

## TENBURY TOWN COUNCIL 2013/14 FS07

# FINANCE & STAFFING

Minutes of the **FINANCE AND STAFFING GROUP** meeting held on **Monday 31<sup>st</sup> March 2014 at 7:30 pm** in the Pump Rooms, Teme Street, Tenbury Wells

**PRESENT:** Cllr G. Price (Mayor), Cllr M. Willis (Chair), Cllr E. Weston (Deputy Chair), Cllr S. Bowkett, Cllr S. Corfield, Cllr J. Morgan

**APOLOGIES:** Cllr J. da Costa, Cllr E. Hudson

**IN ATTENDANCE:** Town Clerk

### **7.1 Apologies. To consider the acceptance of apologies for absence from Councillors**

Apologies had been received from Cllr da Costa and Cllr Hudson.

**RESOLVED** that apologies be accepted.

### **7.2 Declarations of Interest.**

None

### **7.3 To approve as a true and accurate record the resolutions and Minutes of the previous meeting held on 24<sup>th</sup> February 2014.**

The Minutes of the previous meeting held on 24<sup>th</sup> February 2014 were approved and signed by the Chairman as a true and correct record of proceedings.

### **7.4 To review the budget for the year and the Council's financial position at the end of the financial year.**

Attached Appendix A

**RESOLVED** that the budget position to end of year be approved.

### **7.5 To approve the Monthly Accounts for March 2014 and the Outstanding Accounts for April 2014 for recommendation to Full Council.**

Attached Appendix B.

**RESOLVED** that the Monthly Accounts to March 2014 and any Outstanding Accounts for April 2014 be approved and so presented for ratification by Full Council.

### **7.6 To consider new NALC Financial Regulations for recommendation to Full Council**

Members considered the new regulations in close detail and discussed the various spending limits to be set. The regulations were amended as attached at Appendix C and it was proposed that they be recommended to Full Council for approval and adoption. Members noted that the new regulations would require some alterations to reporting of financial information by the RFO and that more verification would be necessary from members. They felt these tasks should rest with members of the Finance Committee and that this should be formalised at the first meeting of the new Committee each year.

**RESOLVED** that Financial Regulations as attached at Appendix C be recommended for approval by Full Council.

### **7.7 To consider amendments to Banking arrangements allowing for use of online banking for recommendation to Full Council in light of the Repeal of s.150 (5) of the Local Government Act 1972 brought about by Legislative Reform Order dated 13/03/14.**

Members considered the changes brought about by the LRO which were enshrined in the new Financial Regulations considered at Item 7.6. The Clerk explained that the ability to use internet banking would save on account fees and postage fees currently incurred with the use of cheques. Members agreed that the simplest solution is for the Clerk/RFO to be mandated to set up and make payments via internet banking on behalf of the Council. A control mechanism whereby the Clerk/RFO would **not** be authorised to process any payment until a list of payments to be made had been agreed and signed off by two Councillors. This would give the same level of control as the current arrangements for cheque signing but would be a lot less onerous with only one signature required for multiple transactions. Making of any payments without authorisation would be deemed as gross misconduct by the Clerk/RFO unless very good reason could be given. The signed-off payments would then be reported to the Finance Committee

meeting under a regular agenda item "To confirm payments authorised from Council bank accounts". This would demonstrate that payments are being authorised correctly. The signed off authorisations would be included in the minutes. The new requirement in Financial Regulations para 2.2 for a member to verify bank reconciliations will further verify the payments by cross checking the signed-off payment authorisations against the bank statement. This to be done monthly and reported at each Finance Committee meeting.

As new Financial Regulations also state that no personal cards may be used to make payments on behalf of the council members proposed that a Company Barclaycard be applied for in the name of the Clerk/RFO. It was felt that this would be better than a debit card because it would offer insurance protection on purchases and could be set up to have any balance cleared in full each month so as to avoid any charges. The card would be free for the first 12 months but cost £32 per annum thereafter. Payments to be made on the card would also require signed authorisation by two Councillors before any transaction was made and would be subject to the same verification procedures as online payments on a monthly basis.

**RESOLVED** that it be recommended to Full Council that the Town Council approves the use of full online banking services; that the Clerk be authorised as Service Administrator for all of the Council bank accounts online; and that a Company Barclaycard should also be taken out. All transactions to be subject to authorisation being signed by two members of the Council and reported back to the Finance Committee as soon as practicable. All transactions to be further verified by monthly bank reconciliation and reported accordingly to the Finance Committee.

