

Horton Parish Council

To: Every Member of the Council for the Parish of Horton.
YOU ARE HEREBY SUMMONED TO ATTEND

The Annual Meeting of Horton Parish Council

at 8:15pm (immediately after the Annual Parish Meeting) to transact the business specified in the agenda set out hereunder: to be held in Champney Hall on

Tuesday 14th May 2019

Dated this the 6th day of May 2019 Benta Hickley, Clerk to the Council.

Agenda

(NB Items struck through to be deferred to next meeting unless discussion is imperative)

#01		Councillors	
	A	Election of Chair and Vice Chair	
	B	Cllrs to complete Declaration of Acceptance of Office	
	C	Cllrs to sign DPI and C of C forms	
	D	Present, and apologies and declaration of interest	
		(and questions from the public if appropriate):	
#02		Statutory items:	
	A	Recording Requests received:	
	B	Minutes of previous meeting for approval:	
#03		Matters arising from previous meetings of the Parish Council (unless due to be covered later):	
	A	Cappagh / mud and stones on the road:	
	B	Parking outside St Michael's church	
	C	5 Bells / Horton Arms	
	D	Jayflex:	
	E	Assets of Community Value:	
	F	RBWM CCTV	
	G	Any other matters arising from the previous minutes :	
#04		Planning applications and Highways:	
	A	Planning Applications received: see appendix	
	B	Planning Enforcement Complaints: See appendix	
	C	Other planning issues, decisions and appeals: see appendix	
#05		Chairman's Communications / RBWM Communications:	
	A	Invitation to Mayor making ceremony	
	B	Any communications received after the agenda has been published: The Chair will inform the Councillors but no discussion or vote will take place until the next meeting	
#06		To receive reports from Borough Councillors, Parish Councillors or Clerk:	
	A	Neighbourhood Plan and Borough Plan: update if applicable	
	B	Pickins Piece: update if applicable	
	C	NAG Report: (Including Fatal Accident in Wraysbury)	
	D	Defibrillator: update from clerk	
	E	Victorian Style Lights (Village green) update: update from Clerk	
	F	Ward Councillors' report: update if applicable	
	G	BALC / HALC / NALC updates: Available from https://tinyurl.com/HPCCllrsDrive	

H	Flood Warden's report / River Thames Scheme report: update if applicable	
I	Traveller Local Plan & Parish Community working group: Report from Cllr Crame	
J	European Parliamentary Elections: Timetable and information	
K	Parish Council Reps:	
L	Fly tipping: Including Portable CCTV equipment	
M	Heathrow Expansion update:	
N	Inspection of Play Equipment: Zurich report	
O	Any communications received after the agenda has been published: The clerk will inform the Councillors but no discussion or vote will take place until the next meeting	
#07	Other Communications or Consultations:	
A	Waste bins on Coppermill Road	
B	To adopt Financial Regulations	
C	Pensions Regulator	
D	To accept Zurich Insurance quote	
E	Facebook: should we have a FB presence? if so a volunteer is needed to jointly operate the account with the Clerk	
F	Any communications received after the agenda has been published: The clerk will inform the Councillors but no discussion or vote will take place until the next meeting	
#08	Financial	
A	Payment of invoices: to receive for approval a list of invoices received	
B	Any receipts: to advise the Councillors of any receipts over and above the precept and the compensating grant	
C	Internal Auditor's report (To be approved by PC)	
D	To retrospectively minute the approval of the 2019/2020 precept. See 2019/01/15/#08/E.	
E	Any other Finance items received after the agenda has been published: The clerk will inform the Councillors but no discussion or vote will take place until the next meeting	
#09	Questions from the public: (If appropriate)	
#10	Dates of future meetings: 2018 & 2019, Third Tuesday of each month <i>(other than ** as agreed</i>	
	Tuesday 14th May 2019 Annual Meeting of Parish Council and Annual Parish Meeting**	
	Tuesday 18 th June 2019	
	Tuesday 16 th July 2019	
	Tuesday 20 st August 2019 (only if required for planning purposes)	
	Tuesday 17 th September 2019	
	Tuesday 15 th October 2019	
	Tuesday 19 th November 2019	
	Tuesday 17 th December 2019 (only if required for planning purposes)	

For information (not included as an agenda item)
 Newsletters from BALC HALC & NALC are available from the HPC Google Drive.
 Website reports and RBWM press releases are available from the clerk.

NOTE Meeting Rules apply - circulated to Members May 2018 and available from the clerk and at Parish Meetings.
 Clerk to the Council: Mrs Benta Hickley, 4B Bells Lane, Horton, SL3 9PW Email Clerk@HortonParishCouncil.Gov.uk
 Parish Phone 07957 588 277

Note: Personal callers by appointment only.

