



## FINANCE & GENERAL PURPOSES COMMITTEE

Notice is given of a meeting of the Finance & General Purposes Committee to be held on **Thursday 11 June 2015 at 7.45 pm** in the Parish Office

### AGENDA

- |   |   |
|---|---|
| <p>F001. <b>Apologies for absence</b></p> <p>F002. <b>Declarations of interest</b></p> <ul style="list-style-type: none"><li>a. to received declarations of interest from members on items on the agenda</li><li>b. to receive written requests for dispensations for dispensations for disclosable pecuniary interests</li><li>c. to grant any requests for dispensation as appropriate</li></ul> <p>F003. <b>Matters arising</b></p> <p>To consider matters arising from the last meeting not covered elsewhere on the agenda</p> <p>F004. <b>Minutes of the previous meeting</b></p> <p>To approve as a correct record the minutes of the meeting of the committee held on 20 April 2015</p> <p>F005. <b>Annual Return and Finances 2014/15</b></p> <p>To discuss the Annual Return 2015 and the final accounts ahead of tabling at Council on 24 June 2015.</p> <p>F006. <b>Finance 2015/16</b></p> <ul style="list-style-type: none"><li>a. To consider the financial report to date for 2015/16</li><li>b. To approve payment of accounts tabled at the meeting</li></ul> <p>F007. <b>Committee administration</b></p> <ul style="list-style-type: none"><li>a. To confirm the meeting dates for the committee for 2015/16</li><li>b. To consider items on forthcoming meetings</li><li>c. To make recommendations to Council on the draft terms of reference</li></ul> | <p><i>Minutes attached</i></p> <p><i>Papers to follow</i></p> <p><i>Papers attached</i></p> <p><i>Papers attached</i></p> |
|---|---|

|       |   |                        |
|-------|---|------------------------|
| F008. | <b>Financial Regulations review</b><br>To review and comment on version 1.0 of the proposed financial regulations | <i>Papers attached</i> |
| F009. | <b>Contract renewal</b><br>To renew the office telephone contract as detailed.                                    | <i>Papers attached</i> |
| F010. | <b>Items for Information</b><br>To receive any other applicable information                                       |                        |
| F011. | <b>Date of next meeting</b><br>To confirm the next meeting on 9 July 2015   |                        |
| F012. | <b>Closure of the meeting</b>   |                        |

Jason Mawer  
Parish Clerk

June 2015

Sound recording, photographing, filming and use of social media at meetings which are held in public are permitted. Those wishing to record proceedings at a meeting are however advised to contact the Parish Clerk as early as possible before the start of the meeting so that any special arrangements can be made.



## MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE

Held on **Wednesday 20 April 2015** at **8:00 pm** in the Parish Office

Present: Councillors Fitzwilliams (Chair), Mrs Barnard, Ms Healy and Jones.

### 1. Apologies for absence

Apologies were received from Councillor Harrison.

### 2. Declarations of interest and dispensations

There were no declarations of a personal or prejudicial interest in respect of any matter to be considered at the meeting.

### 3. Minutes of the meeting of 9 March 2015

These were approved as a correct record of the meeting.

### 4. Matters arising from the last meeting

Item 3c – Brownlow Hall – The return visit remained outstanding, but there were no immediate concerns. The Clerk asked members about payments and they recommended making the payment for the outstanding balance less 10%.

### 5. Review of monthly checks

Cllrs Mrs Barnard and Fitzwilliams had conducted the review of monthly checks earlier in the day.

The following payments were noted:

|      |                          |  |         |
|------|--------------------------|--|---------|
| 3457 | ABA (Construction) Ltd   | Play area inspections March 2015         | £104.21 |
| 3458 | Bracknell Forest Council | Type setting Wren 03/15 500 garden sacks | £324.00 |
| 3459 | IDA Independent Analysis | Neighbourhood Survey                     | £900.00 |
| 3460 | Office Depot             | Office stationery                        | £57.58  |
| 3461 | Suds Window Cleaning     | Window cleaning                          | £96.00  |
| 3462 | SLCC                     | Clerks training                          | £118.80 |
| 3463 | Bracknell Pest Control   | Replacement for cheque 3447              | £36.00  |
| 3464 | Jason Mawer              | Expenses                                 | £126.28 |
| 3645 | Sheila Collings          | Expenses                                 | £104.21 |

## Direct Debits / Standing Orders

|                          |                                |         |
|--------------------------|--------------------------------|---------|
| Bracknell Forest Council | Business rates (Parish Office) | £216.00 |
| Bracknell Forest Council | Business rates (Brownlow Hall) | £57.20  |
| SITA UK                  | Waste collections              | £180.01 |
| Mainstream Digital       | Call charges                   | £6.60   |
| British Gas              | Electricity – Parish Office    | £446.94 |
| British Gas              | Electricity – Brownlow Hall    | £569.23 |

A date for the next monthly checks was to be agreed, when the pension check would take place.