**7.8 To report the use of delegated powers to appoint a Relief Groundsman.**

Members noted that Cllr da Costa, Cllr Weston and the Clerk had used delegated powers to appoint Mr John Jefferies to this post.

**7.9 Correspondence**

None

**7.10 Councillors' reports and items for future agenda**

None

**7.11 Exclusion of the Press and Public.**

**RESOLVED** that the press and public be excluded from the meeting during consideration of the following items of business because it is likely that in view of the nature of the business to be transacted, there would be disclosure of exempt information, as defined in Section 100(l) of the Local Government Act 1972:-

**7.12 To consider quotations for removal of trees at the Burgage.**

Members considered quotations received from four companies against the Request for Quotation which the Clerk had sent out to 10 local tree surgeons. Members agreed that the quotation received from Adrian Hope Tree Services Ltd was the most competitive and should be recommended for approval by Full Council.

**RESOLVED** to recommend the quotation from Adrian Hope Tree Services Ltd for approval by Full Council.

Meeting closed at 9:45 pm

Signed .....

Dated .....

PREMISES									PREMISES						
EXPENDITURE	ORIGINAL BUDGET	Re Forecast Budget 04/10/13	Carried over From RESERVES	Total Budgeted Spend	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE	INCOME	BUDGET	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE	
Property Running Costs	2013-14	2013-14	2013-14	2013-14	Jan-14	Feb-14	Mar-14			2013-14	Jan-14	Feb-14	Mar-14		
<b>Pump Rooms</b>									<b>Pump Rooms</b>						
Gas	2000	1800		1800	646.76	646.76	1,147.32	64%	Bookings	5600	2,912.50	3,733.00	4,170.00	74%	
Electricity	660	860	300	1160	810.82	810.82	1,058.09	91%							
Water	300	300		300											
Rates	3100	3100		3100	2,956.80	2,956.80	2,956.80	95%							
Building Maintenance	2000	2000	600	2600	407.87	407.87	407.87	16%							
Fire Extinguishers/Alarm	600	600		600	398.44	398.44	398.44	66%							
Electrical Maintenance/Checks	200	200	345	545	116.45	116.45	116.45	21%							
Boiler Maintenance	200	200		200	157.00	157.00	157.00	79%							
Cleaning Materials/Disposables	50	50		50	33.36	33.36	33.36	67%							
Fountain/Bath Restoration incl Reserv	500														
Wedding License	500	500		500	500.00	500.00	500.00	100%							
	<b>10110</b>	<b>9610</b>	<b>1245</b>	<b>10855</b>	6027.50	6027.50	6775.33	62%		5600	2912.50	3733.00	4170.00	74%	
<b>Regal</b>									<b>Regal &amp; C.Centre</b>						
Building Maintenance	1500	1500	3500	5000	4,054.78	4,054.78	5,066.62	101%							
On going support fund	2500	2500		2500	2,500.00	2,500.00	2,500.00	100%	Rent	4400	4,033.00	4,400.00	4,400.00	100%	
RTT Grant Donation	10000	10000		10000	10,000.00	10,000.00	10,000.00	100%							
	<b>14000</b>	<b>14000</b>	<b>3500</b>	<b>17500</b>	16554.78	16554.78	17566.62	100%		4400					
<b>Pavilion &amp; Groundsmans Shed</b>															
Electricity	1100	1100		1100	373.64	673.58	673.58	61%							
Water	200	200		200	90.72	90.72	90.72	45%							
Rates	400	400		400	323.40	323.40	323.40	81%							
Building Maintenance	500	500	200	700	685.67	685.67	685.67	98%							
Electrical Maintenance	300	300	160	460	452.92	452.92	452.92	98%							
Pavilion Roof Maintenance	1000	1000		1000											
	<b>3,500.00</b>	<b>3,500.00</b>	<b>360.00</b>	<b>3,860.00</b>	1,926.35	2,226.29	2,226.29	58%							
<b>Changing Rooms</b>															
Electricity	550	550		550	377.41	461.00	461.00	84%	Changing Rooms Meter	400	160.00	160.00	160.00	40%	
Water	200	200		200	112.02	112.02	112.02	56%							
Building Maintenance	250	250	250	500	492.70	492.70	492.70	99%							
Electrical Maintenance	150	150		150	129.00	129.00	129.00	86%							
	<b>1,150.00</b>	<b>1,150.00</b>	<b>250.00</b>	<b>1,400.00</b>	1,111.13	1,194.72	1,194.72	85%		400					
<b>Old Mortuary</b>															
Building Maintenance	1000	1000		1000	774.82	774.82	774.82	77%	Mortuary Rent	150					
Old Mortuary Renovation	2000	2000		2000	2,000.00	2,000.00	2,000.00	100%							
	<b>3,000.00</b>	<b>3,000.00</b>	<b>-</b>	<b>3,000.00</b>	2,774.82	2,774.82	2,774.82	92%		150					
	<b>31,760.00</b>	<b>31,260.00</b>	<b>5,355.00</b>	<b>36,615.00</b>	<b>28,394.58</b>	<b>28,778.11</b>	<b>30,537.78</b>	<b>83%</b>							
<b>Contingency Fund</b>	1000	1000		1000	3.00										
<b>PREMISES TOTAL</b>	<b>32,760.00</b>	<b>32,260.00</b>	<b>5,355.00</b>	<b>37,615.00</b>	28,397.58	28,778.11	30,537.78	81%	<b>PREMISES TOTAL</b>	10550	7106	8293	8730	83%	