I have arranged for this agenda and the previous minutes to be added to the Parish Council Website:
www.hortonparishcouncil.gov.uk

MEETING of the COUNCIL of the Parish of Horton

Tuesday 16th April 2019

Minutes

#01	Present, and apologies and declaration of interest	
	Present: Cllrs Cole, Patel, Bovingdon, Crame and Coogan Apologies: Cllr McAuley	
	(and questions from the public if appropriate): none	
#02	Statutory items:	
	A	Recording Requests received: none so recording was not permitted
	B	Minutes of previous meeting for approval: Cllr Cole had a different recollection of the question from the public but agreed the minutes regarding this could stand. However he pointed out the clerk had made an error in referring to Scotland's flag being flown for St David's day. Clerk to correct. The remainder of the minutes were approved (Cllrs Patel and Crame) and signed by Cllr Bovingdon. BH
#03	Matters arising from previous meetings of the Parish Council (unless due to be covered later):	
	A	Defibrillator: (see #06 below)
	B	Parking outside St Michael's church: The church PCC has not met since this message was forwarded
	C	Cappagh / mud and stones on the road: Clerk to ask Cappagh to sweep as far as the memorial green at least once a day BH
	D	Jayflex: No update received from Susan Sharman at RBWM
	E	Flagpole & Flags: Cllr Cole advised that the flagstaff was purchased by monies from HPC and three village individuals (NC, DD and DB) and is on Parish Council land. Cllr Crame said that it was very kind of Cllr Cole to take on the responsibility of raising and lowering flags, but this should be approved by the PC. This would mean that any complaints come to the PC not to him as an individual. It was agreed flags would be flown for St David's day (1 st March), St Patrick's Day* (17 th March) (*the flag for Northern Ireland rather than the tricolour), St George's Day (23 rd April) and St Andrew's Day (30 th November) each year. Additionally the Help for Heroes flag could be flown between Remembrance Sunday and 11 th November, and the Romany flag flown if there is a Travelling Home service in the village. Other than Help For Heroes, the flags are to be flown for 24 hours (or as close as is reasonably practicable). Any variation to be agreed by PCC. Proposed and seconded Cllrs Patel and Crame
	E	Any other matters arising from the previous minutes : none
#04	Planning applications and Highways:	
	A	Planning Applications received: see appendix
	i	19/00862 Garages at 1 to 12 Milton Close: demolition of garages, construction of 2 houses. This application is submitted for the housing association. The garages have been left to decay so the proposals could be seen to improve the area. However the plans indicate that the houses will be sold on the open market rather than become part of the social housing stock or sold as affordable housing. The Cllrs agreed that this was inappropriate use of the land and if the building works are permitted the dwellings should be social /affordable housing. They are concerned that they will be sold to private landlords and rented out with high rents being charged. The area already suffers from lack of parking

		(residents' parking blocking the path to pedestrians).	BH
B	Planning Enforcement Complaints:		
	i	22 Milton Close: fencing. Still no update. To be removed from agenda (Proposed and seconded Cllrs Crame and Cole)	BH
	ii	Brookfield: Mr and Mrs Rockett have written to Cllr Crame and have contacted RBWM. RBWM state that it is not outside the planning rules as it is still a domestic dwelling. They have agreed to look into the issues of the hard standing and the CCTV.	
C	Other planning issues, decisions and appeals:		
	i	5 Bells / Horton Arms: Works are being carried out inside the property without the benefit of planning consent. This is a grade 2 listed building (1117645 22/4/1984) and works can only be carried out with the appropriate consents. Additionally there is concern over the waste in the carpark. It is not known whether this is due to renovation work or fly tipping but the fear is that it will become a fly tipping site.	JC
	ii	19/01034. Horton Garage Datchet Road Horton Slough SL3 9PS. Certificate of lawfulness to determine whether the existing use of the site for car and vehicle repairs (B2), including the use of the site for MOT testing is lawful: Cllrs stated that to their combined certain knowledge the site had been used for car and vehicle repairs for the last 50 years and had been an MOT testing station between the 1970s and the 2000s. They had no complaints about the garage being used for such, and quoted the NP/BUSEC2 (<i>Proposals for the redevelopment of existing employment and commercial premises, or their extension or alteration for continued employment generating uses will be generally approved subject to the proposals also complying with other relevant policies in the Development Plan.</i>)	BH
#05	Chairman's Communications / RBWM Communications:		
	A	RBWM and cheques: RBWM will no longer accept cheques for payment for Council tax and other services. They will be writing to people who usually pay by cheque.	
	B	Any communications received after the agenda has been published: none	
#06	To receive reports from Borough Councillors, Parish Councillors or Clerk:		
	A	Dog mess poster competition: HPC has been thanked for its donation of £100 towards prize monies. The Horton money will be used as prize money for the under 4s section	
	B	Neighbourhood Plan and Borough Plan: Horton and Wraysbury NP has reached examination status and work should start on 29 th April. RBWM BP is not being acted on until after 2 nd May elections	
	C	Assets of Community Value: The clerk's proposed nomination was approved and Cllrs agreed that info about the shop being centre of village communication should be added.	BH
	D	Pickins Piece: Cllr Crame advised that she has discussed the lack of action with the new MD, Duncan Sharkey. It has been added to the proposed housing sites in the village as it is only being used for dumping rubbish.	
	E	NAG Report: No meeting recently.	
	F	Defibrillator: update from clerk. We have received £1000 from Jayflex and the offer of £2000 from Cappagh. The Cappagh surplus can be used for benches in the village. Cllr Patel advised that Jayflex had been happy to fund the full cost of the defibrillator - clerk to contact them to explain that Cllrs had reconsidered the position and would happily accept any donations and all donations would be spent to the benefit of the village. Proposed and seconded Cllrs Patel and Crame	BH
	G	Victorian Style Lights (Village green) update: The borough have been asked to place the order	