## 6. Review of end of year financial position

The Clerk presented a report outlining the position of the finances to the end of March. The following sums are still to be added to reserves carried forward to 2015/16 as identified in the precept:

|                        |                                     |
|------------------------|-------------------------------------|
| Elections              | £3,000 to give a reserve of £9,000  |
| Neighbourhood Planning | £19,843 to give reserves of £38,843 |

The Clerk advised members that election costs would £5,877.58.

The £10,102 provided in March 2015 from the Members Initiative Fund for Whitegrove Community Centre is recommended to be carried over expenditure for 2015/16. Members recommended the report to council for approval.

## 7. Arrangements for the co-option of members

A paper was circulated ahead of the meeting by the Clerk outlining a process to follow for the co-option of members to council. The process for co-option is not prescribed in law. Councils should therefore set their own process ensuring that applicants are treated alike and the arrangements are seen as fair and open. Members considered the paper and recommended approval by council to adopt the process.

## 8. Arrangements for members elected on 7 May 2015

The Clerk circulated to members ahead of the meeting a paper outlining arrangements that would or could be put in place for the new council elected on 7 May. The first section contained information that the Clerk would circulate to all members. The second concerned training and support for members and the third outlined plans for a 'vision event' to develop a plan for council for the next four years.

Members considered the training options and vision event and considered they should be put before full council, for their input on additional support they would consider. The Clerk reminded members that there would be an underspend in the election costs budget would could be used to fund members training requirements.

The Committee agreed, subject to slight rewording of the vision event to recommend the paper for approval by council.

**9. Items for Information**

As the matter of election costs had been dealt with elsewhere, there were no items for information.

**10. Date of next meeting**

The date of the next meeting was confirmed as Tuesday 5 May at 8:00pm.

**11. Closure of the meeting**

There being no further business the meeting was declared closed at 8:50pm

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|                                       |          |
|---------------------------------------|----------|
| Meeting                               |          |
| <b>Finance &amp; General Purposes</b> |          |
| Date                                  | Item no. |
| 11 June 2015                          | F006     |



|  |                            |
|--|----------------------------|
| <b>Contains confidential or exempt information</b> | None                       |
| <b>Title</b>                                       | <b>Finance</b>             |
| <b>Responsible officer</b>                         | Jason Mawer – Parish Clerk |
| <b>Report for</b>                                  | <b>Information</b>         |

## Report Summary

**This paper provides the financial report to the end of May 2015**

### 1.0 Introduction

1.1 This report provides the accounts as at 31 May 2015. These are simple accounts showing the position of all account codes as at the end of May. At this stage there is no meaningful comparable data to budget to present, it is intended that this data will be circulated in the next financial report.

### 2.0 Items to note - Income

#### 2.1 4-1000 Parish Council Income

The Council has received the expected precept and support grant monies expected at this stage from Bracknell Forest Council.

Green waste sack income currently shows as negative as a new supply of waste sacks has been paid for, but limited income (£100) has been recorded to date.

#### 2.2 4-2000 Brownlow Hall

Pre-school and regular income lines have been combined for 2015-16. Income from the Pre-school has been recorded for the summer term 2015. Income from casual hires is currently ahead of forecast.

#### 2.3 4-3000 Whitegrove CC

Pre-school and regular income lines have been combined for 2015-16. Income from the Pre-school is not yet recorded for the summer term 2015. Income levels for Whitegrove regular users are low as traditionally youth groups are invoiced termly.

#### 2.4 *Miscellaneous Income*

This is monies returned by the defunct Warfield Players.

### **3.0 Items to note – Expenditure**

#### 3.1 6-1500 Neighbourhood Planning

The main expenditure in this area relates to the independent results analysis of the recent Neighbourhood Survey conducted by the Neighbourhood Plan Steering Group.