AMENITIES									AMENITIES					
EXPENDITURE	ORIGINAL BUDGET	Re Forecast Budget	Carried over From RESERVES	Total Budgeted Spend	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE	INCOME	BUDGET	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE
Property Running Costs	2013-14	2013-14	2013-14	2013-14	Jan-14	Feb-14	Mar-14			2013-14	Jan-14	Feb-14	Mar-14	
<b>Bowling Green</b>														
Treatment & Scarifying	1500	1500		1500	120.00	120.00	187.50	13%	Bowling Club	550	550.00	550.00	550.00	100%
									Bowling League	550	550.00	550.00	550.00	100%
									Pay per Use Fees					
	<b>1,500.00</b>	<b>1,500.00</b>	-	<b>1,500.00</b>	120.00	120.00	187.50	13%		1100	1,100.00	1,100.00	1,100.00	100%
<b>Tennis Courts</b>														
Repair & Resurface	1000	4000		4000	2,007.08	2,007.08	2,066.08	52%	Tennis Club Fees	939	963.00	963.00	963.00	103%
Tennis Court Path	500	500	250.00	750			722.65	96%	Pay per Use Fees	250	88.20	88.20	88.20	35%
	<b>1,500.00</b>	<b>4,500.00</b>	<b>250.00</b>	<b>4,750.00</b>	2,007.08	2,007.08	2,788.73	59%		1189	1,051.20	1,051.20	1,051.20	88%
<b>Burgage</b>														
Grass Cutting	1900	1900		1900	1,868.85	1,868.85	1,868.85	98%	Bonfire	120				
Kyre Bank Strimming	800	800		800	300.00	300.00	300.00	38%						
Play Area	500	500		500					Car Boot Sales	600	600.00	600.00	600.00	100%
Shrubs & Flowers	500	500		500			44.00	9%						
Japanese Knotweed	500	500		500	500.00	500.00	500.00	100%						
Premises License	100	100		100										
Honeycomb Grid for Access	2000													
New Play Area Fund	2000	2000		2000	2,000.00	2,000.00	2,000.00	100%		720	600.00	600.00	600.00	83%
	<b>8,300.00</b>	<b>6,300.00</b>	-	<b>6,300.00</b>	2,668.85	2,668.85	2,712.85	43%						
<b>Palmers</b>									Football Club	967	735.75	735.75	735.75	76%
Grass Cutting	1900	1900		1900	1868.85	1868.85	1868.85	98%	Rugby Club	600	299.00	600.00	600.00	100%
Hedge Cutting	100	100		100	50.00	50.00	50.00	50%	May Fair	735	735.00	735.00	735.00	100%
Car Park Rates	4300	4300		4300	4158.00	4158.00	4158.00	97%	Scout Hut	5	5.00	5.00	5.00	100%
Repainting of Carpark Lines	1000	1000		1000					Skip Rent, annual.		450.00	450.00	450.00	100%
	<b>7,300.00</b>	<b>7,300.00</b>	-	<b>7,300.00</b>	6,076.85	6,076.85	6,076.85	83%		2307	2,224.75	2,525.75	2,525.75	109%
<b>General Costs</b>														
Groundsman Tools	300	300	100	400	315.15	315.15	334.93	84%	Cemetery charges	200	300.00	300.00	300.00	150%
Petrol/Diesel	300	300		300	118.18	118.18	118.18	39%						
Maintenance of Equipment	600	600		600	510.37	535.21	590.42	98%						
Maintenance Costs	1000	1000		1000	792.59	991.73	991.73	99%						
Tree Work	2000	2000	3000	5000	4,100.00	5,000.00	5,000.00	100%						
Groundsman Training	700	700		700	700.00	700.00	700.00	100%		200	300.00	300.00	300.00	150%
	<b>4,900.00</b>	<b>4,900.00</b>	<b>3,100.00</b>	<b>8,000.00</b>	6,536.29	7,660.27	7,735.26	97%						
	<b>23,500.00</b>	<b>24,500.00</b>	<b>3,350.00</b>	<b>27,850.00</b>	<b>17,409.07</b>	<b>18,533.05</b>	<b>19,501.19</b>	<b>70%</b>		5516	5,275.95	5,576.95	5,576.95	123%
<b>Contingency Fund</b>	1000	1000	1587.50	2587.5	1,657.50	1,727.50	1,734.88	67%						
<b>AMENITIES TOTAL</b>	<b>24,500.00</b>	<b>25,500.00</b>	<b>4,937.50</b>	<b>30,437.50</b>	19,066.57	20,260.55	21,236.07	70%	<b>AMENITIES TOTAL</b>	5516	5,275.95	5,576.95	5,576.95	123%