H	Ward Councillors' report: No ward Cllr present				
I	BALC / HALC / NALC updates: Available from https://tinyurl.com/HPCCLrsDrive				
J	Flood Warden's report / River Thames Scheme report: Nothing to report				
K	Municipal (additional) Grave Yard update: Cllr Crame has discussed this matter with the new RBWM MD, Duncan Sharkey, and he advises that RBWM will not object to this proposal, but are unable to contribute funding. It may be that the church can fund this on the understanding that someone independent will have to be appointed to administer it	BH			
L	Traveller Local Plan & Parish Community working group: Nothing to report				
M	European Parliamentary Elections: Timetable and information. The election is confirmed for Thursday 23 rd May. Clerk to advise Hall caretaker and pre-school	BH			
N	Parish Council Reps: To be appointed at next meeting				
O	Play equipment report: Cllr McAuley was absent from the meeting. Clerk and RFO met the Zurich appointed inspector for the annual inspection. There is some minor damage to the wooden equipment (one horizontal rope and one horizontal wooden bar), to the metal equipment (one twirly base) and one toddler swing is showing signs of perishing. To be actioned once report received.				
P	CCTV: RBWM System: Clerk to ask RBWM to confirm how much they would fund Portable equipment: Clerk to chase RBWM to see when this will be installed in Park Lane. Councillors also raise the issue of fly tipping outside the entrance to Queen Mother Reservoir: Clerk to ask Thames Water if they deal with problems or should it be referred to RBWM	BH BH BH			
Q	Any communications received after the agenda has been published: The clerk will inform the Councillors but no discussion or vote will take place until the next meeting. Councillors reported that the railings along Horton Road towards Colnbrook have been damaged. Clerk to report the damage to RBWM	BH			
#07	Other Communications or Consultations:				
A	Waste bins on Coppermill Road: Clerk has emailed RBWM to request these. Cllrs approved purchase of dog waste bags dispenser if bins are approved	BH			
B	Design a Poster Competition: See #06A				
C	Insurance renewal: this is year 3 of a three year agreement				
D	Affinity water consultation: Clerk gave Cllrs info. https://stakeholder.affinitywater.co.uk/have-your-say.aspx				
E	Summer hanging baskets: Quote £574.00 nett for 7 hanging baskets. Proposed and seconded Cllrs Bovingdon and Coogan	BH			
F	Any communications received after the agenda has been published: none				
#08	Financial				
A	Payment of invoices: to receive for approval a list of invoices received. Proposed and seconded Cllrs Crame and Patel. Cllr Bovingdon signed the list, Cllrs Bovingdon and Patel signed the cheques				
	DATE	PAYEE	INVOICE	CHEQUE NO.	VALUE
	16-Apr	Garden Designs	2932	300501	£501.00
	16-Apr	Garden Designs	2844	300502	£441.00
	16-Apr	Michael Williams (poster prizes)	Email 0104	300503	£100.00
	16-Apr	B & B Hickley	Mth1	300504	£753.18
	16-Apr	HMRC	Mth1	300505	£83.60