#### 3.2 *6-3300 Wages and Salaries*

Wages and salaries are slightly under budget, although this is primarily a result of tax changes from 1 April 2015.

#### 3.3 *6-3400 Democratic Services*

The invoices for election costs have been settled. This figure is approximately £3,000 under budget, which the committee and council have indicated could be used for members training needs.

#### 3.4 *6-4000 Brownlow Hall costs*

It should be noted that the costs of the recent rent valuation exercise are shown as BH other administrative costs.

#### 3.5 *6-8000 Section 137*

The first tranche of s137 grants has been paid to organisations approved by Council at the January meeting.

### **4.0 Responsible Financial Officers comments**

4.1 There have been no unexpected costs during the reporting period. The rent review costs were not budgeted for, by this is compensated by the lower than expected additional expenditure set aside for the rent.

4.2 In preparing this paper I have reviewed the budgeted figures and will make some adjustments to payment phasing where payments are spread over the year, rather than made in one payment. I will produce actual to forecast accounts for the year to 30 June at the July meeting.

### **5.0 Recommendations**

The committee is asked to note this report.



**Warfield Parish Council**  
**Profit & Loss**  
to 31 May 2015

Apr - May 15

|  |                  |
|--|------------------|
| <b>Income</b>  |                  |
| 4-1000 · Parish Council Income (H)                   |                  |
| 4-1001 · Precept                                     | 69,790.50        |
| 4-1003 · Precept support grant                       | 1,589.50         |
| 4-1005 · Bank Account Interest                       | 3.02             |
| 4-1015 · Green Waste Bags                            | -150.00          |
| <b>Total 4-1000 · Parish Council Income (H)</b>      | <b>71,233.02</b> |
| 4-2000 · The Brownlow Hall Income (H)                |                  |
| 4-2002 · Hall Hire Regular Users                     | 3,982.00         |
| 4-2003 · The Cottage                                 | 2,388.66         |
| 4-2004 · Hall Hire Casual                            | 1,953.50         |
| <b>Total 4-2000 · The Brownlow Hall Income (H)</b>   | <b>8,324.16</b>  |
| 4-3000 · Whitegove CC Income (H)                     |                  |
| 4-3002 · Whitegove Hire Regular Users                | 638.82           |
| 4-3003 · Whitegove Hall Hire Casual                  | 119.53           |
| <b>Total 4-3000 · Whitegove CC Income (H)</b>        | <b>758.35</b>    |
| 4-5000 · Miscellaneous Income                        | 700.00           |
| <b>Total Income</b>                                  | <b>81,015.53</b> |
| <b>Gross Profit</b>                                  | <b>81,015.53</b> |
| <b>Expense</b>                                       |                  |
| 6-0000 · Expenditure                                 |                  |
| 6-1000 · Planned Expenditure                         |                  |
| 6-1030 · St Michaels PCC (graveyard)                 | 500.00           |
| 6-1039 · Vegetable take & grow                       | 60.61            |
| 6-1048 · Play Equipment                              | 102.75           |
| 6-5500 · Youth provision                             | 360.00           |
| <b>Total 6-1000 · Planned Expenditure</b>            | <b>1,023.36</b>  |
| 6-1500 · Neighbourhood Planning                      |                  |
| 6-1510 · Neighbourhood Plan                          | 851.18           |
| 6-1520 · NP group expenses                           | 44.30            |
| <b>Total 6-1500 · Neighbourhood Planning</b>         | <b>895.48</b>    |
| <b>Total 6-0000 · Expenditure</b>                    | <b>1,918.84</b>  |
| 6-3000 · Parish Council Administration               |                  |
| 6-3100 · Office overheads                            |                  |
| 6-3110 · Office Rates                                | 432.00           |
| 6-3113 · Office Electricity                          | 425.66           |
| 6-3117 · Postage                                     | 32.42            |
| 6-3122 · Office Stationery                           | 232.78           |
| 6-3125 · Other Costs                                 | 84.76            |
| 6-3135 · Office Cleaning                             | 279.15           |
| <b>Total 6-3100 · Office overheads</b>               | <b>1,486.77</b>  |
| 6-3200 · Other Administration Costs (H)              |                  |
| 6-3210 · Audit Fees                                  | 290.00           |
| 6-3220 · The Wren                                    | 74.00            |
| 6-3250 · Website                                     | 13.54            |
| 6-3275 · IT Software                                 | 51.00            |
| 6-3280 · Training                                    | 99.00            |
| <b>Total 6-3200 · Other Administration Costs (H)</b> | <b>527.54</b>    |
| 6-3300 · Wages & Salaries (H)                        |                  |
| 6-3310 · Salary                                      | 6,040.75         |
| 6-3312 · Pensions                                    | 1,458.84         |
| 6-3315 · PAYE & NI                                   | 1,203.80         |
| <b>Total 6-3300 · Wages &amp; Salaries (H)</b>       | <b>8,703.39</b>  |