ADMINISTRATION				ADMINISTRATION				ADMINISTRATION						
EXPENDITURE	ORIGINAL BUDGET	Re Forecast Budget	Carried over From RESERVES	Total Budgeted Spend	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE	INCOME	BUDGET	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE
	2013-14	2013-14	2013-14	2013-14	Jan-14	Feb-14	Mar-14			2013-14	Jan-14	Feb-14	Mar-14	
Petty Cash	200	200		200	200.00	200.00	200.00	100%						
Telephone/Broadband	700	700		700	503.28	509.28	574.35	82%						
Stationery & Misc.	450	350		350	334.02	334.02	338.38	97%						
Photocopying	450	550	150	700	534.67	624.97	624.97	89%						
Lone Worker Alarm	150	150		150	135.60	135.60	135.60	90%						
Computer & software	400	400	-150	250	184.58	184.58	184.58	74%						
	<b>2350</b>	<b>2350</b>		<b>2350</b>	1892.15	1988.45	2057.88	88%						
<b>Council Running Costs</b>														
Audit etc.	1800	1800		1800	1,000.00	1,000.00	1,000.00	56%	Recovered VAT	9000	3,801.34	3,801.34	5,491.64	61%
Internal Auditors Fee	200	200		200	150.00	150.00	150.00	75%	Wayleaves		55.24	55.24	55.24	
Elections	700	700		700	700.00	700.00	700.00	100%			5.00	5.00	5.00	
Fees (Legal)	1000	1000		1000	796.00	796.00	796.00	80%	Interest on A/Cs	20	4.30	4.30	4.30	22%
Memberships CALC/SLCC	1200	1200		1200	1,201.94	1,201.94	1,201.94	100%	Hereford and Worcester A	10				
Training Courses	500	500		500		165.00	165.00	33%						
Travel Allowances	200	200		200										
Insurance (all buildings)	8000	5500		5500	5,270.51	5,270.51	5,270.51	96%						
Employers Nat.Ins	4500	4500		4500	3,106.57	3,106.57	4,163.90	93%						
	<b>18100</b>	<b>15600</b>		<b>15600</b>	12225.02	12390.02	13447.35	86%		9030	3865.876	3865.876	5556.184	62%
<b>Community Services</b>														
Street Lighting	2500	2500		2500	1,656.21	1,656.21	1,656.21	66%						
Car Park Maintenance (Long term)	4000	4000		4000	4,000.00	4,000.00	4,000.00	100%						
Bus shelter, maintenance/cleaning	400	400		400	48.00	48.00	48.00	12%						
	<b>6900</b>	<b>6900</b>		<b>6900</b>	5704.21	5704.21	5704.21	83%						
<b>Donations</b>														
Tenbury in Bloom	150	150		150	150.00	150.00	150.00	100%						
Tenbury Tourism	350	350		350	350.00	350.00	350.00	100%						
Tenbury CAB		1000		1000	1,000.00	1,000.00	1,000.00	100%						
Tenbury CoT Christmas Lights		500		500	500.00	500.00	500.00	100%						
Tenbury NILS		500		500	500.00	500.00	500.00	100%						
	<b>500</b>	<b>2500</b>		<b>2500</b>	<b>2500</b>	<b>2500</b>	<b>2500</b>	100%						
<b>Promotion</b>														
Advertising	1000	1000	100	1100	854.33	1,092.33	1,092.33	99%						
Web Site/Digital Screen	300	300	-100	200	150.00	150.00	150.00	75%						
	<b>1300</b>	<b>1300</b>		<b>1300</b>	1004.33	1,242.33	1242.33	96%						
<b>Loans</b>														
Public Works Loan Board(all loans)	4500	4500		4500	3,957.58	3,957.58	3,957.58	88%						
	<b>4500</b>	<b>4500</b>		<b>4500</b>	3957.58	3957.58	3957.58	88%						
<b>Payback Schemes</b>														
Lengthsman	3000	3000		3000	1,890.00	2,080.00	2,295.00	77%	Lengthsman	3000	1,675.00	2,080.00	2,080.00	69%
Footpaths	500	500		500		320.00	500.00	100%	Footpaths	500		500.00	500.00	100%
Rate Relief	300	300		300	144.24	144.24	144.24	48%	Rate Relief	300	144.24	144.24	144.24	48%
	<b>3800</b>	<b>3800</b>		<b>3800</b>	2034.24	2544.24	2939.24	77%		3800	1819.24	2724.24	2724.24	72%
Hanging Baskets	1000	1000	918	1918	1,813.50	1,813.50	1,813.50	95%	Hanging Baskets	1000				
	<b>1000</b>	<b>1000</b>	<b>918</b>	<b>1918</b>	<b>1813.5</b>	<b>1813.5</b>	<b>1813.5</b>	95%						
	<b>38,450.00</b>	<b>37,950.00</b>	<b>918.00</b>	<b>38,868.00</b>	31,131.03	32,140.33	33,662.09	87%						
<b>Contingency Fund</b>														
	1000	1000		1000	715.93	955.25	1,032.28	103%		12830	5,685.12	6,590.12	8,280.42	65%
ADMIN SUB TOTAL	<b>39,450.00</b>	<b>38,950.00</b>	<b>918.00</b>	<b>39,868.00</b>	31,846.96	33,095.58	34,694.37	87%						

