made shall be prepared by the Finance team and reviewed by the Responsible Finance Officer each month and presented at the next available Finance and General Purposes Committee meeting for formal approval and authorisation.
- 6.15. Cards and card readers for the purposes of internet banking payments shall be PIN and password protected and kept in the safe when not in use. Passwords shall be changed regularly. No employee, bank signatory or Councillor shall disclose any personal identification number (PIN) or other password relevant to the working of the Council or its bank accounts to any person not authorised in writing by the Council or Finance and General Purposes Committee. Access to any internet banking accounts will be directly to the access page, and not through a search engine or email link. Remembered or saved passwords facilities should not be used on any computer.
- 6.16. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee.
- 6.17. 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.
- 6.18. 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.
- 6.19. Where internet banking arrangements are made with any bank, the 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.
- 6.20. 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.

- 6.21. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. The total aggregate amount of petty cash float across all committees must not exceed £1,000.
- a) Vouchers for payments made shall be forwarded to the Finance Department with a claim for reimbursement.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Cheque payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above. The schedule shall be accompanied by a breakdown of the expenditure incurred since the last payment
 - d) Petty cash reconciliation of movements shall be prepared by a designated Member of the Finance team and reviewed by the RFO on a regular basis (at least quarterly) prior to presentation at the next available Finance & General Purposes Committee meeting for formal approval and authorisation.

7. PAYMENT OF SALARIES

- 7.1. 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.
- 7.2. 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.
- 7.3. Payments shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).
- 7.4. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Town Clerk, Council or Personnel committee.

- 7.5. The Town Clerk or his/her authorised Deputy shall notify the Finance Department of all relevant information for the purpose of keeping the above records i.e. appointments, resignations, dismissals, absence through sickness or other reason. All new appointments must be approved by the Chair of Personnel Committee.
- 7.6. 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 (confidential cash book). 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.
- 7.7. The total of such payments in each calendar month shall be reported to the Finance and General Purposes Committee (for formal authorisation and approval) with all other payments as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.8. An effective system of personal performance management should be maintained for the senior officers.
- 7.9. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.10. Before employing interim staff the Council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full

Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.

- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.4. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained by the Finance department in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

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 Finance Department and the RFO shall ultimately be responsible for the collection of all accounts due to the Council.
- 9.3. The Council will review all fees and charges at least annually, following a report of the Town Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Finance & General purposes Committee and shall be written off in the year.
- 9.5. All sums received on behalf of the Council shall be forwarded to the Finance Department, and banked intact on a weekly basis (or soon after) by a Member of staff as directed by the RFO. In between banking, all receipts shall be deposited in the safe, recorded on the safe contents listing and a Member of the Finance team notified.
- 9.6. The origin of each receipt shall be entered in the banking book.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Approved grants shall be notified to the Finance Department upon approval in order that an up to date grants register can be maintained.

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 shall be retained.
- 10.2. Order books shall be controlled by the RFO.
- 10.3. All Members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4. A Member may not issue an official order or make any contract on behalf of the Council.
- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

11.1. Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone 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 additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Town Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of the Finance & General Purposes Committee); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations¹.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

¹ The Regulations require Councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Town 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 Town Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one Member of Council.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders[], ³ [insert reference of the Council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 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) the Town Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Town Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

³ Based on NALC's model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

12. [PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)]

- 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 (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 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 Town Clerk to the contractor in writing, the appropriate committee being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

- 13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council and shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2. The RFO shall ultimately be responsible for the maintenance of an accurate Fixed Asset Register of the Council's plant, equipment and machinery recording the location, purchase details, serial number and other distinguishing features, and disposal details of all such assets with an original cost of £1,000 or more. In addition, all chattels with an original cost of £250 or more are to be recorded in the Fixed Asset Register.
- 14.3. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets. Managers will be provided with a copy of their department's fixed asset register annually to verify existence of assets within their control.
- 14.4. The Responsible Finance Officer shall ensure that Council property is properly and fully insured, subject to an agreed excess, against material damage and loss, and shall review replacement values at least annually to ensure that adequate cover is maintained.
- 14.5. No property shall be sold, leased or otherwise disposed of without the prior approval of the Town Clerk, his/her Deputy or the Responsible Finance Officer save where the estimated value of any one item does not exceed £1,000.
- 14.6. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed [£1,000].
- 14.7. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.8. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 14.9. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a full business case.

15. INSURANCE

- 15.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers [in consultation with the Town Clerk].
- 15.2. The Town 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, and shall report these to Council at the next available meeting.
- 15.5. All appropriate Members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the Council, or duly delegated committee.

16. CHARITIES

- 16.1. Where the Council is sole managing trustee of a charitable body the Town Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Town Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.]

17. RISK MANAGEMENT

- 17.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk [with the RFO] shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 17.2. When considering any new activity, the Town Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town 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.
- 18.2. 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.