**Warfield Parish Council**  
**Profit & Loss**  
to 31 May 2015

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|   | Apr - May 15            |
|---|-------------------------|
| 6-3400 · Democratic Services                        |                         |
| 6-3410 · Election costs                             | 5,922.58                |
| <b>Total 6-3400 · Democratic Services</b>           | <b>5,922.58</b>         |
| <b>Total 6-3000 · Parish Council Administration</b> | <b>16,640.28</b>        |
| 6-4000 · Brownlow Hall Costs (H)                    |                         |
| 6-4020 · Rates                                      | 111.20                  |
| 6-4040 · BH other administrative costs              | 855.95                  |
| 6-4045 · Water                                      | 142.86                  |
| 6-4060 · Heat & Light                               | 542.13                  |
| 6-4070 · Repairs and Maintenance                    | 88.37                   |
| 6-4080 · Brownlow hanging baskets                   | 288.00                  |
| 6-4090 · Hall Cleaning                              | 149.98                  |
| 6-4310 · Caretaker payroll                          | 966.51                  |
| <b>Total 6-4000 · Brownlow Hall Costs (H)</b>       | <b>3,145.00</b>         |
| 6-5000 · Whitegrove CC Costs (H)                    |                         |
| 6-5070 · Whitegrove Repairs & Maintenanc            | 647.25                  |
| 6-5090 · Whitegrove Hall Cleaning                   | 270.04                  |
| 6-5310 · Caretaker payroll                          | 797.39                  |
| <b>Total 6-5000 · Whitegrove CC Costs (H)</b>       | <b>1,714.68</b>         |
| 6-8000 · Section 137 (H)                            |                         |
| 6-8002 · 2nd Bracknell Scout Group                  | 460.00                  |
| 6-8003 · Thames Valley Air Ambulance                | 150.00                  |
| 6-8005 · Home Start                                 | 150.00                  |
| 6-8009 · Berkshire Blind Society                    | 150.00                  |
| 6-8014 · Pilgrims Trust                             | 150.00                  |
| 6-8015 · Warfield Produce Show                      | 150.00                  |
| 6-8016 · Warfield Fete                              | 1,500.00                |
| 6-8019 · Bracknell North Guides                     | 460.00                  |
| 6-8023 · Whitegrove School                          | 150.00                  |
| 6-8024 · Cruse Bereavement Care                     | 150.00                  |
| 6-8025 · Keep Mobile                                | 150.00                  |
| 6-8026 · Warfield Park                              | 500.00                  |
| 6-8027 · Memorial Ground                            | 2,500.00                |
| 6-8028 · Youthline                                  | 500.00                  |
| 6-8029 · CAB  | 500.00                  |
| <b>Total 6-8000 · Section 137 (H)</b>               | <b>7,620.00</b>         |
| <b>Total Expense</b>                                | <b>31,038.80</b>        |
| <b>Profit for the Year</b>                          | <b><u>49,976.73</u></b> |

|                                       |          |
|---------------------------------------|----------|
| Meeting                               |          |
| <b>Finance &amp; General Purposes</b> |          |
| Date                                  | Item no. |
| 11 June 2015                          | F007     |



|  |                                 |
|--|---------------------------------|
| <b>Contains confidential or exempt information</b> | None                            |
| <b>Title</b>                                       | <b>Committee Administration</b> |
| <b>Responsible officer</b>                         | Jason Mawer – Parish Clerk      |
| <b>Report for</b>                                  | <b>Action</b>                   |

### Report Summary

**This paper concerns the administration of the committee for the municipal year 2015/16. The committee is asked to consider the meeting dates, items for future meetings and its terms of reference.**

#### 1.0 Introduction

1.1 At Council on 20 May 2015 each committee was asked to confirm the dates it would meet and to feedback on its suggested terms of reference. This paper concerns these two matters and includes items that the committee may wish to consider through the year.