EXPENDITURE	ORIGINAL BUDGET	Re Forecast Budget	Carried over From RESERVES	Total Budgeted Spend	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE	INCOME	12830	5,685.12	6,590.12	8,280.42	65%
	2013-14	2013-14	2013-14	2013-14	Jan-14	Feb-14	Mar-14			BUDGET	ACTUAL	ACTUAL	ACTUAL	% of Budget Reached TO DATE
										2013-14	Jan-14	Feb-14	Mar-14	
<b>WAGES/ALLOWANCES</b>														
Mayors Allowance	1500	1500		1500	591.00	1,050.86	1,110.86	74%						
SALARIES	60000	60000		60000	50,755.43	54,811.68	61,582.14	103%						
HLF Salaries	21000	21000		21000	15,088.76	15,088.76	15,088.76	72%						
WAGES/ALLOWANCES TOTAL	<b>61500</b>	<b>61500</b>		<b>61500.00</b>	51346.43	55862.54	62693.00	102%						
<b>ADMIN GRAND TOTAL</b>	<b>100,950</b>	<b>100,450</b>	<b>918</b>	<b>101,368.00</b>	83,193.39	88,958.12	97,387.37	96%	<b>PRECEPT</b>	129314	<b>129,314.00</b>	<b>129,314.00</b>	<b>129,314.00</b>	100%
<b>OVERVIEW</b>									<b>OVERVIEW</b>					
		Re Forecast Budget		Total Budgeted Spend										
<b>TOTALS</b>	2013/14	2013/14	2013/14	2013/14	Actual	Actual	Actual	% of Budget Reached TO DATE	<b>Year End Projected Balance Unreceived</b>	% of Budget Reached TO DATE	Actual	Actual	Actual	% of Budget Reached TO DATE
<b>EXPENDITURE</b>	<b>BUDGET</b>	<b>BUDGET</b>		<b>BUDGET</b>	Jan-14	Feb-14	Mar-14				Jan-14	Feb-14	Mar-14	
PREMISES	32760	32,260.00	5355	37615	28,397.58	28,778.11	30,537.78	81%	PREMISES	10550	<b>7,105.50</b>	<b>8,293.00</b>	<b>8,730.00</b>	83%
AMENITIES	24500	25,500	4937.5	30438	19,066.57	20,260.55	21,236.07	70%	AMENITIES	5516	<b>5,275.95</b>	<b>5,576.95</b>	<b>5,576.95</b>	123%
ADMINISTRATION	100950	100,450	918	101368	83,193.39	88,958.12	97,387.37	96%	ADMINISTRATION	12830	<b>5,685.12</b>	<b>6,590.12</b>	<b>8,280.42</b>	65%
SUBTOTAL	158210	158210	11211	169421	130,657.54	137996.78	149161.22	88%	SUBTOTAL	28896	18067	20460	22587	81%
PRECEPT									PRECEPT	129314	129314	129314	129314	100%
TOTAL	158210	158210	11211	169421	130,658	137996.78	149161.22	88%	GRAND TOTAL	158210	<b>147380.566</b>	<b>149774.066</b>	<b>151901.374</b>	97%

HLF incl Salaries

52,039.56

**Tenbury Town Council Bank Accounts Summary as at**

31/03/2014

Appendix B

Financial Year ending 31/3/14	Petty Cash	Barclays Current A/C - 023	Barclays Current A/C - 007 Savings	Barclays Re-cycling A/C - 104	Barclays HLF grant A/C - 143	WCC Deposit A/C	TOTALS
Closing balance per February Statement	10.26	4795.17	10149.39	44485.22	43055.91	946.83	103442.78
Closing balance per February Statement (cash at bank and in hand)	5.32	7005.08	8149.39	44485.22	39139.89	946.83	99731.73
							-3711.05

**TOTAL PAYMENTS FOR MARCH £ 12,654.39**

**Employment Costs for MARCH NB Not yet cleared accounts £ 4,580.05**

**Payments due in MARCH £ 8,074.34**

**CLEARED ACCOUNTS £ 4,972.45 HLF = £ 3,829.36**

Payee	Invoice No:	Ref	Total	VAT	NETT	Cheque No:	Issued	Cleared
JC Joel	1088077	Stage Curtains	3795.60	632.6	3163.00	100222	14/03	21/03
British Gas Business	66856420/1	Electricity for 47 Teme Street	33.76	0	33.76	100223	19/03	21/03
Barclays		Bank Charges - 13218023	32.20	0	32.20	DD	07/03	07/03
Barclays		Bank Charges - 63885143	8.66	0	8.66	DD	07/03	07/03
Orange		Groundsmans Phone 24/12 - 23/0	7.20	1.2	6.00	DD	10/03	10/03
Mainstream Digital Ltd	601378	Quarterly rental	70.88	11.81	59.07	DD	17/03	17/03
Barclays		Bank Charges - 13218023	28.30	0	28.30	DD	04/04	04/04
Barclays		Bank Charges - 63885143	7.87	0	7.87	DD	04/04	04/04
Shoot for the Stars		Charity Funds raised by the Mayor	400.00	0	400.00	102161	17/03	31/03
Stourport Town Council		2 Tickets for Mayor's Charity Ball -	60.00	0	60.00	102163	18/03	24/03
Mr C. Bunn		Lengthsman for February	215.00	0	215.00	102164	18/03	26/03
Advantage Business Supplies Ltd	11/115627	Stapler, Quick Tac & Staples	5.23	0.87	4.36	102165	19/03	26/03
J. G. Banfield & Sons Limited	4466	Paint, Disinfectant, Bucket & Cablk	26.65	4.44	22.21	102166	19/03	24/03
A H Caldicott Bros		Scaplings, cement, Buckets & sanc	164.10	27.35	136.75	102167	19/03	21/03
G.E. Bright Electrical	48397	Removal Commercial Cooker from	36.00	6	30.00	102168	19/03	25/03
Rigby Tayor	RSIN0088436	Lawn Sand	81.00	13.5	67.50	102170	19/03	25/03