#### 2.0 Meeting dates

2.1 Members are asked to confirm the following dates for committee meetings. There are due to be four meetings during the municipal year.

|  |                           |
|--|---------------------------|
| Thursday 9 July 2015                       | Thursday 14 January 2016  |
| Thursday 13 August 2015                    | Thursday 11 February 2016 |
| Thursday 10 September 2015                 | Thursday 10 March 2016    |
| Thursday 8 October 2015                    | Thursday 14 April 2016    |
| Thursday 12 November 2015 (budget setting) | Thursday 12 May 2016      |
| Thursday 10 December 2015                  |                           |

Meetings will be held at 7:45pm unless advised.

### **3.0 Items for consideration during the year**

3.1 At council on 20 May, the committee was asked to review financial regulations for the council, with the intent to have a document for approval by the August meeting. The review commenced at this meeting.

3.2 The committee was also asked by council to review the following policies, identified as requiring action:

- Complaints
- Freedom of Information
- Data Protection
- Dealing with the media

These policies are required as per the newly adopted standing orders. The Clerk will prepare background papers to bring these matters before the committee over the coming months.

3.3 Following the devastating fire that affected councils in the South Oxfordshire area earlier in the year, the Clerk recently attended a meeting to look at council resilience. This falls within the remit of the committee to investigate and make recommendations to council.

### **4.0 Standing Orders**

4.1 Attached in Appendix One are the draft standing orders for the committee, which incorporate some changes suggested by Council. Council has asked each committee to consider its terms of reference and return them to Council for formal adoption. Members are asked to consider any changes its wishes to propose before the document returns to council.

### **5.0 Actions required**

1. Members confirm the committee dates as published
2. Members are asked to consider any priority items they may wish included on future meeting agendas
3. Members are asked to consider any additional changes to the terms of reference and for these changes to be incorporated ahead of consideration at the next council meeting.

# Terms of Reference 2015/16



## Finance & General Purposes Committee

*These rules are supplemental to, and do not in any way override, the Parish Council's standing orders &/or financial regulations.*

### 1. Membership of the Committee

- a. The committee shall comprise no ~~more~~ ~~more~~ -than five members of the Parish Council, to be confirmed every year at the Annual Parish Council meeting. Any changes in membership of the committee after the Annual Parish Council meeting shall be subject to approval at the next Full Council meeting.
- b. Members will serve for a one year period and be subject to re-appointment at the following Annual Parish Council meeting.
- c. A member may resign their position on the Committee by giving notice to the Parish Clerk, who will be responsible for notifying the chairman of the committee and other members.
- d. The quorum of the committee shall be three members.

### 2. Chair ~~and Vice-Chair~~

- a. A chair of the committee shall be appointed by the parish council members at the Annual Parish Council meeting from those members selected to serve on the committee.
- b. The will serve for a one year period and be eligible for re-appointment at the following Annual Parish Council meeting.
- c. If the chair of the committee should leave office part way through the year a replacement will be appointed at the next full council meeting.

### 3. Meetings

- a. Meetings will be held on a monthly basis as per the meeting schedule agreed at the annual parish council meeting.
- b. All meetings of the committee shall be public meetings, convened in accordance with the Parish Council's standing orders.

- c. Meetings will be recorded by the Parish Clerk or by another member of staff.

#### **4. Terms of Reference**

- a. The terms of reference will be reviewed annually at the parish council annual meeting.
- b. The full council may delegate additional responsibilities to the committee as required.
- c. For the purposes of delegation, the Finance & General Purposes Committee the first among equals.