**NOT YET CLEARED ACCOUNTS £ 3,101.89 HLF = £ -**

Payee	Invoice No:	Ref	Total	VAT	NETT	Cheque No:	Issued	Cleared
Tenbury Community Pool Ltd		Charity Funds raised by the Mayor	1000.00	0	1000.00	102162	17/03	
Garden & Hire Spares Ltd	412896	Throttle Cable	23.74	3.96	19.78	102171	19/03	
Emorsgate Seeds	79311	Poppy Seeds	9.36	0.36	9.00	102171	19/03	
SLG Lighting Ltd		8W LED Diffuser	20.81	3.47	17.34	102172	26/03	
S J Parker Electrics	51	Emergency Lighting repairs	112.50	0	112.50	102173	28/03	
A H Caldicott Bros	838	Community Centre - Double Doors	986.40	164.4	822.00	102176	28/03	
Mr M Morris		Control of Moles in Cemetery	33.00	0	33.00	102177	28/03	
Tenbury Plant & Tool Hire	11687	Hire of Turf Cutter & Rotovator - P	42.00	7	35.00	102178	28/03	
Chris Holloway Engineering Serv	2072	Alteration to Stainless Steel Cooke	30.00	0	30.00	102179	28/03	
Mr P. Bevis		Footpath Maintenance 2013-14	180.00	0	180.00	102174	31/03	
RPS Grounds Maintenance	313	Construction of Footpath to Tenni	585.90	0	585.90	102180	31/03	
Dawn Worgan		Poppy Planting Refreshments	7.38	0	7.38	102181	31/03	
Hexa Sports Ltd	1959	Tennis Posts Sockets for the Tenni	70.80	11.8	59.00	102181	31/03	

**Approval for payments due in APRIL**

Payee	Invoice No:	Ref	Total	VAT	NETT	Cheque No:	Due
Malvern Hills District Council	120026651	Rates Palmers Car Park	416.00	0.00	423.00	DD	15/04
Malvern Hills District Council	101107255	Rates Pavilion Burgage	32.00	0.00	32.70	DD	15/04
Malvern Hills District Council	120048559	Rates Pump Rooms	296.00	0.00	305.40	DD	15/04
Ironmongery Direct	C01463579	Hinges Regal Front Door	450.00	75	375.00		28/04
Severn Trent	6400861353	Water Burgage	92.26	0	92.26		01/04
SLCC	2014/15	Clerk Membership Fee	207.00	0	207.00		28/04
Zurich Municipal	14337500	Insurance 2014/15	5448.05	0	5448.05		30/04
Advantage Business Supplies Ltd	11/118654	Receipt Book & Tape	18.12	3.02	15.10		30/04
Advantage Business Supplies Ltd	11/118976	Notebooks	7.71	1.28	6.43		30/04
Orange		Groundsmans Phone 24/12 - 23/0	7.20	1.2	6.00	DD	10/04
Npower		electricity Pump Rooms	259.62	12.35	247.27	DD	04/04
HMRC	Q4	Q4 NICS & TAX Jan to Mar 2014	3247.74	0	3247.74		06/04
British Gas Business		Gas	500.56	0	500.56	DD	28/04
Herefordshire Housing	SIAL/00007781	Clerk Alarm	27.56	0	27.56		14/04
Employment Costs			4500.00	0	4500.00		24/04

**CURRENTLY OUTSTANDING FOR APRIL £ 15,509.82**

**D R A F T for consideration by Council. Values are to be set by the Council when adopting Financial Regulations (other than the EU Procurement thresholds shown in Regulation 11)**

**TENBURY TOWN COUNCIL  
FINANCIAL REGULATIONS**

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These Financial Regulations were adopted by the Council at its Meeting held on **17<sup>th</sup> April 2014**

**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<sup>1</sup> 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. A breach of these Regulations by an employee is gross misconduct.
- 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. The Clerk has been appointed as RFO for this council and these regulations will apply accordingly
- 1.9. The RFO;
  - acts under the policy direction of the council;

<sup>1</sup> Model standing orders for councils are available in Local Councils Explained © 2013 National Association of Local Councils



- 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<sup>2</sup>.
- 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

<sup>2</sup> In England - Accounts and Audit (England) Regulations 2011/817  
In Wales - Accounts and Audit (Wales) Regulations 2005/368

- 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 power of well-being; 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 Clerks (SLCC) or *Governance and Accountability for Local Councils in Wales - A Practitioners' Guide*, available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

## **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. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council Finance Committee.
- 2.3. 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.
- 2.4. 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.
- 2.5. 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.
- 2.6. 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.
- 2.7. 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.