#### **5. Responsibilities and duties**

- a. The committee shall be responsible for ensuring that the Council's finances and resources are managed in a responsible and prudent manner, and assessing financial, contractual and organisational risk and the impact of expenditure on the Parish Council's reserves and long-term plans on an ongoing basis.
- b. To review the year end accounts and Annual Return and recommend to Council for approval prior to submission to External Auditor.
- c. The committee shall monitor the income and expenditure of the Parish Council and its committees throughout the year, ensuring that the amounts concerned are consistent with approved budgets and that any income shortfalls or expenditure in excess of budgets will not adversely affect the Council's overall financial position.
- d. The committee shall consider budget proposals from the Parish Clerk and/or committees, and agree upon an overall budget, reserves policy and precept requirement every year subject to final approval by Full Council.
- e. To take advice from the Brownlow Hall Management Committee and Whitegrove Community Centre Management Committee on the expenditure requirements.
- f. To review annually the five year financial plans for the Brownlow Memorial Hall and the Whitegrove Community Centre.
- g. The committee shall examine the reports of internal and external auditors, ensuring that any recommendations are complied with and that any shortcomings highlighted in the reports are addressed as soon as possible.
- h. The committee shall be responsible for overseeing that risk assessments, health & safety checks and maintenance inspections are carried out, and reviewed annually, and ensure that steps are taken to remedy any shortcomings, defects or problems arising.

- i. The committee shall carry out a formal overall review of all risk and risk assessment, including risk otherwise assessed/dealt with by the Facilities committee, at least annually, ensuring that any unacceptable risks or shortcomings in assessment are addressed as soon as possible.
- j. The committee shall ensure that the Parish Council maintains adequate levels of insurance cover, reviewing the schedule of cover annually on renewal.
- k. The committee shall ensure that the Parish Council's standing orders and financial regulations are reviewed from time to time, submitting any amendments to Full Council for approval.
- l. The committee shall ensure that the Council has in place the necessary written policies.
- m. The committee shall ensure that proper records are kept of the Parish Council's properties and significant assets.
- n. The committee shall review the effectiveness of the Council's internal control and internal audit annually.
- o. To make recommendations in respect of community and other grants.
- p. To ensure the Council is meeting its obligations to HM Revenue and Customs.
- q. To advise the Council on all aspects of finance and financial policy, including the investment of both operating and capital balances and any transfers into and out of the capital fund.
- r. To oversee the running of the Parish Office and general employment issues.
- s. In addition to all of the above, the committee shall put in place whatever internal controls it considers necessary to ensure that the Council's resources are properly managed and that rules and regulations are complied with.
- t. To deal on behalf of the Parish Council with any matters of policy which do not fall clearly within the responsibilities of the other Committees or where there is any conflict between them.

## **6. General Principles**

The Committee will:-

- a. Look to provide the Parish Council's services at a cost that gives consistent good value to the parish community, commensurate with full and effective fulfilment of the Council's operational role and policy aims.

- b. Seek to ensure prudent and efficient investment management policies.
- c. With the Staffing Committee adopt positive staffing policies and ensure compliance with national conditions of service, welfare and health and safety at work legislation and any other legal requirements.
- d. As appropriate, undertake performance and systems reviews to ensure an economic, effective and efficient Parish Council.

## **7. Delegated powers**

- a. The Committee in conjunction with other committees will subject to the provisions of any leases or other legal agreements, be responsible for overseeing the maintenance, management, regulation, security and development of the parish councils facilities and ensuring that they are fit for purpose and maintained in such condition as to be safe and welcoming to hirers or visitors.
- b. The committee shall take whatever advice it deems necessary to ensure that the Council is fully aware of its legal rights and obligations.

## **8. Other considerations**

- a. All committee members will be signatories to the principal bank account and will nominate signatories for other accounts.
- b. Committee members will participate in monthly financial checks as required with the Parish Clerk.



|                                       |          |
|---------------------------------------|----------|
| Meeting                               |          |
| <b>Finance &amp; General Purposes</b> |          |
| Date                                  | Item no. |
| 11 June 2015                          | F008     |



|  |                                     |
|--|-------------------------------------|
| <b>Contains confidential or exempt information</b> | None                                |
| <b>Title</b>                                       | <b>Financial Regulations review</b> |
| <b>Responsible officer</b>                         | Jason Mawer – Parish Clerk          |
| <b>Report for</b>                                  | <b>Consideration</b>                |

### Report Summary

**This paper provides the first draft of revised financial regulations for the council.**

#### 1.0 Introduction

1.1 At the Annual meeting of the council in May, the committee was asked to review the financial regulations and make recommendations to council.

#### 2.0 Background

2.1 The Financial Regulations were reviewed ahead of the May 2014 council meeting. A new version of the model financial regulations have been produced, but has not yet been reviewed and considered by the Finance & General Purposes. The current Financial Regulations (readopted by council at the annual meeting) remain applicable but do not allow for electronic payments to be made, which the council has intention of the Council to move towards or reflect modern working practices.