- 2.8. 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.
- 2.9. 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.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

## **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1. [Each committee (if any) 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 must each year, by no later than [October], 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 Committee for recommendation to and approval by Full Council.
- 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 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 £750; or
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £750.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the 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 [October] for the following financial year and such review shall be evidenced by a hard copy schedule signed by the 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 clerk may authorise revenue expenditure on behalf of the council which in the 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 [£1500]. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

4.6. 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.

4.7. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.8. 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 10%] of the budget.

4.9. 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. They shall be regularly reviewed for safety and efficiency. [The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council [or finance committee]. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council [or finance committee]. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

5.2. 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.

5.3. 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, at the next available council [or Finance Committee] Meeting.

5.4. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance Committee;
- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee]; or

- c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].
- 5.5. For each financial year the 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 Committee].
- 5.6. A record of regular payments made under 5.6 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.
- 5.7. 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.
- 5.8. 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.
- 5.9. 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.
- 5.10. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

## **6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS**

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council [or duly delegated Committee].
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council ,and countersigned by the Clerk, in accordance with a resolution instructing

that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.

- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. 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 [or Finance Committee] at the next convenient meeting.
- 6.7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
- 6.8. If thought appropriate by the council, payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.
- 6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

- 6.12. 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.
- 6.13. 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.
- 6.14. 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.
- 6.15. 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.
- 6.16. 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.
- 6.17. 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 supported by hard copy authority for change signed by a member. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any Debit Card issued for use will be specifically restricted to the Clerk [and the RFO] and will also be restricted to a single transaction maximum value of [£500] unless authorised by council or finance committee in writing before any order is placed.
- 6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council [finance committee]. Transactions and purchases made will be reported to the [council] [relevant committee] and authority for topping-up shall be at the discretion of the [council] [relevant committee].
- 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk [and RFO] and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- ~~6.21. 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.~~

OR

- 6.22. [The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO shall maintain as petty cash float of [£50] for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
- b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above. ]

## 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. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the [council] [relevant committee].
- 7.4. 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 (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.

- 7.5. 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.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.8. 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. The council will arrange with the council's Banks and Investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.
- 8.4. 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.
- 8.5. 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.
- 8.6. All investments of money under the control of the council shall be in the name of the council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. 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 agreed annually by the council, notified to the RFO and the RFO shall 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 Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt 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.
- 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. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting(see also Regulation 16 below ).

## 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 (I) 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 Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); 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 it is intended to enter into a contract exceeding [£60,000] 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 Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.

- c. 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.
- 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 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.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- f. If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Order[], <sup>3</sup> [insert reference of the council's 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 [£60,000] 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 Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the 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.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

<sup>3</sup> 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

- 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 council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.]

## 13. [STORES AND EQUIPMENT NOT APPLICABLE

- ~~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 Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO 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. 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 [£250].
- 14.3. 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).

- 14.4. 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).
- 14.5. Subject only to the limit set in Reg. 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.
- 14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. 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.

## 15. INSURANCE

- 15.1. Following the annual risk assessment (per Financial Regulation 17), 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, 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 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 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 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 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 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.

\* \* \*

## Notes to the Model.

Stated dates or months may be changed to suit local circumstances.

[square brackets ] This part may be deleted if not relevant. An alternative may have been provided.

Where the word “regularly” is used in the text it is for the individual council to set the required interval, monthly, quarterly, or half-yearly. This period should never exceed 12 months.

The value inserted in any of the paragraphs (other than the EU Procurement thresholds referred to in 11.1(l)) may be varied by the council and should be reviewed regularly and confirmed annually by the council.

The appropriate approved list referred to in paragraph 11.1 (b) shall be a list drawn up by the Clerk and approved by council but, normally shall be based on the list maintained by the District Council for such works.

Every effort has been made to ensure that the contents of this document are correct at time of publication. The National Association of Local Councils (NALC) cannot accept responsibility for errors, omissions and changes to information subsequent to publication.

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