2.2 A likely timescale for review would be:

May 2015 – Council asks F&GP to review model document

June 2015 – First meeting of F&GP, review begins, comments to Clerk for incorporation

July 2015 – Draft document for review by the committee

Aug 2015 – Final document produced for committee to recommend to full council

Aug 2015 – Full council review and adopt financial regulations

### **3.0 The document**

- 3.1 The document attached is Warfield Parish Councils version 1.0 of the draft regulations based upon the NALC model financial regulations of 2015. Much of the document will be familiar to members, although the layout and language used is clearer.
- 3.2 The document has been reviewed by the Clerk and where applicable changes applied, consistent with the councils existing working practices. Section 4 of this paper will highlight significant areas for discussion by the committee. It is the view of the Clerk as Responsible Financial Officer (RFO) that the document as proposed does not significantly increase the risks to the council, but would safeguard and enable the council to work in a more effective and modern way, which both the committee and council have expressed previously.

### **4.0 Draft regulations**

#### **4.1 *Section 1 General***

These paragraphs reflect a general approach to be taken and reflect the roles and responsibilities of both the RFO and the council under the regulations.

#### **4.2 *Section 2 Accounting and Audit***

These paragraphs outline the checks to be performed and the audit reporting.

#### **4.3 *Section 3 Annual Estimates***

These paragraphs outline the steps to be taken by committees, the RFO and council in preparing the budget and forward planning. This provides a good summary of the requirements and will allow the RFO to plan more effectively.

#### **4.4 *Section 4 Budgetary control***

This section has set financial limits that need to be considered carefully. The authority levels in paragraph 4.1 are taken from the model regulations. The council does not currently have set limits or grant this authority to committees, committee chairs or the RFO.

Paragraph 4.3 refers to unspent provisions not being carried forward and is clearer than the similar paragraph in the current regulations

Paragraph 4.4 of the model document details clearly the process to be followed for salary budgets.

Paragraph 4.5 the current limit for the clerk for an emergency repair is £200 going up to £500 if prior agreement is obtained. The new figure proposed reflects the increased

costs of call-outs and allows for the Clerk to authorise an immediate repair if required, rather than having to refer back to the Treasurer.

Paragraph 4.8 requires the RFO to provide explanations for budget variances of 15%. This figure was considered appropriate over 10% as some budget lines are quite small and a 10% variance would likewise be very small.

#### 4.5 *Section 5 Banking Arrangements and Authorisations*

This section outlines how banking and payments are handled. It says that payments may be authorised by either the Council or Finance & General Purposes, and outlines the steps the RFO is expected to follow.

Paragraph 5.5c sets a limit on the fund transferred that the RFO can perform between accounts, without authority. There is no limit currently set.

Paragraph 5.6 will allow for regular payments like salaries, PAYE and Business Rates to be authorised annually, subject to regular reporting.

Paragraph 5.9 reminds members of the duty under the code of conduct when authorising payments.

#### 4.6 *Section 6 Instructions for making payments*

These paragraphs outline how payments are to be authorised and made and makes provision for internet banking payments. This includes how both the RFO and members are to access these services.

Paragraph 6.15 appoints the Clerk as the service administrator for internet banking.

Paragraph 6.18 and 6.19 allow the council to authorise provision of a debit card to the Clerk for business transactions. This is a new paragraph and reflects the accepted practice that with the abundance of online activity now taking place that staff should not be using their personal debit and credit cards for business transactions.

#### 4.7 *Section 7 Payment of salaries*

These paragraphs outline how salaries and staff details should be handled.

#### 4.8 *Section 8 Loans and Investments*

These paragraphs outline how loans and investments should be handled.

#### 4.9 *Section 9 Income*

These paragraphs outline how income should be managed.

#### 4.10 *Section 10 Orders for work, goods and services*

These paragraphs reflect the current regulations with the exception of new paragraph 10.4

4.11 *Section 11 Contracts*

These paragraphs and the figures within them reflect the current regulations and there are no reasons to significantly change them.

4.12 *Section 12 Payments under contracts*

These paragraphs and the figures within them reflect the current regulations and there are no reasons to significantly change them.

4.13 *Section 13 Stores and Equipment*

These paragraphs have been left in as they are applicable.

4.14 *Section 14 Assets, Properties and Estates*

These paragraphs outline how assets are to be managed and recorded. The significant change from the current regulations is in paragraph 14.2 where the value of a moveable asset is increased from £50 to £250. This figure applies for both purchase and disposal purposes.

4.15 *Section 15 Insurance*

These paragraphs reflect the existing procedures, with the exception of paragraph 15.4 which allows members to be covered under the fidelity guarantee.

4.16 *Section 16 Charities*

This paragraph is unchanged from the existing regulations

4.17 *Section 17 Risk management*

These paragraphs make clear the responsibility of the council and RFO for the management of risk, whereas the current regulations place the councils duties on the Treasurer.

4.18 *section 18 Suspension and revision*

These paragraphs outline how the regulations are to be reviewed and how the council may make changes.

**5.0 Recommendations**

Members are asked to review the draft regulations and feedback comments to the Clerk by 2 July.

# Warfield Parish Council

## Financial regulations



Version 1.0 DRAFT

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These Financial Regulations were adopted by the Council at its Meeting held on XXXXXX

## 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;

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<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 approval of the RFO and that the approvals are shown in the accounting records; and

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<sup>2</sup> Accounts and Audit (England) Regulations 2011/817



- 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)

## 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 the Finance & General Purposes Committee and noted by Council.
- 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, where appropriate, 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 December, 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 and the 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 £500; or
  - the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £500.

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 £750. 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 15% 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.

- 5.2. 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 the Finance & General Purposes committee. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council or 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.
- 5.3. 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.
- 5.4. 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 & General Purposes Committee Meeting.
- 5.5. 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 council or Finance & General Purposes 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 & General Purposes committee; or
  - c) fund transfers within the councils banking arrangements up to the sum of £15,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council or finance committee.
- 5.6. 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 & General Purposes Committee.

- 5.7. 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.
- 5.8. 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.
- 5.9. 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.
- 5.10. 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.
- 5.11. 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 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 & General Purposes 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 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.

- 6.16. 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 the Clerk and 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 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 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 (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.
- 6.22. The RFO may provide an advance of up to £50 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.

## **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 or 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 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 £100,000 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 £100,000 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 18d, and shall refer to the terms of the Bribery Act 2010.
  - h. When it is to enter into a contract of less than £100,000 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.

## **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**

- 13.1. The Clerk shall be responsible for the care and custody of stores and equipment except cleaning equipment and materials which shall be the responsibility of the Caretaker.
- 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.
- 15.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.3. 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.
- 15.4. 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 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 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.

\* \* \*

|                                       |          |
|---------------------------------------|----------|
| Meeting                               |          |
| <b>Finance &amp; General Purposes</b> |          |
| Date                                  | Item no. |
| 11 June 2015                          | F009     |



|  |                                    |
|--|------------------------------------|
| <b>Contains confidential or exempt information</b> | None                               |
| <b>Title</b>                                       | <b>Mainstream Contract Renewal</b> |
| <b>Responsible officer</b>                         | Jason Mawer – Parish Clerk         |
| <b>Report for</b>                                  | <b>Consideration</b>               |

## Report Summary

**This paper provides the details of the revised package offered by Mainstream Digital**

### 1.0 Background

1.1 The committee has previously discussed telephone and broadband provision in the office. Despite a better offer being put forward by Mainstream the Clerk investigated a better broadband package to reflect the increase traffic to the Parish Office.

### 2.0 New package

2.1 The Clerk has been in contact with Mainstream Digital as our existing contract has now expired. Superfast Broadband is now available to the Parish office. Mainstream forecast that the current broadband speeds average out at 4.5mb download and up to 1mb upload. By upgrading to Superfast broadband the speeds will vastly improve to 36mb download and 7.5mb upload. The new package would also see our usage allowance increase from 10Gb to 50gb.

2.2 The new package would therefore be:

|                         | Current Telecoms | Proposed Telecoms |
|-------------------------|------------------|-------------------|
| Line rental             | £15.50           | £10.50            |
| Broadband               | £16.99           | £25.00            |
| Calls to local/national | 0.99ppm          | 0.00ppm           |
| Calls to mobiles        | 6.99ppm          | 4.99ppm           |



## **5.0 Recommendations**

Members are asked to resolve to allow the Clerk to re-sign Mainstream Digital for a further 3 year contract.