	16-Apr	B & B Hickley	Expenses	300506	£762.07	
B	Any receipts: to advise the Councillors of any receipts over and above the precept and the compensating grant: <ul style="list-style-type: none"> £1000 received from Jayflex towards the defibrillator £1894.78 for the support grant (aka equalising grant) that was paid early due to an RBWM administrative error 					
C	VAT report: Ask clerk for a full copy of RFO's report but in summary: April 2018 RFO applied for a VAT refund of £2494.49. The UB number did not work, and we were advised to complete a VAT126 and send by post. A partial payment of £343.24 was received in August 2018 with the reference HMRC VTR. We tried to access the on line system and eventually accessed it, but could not process the rest of the VAT claim. HMRC have one member of staff who can assist - and his automatic reply advises he hopes to answer within 15 days. At present we do not know what the £343.24 credit represents, and have not started to claim 2018/19 VAT until 2017/18 is sorted.					RFO
D	To adopt Standing Orders: Proposed and seconded Cllrs Crame and Coogan					
E	Any other Finance items received after the agenda has been published: none					
#09	Questions from the public: (If appropriate)					
#10	Dates of future meetings: 2018 & 2019, Third Tuesday of each month <i>(other than * as agreed 20/11/18 Item #06 A.. **The APM has been combined with the AMPC on 14th May, see minutes 2019/03/19#10</i>					
	Tuesday 30th April 2019: Annual Parish Meeting*					
	Tuesday 14th May 2019 Annual Meeting of Parish Council and Annual Parish Meeting**					
	Tuesday 21st May 2019 This meeting cancelled and replaced by 14th May due to election rules					
	Tuesday 18 th June 2019					
	Tuesday 16 th July 2019					
	Tuesday 20 th August 2019 (only if required for planning purposes)					
	Tuesday 17 th September 2019					
	Tuesday 15 th October 2019					
	Tuesday 19 th November 2019					
	Tuesday 17 th December 2019 (only if required for planning purposes)					

END OF MINUTES

The meeting finished at 8:38pm

All votes were unanimous unless specified.

** Draft Minutes – not for distribution outside Horton Parish Council until signed by the Chair **

Minutes prepared by Clerk to the Council.

Mrs Benta Hickley, 4B Bells Lane, Horton, SL3 9PW

Note: Personal callers by appointment only.

Email Clerk@HortonParishCouncil.Gov.uk.

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Agendas and previous minutes are available from the Parish Council Website:

www.hortonparishcouncil.gov.uk

Horton Parish Council

Internal Audit Report 2018-19

Stuart Pollard

*Director
Auditing Solutions Ltd*

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report details the work undertaken in relation to the 2018-19 financial year's AGAR following provision of documentation in support of the year's financial transactions and governance arrangements.

Internal Audit Approach

In undertaking our review for the year, we have again paid due regard to the materiality of transactions and their susceptibility to any potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's AGAR, which requires independent assurance over a series of internal control objectives.

Overall Conclusion

We have concluded that, based on our review of the year's records, the Clerk and RFO have continued to make positive progress to ensure that adequate and effective internal control arrangements are put in place. We also wish to acknowledge the actions taken to address issues in or prior year reports.

We remind the clerk and members that the Governance and Accountability Manual (G&AM) requires both internal and external audit reports to be presented to and be considered formally by the Council.

We have identified a few issues this year that require appropriate attention, detail of which is set out in the body of the report with resultant recommendations further summarised in the appended Action Plan.

We have duly signed off the Internal Audit Report in the year's AGAR and are pleased to report that we have been able to assign positive assurances in each relevant area of the Internal Audit Certificate this year.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The RFO has continued to maintain the Council's accounting records in an appropriate spreadsheet format, based on the example previously provided by us. A single bank account is in operation with Unity Bank.

Our objectives in this area are to ensure that the accounting records are maintained accurately and in a timely manner with detail reconciled routinely to the various bank accounts in use. We have: -

- Checked to ensure that the closing balances reported in the 2017-18 accounts and AGAR have been "rolled-over" correctly as opening balances for 2018-19;
- Verified transactions on the Unity Trust account for the full financial year due to their low volume;
- Verified the content of the year-end bank / cashbook reconciliation, also noting that members are now provided with detail of each quarter-end reconciliation; and
- Ensured that the year-end balance is accurately recorded in the year's AGAR.

Conclusions

We are pleased to report that appropriate accounting records have been maintained throughout the financial year with reconciliations now periodically submitted to, reviewed and signed-off by a nominated member. We have, however, noted a few minor issues in relation to the presentation of detail in the cashbooks and have discussed these with the RFO, also providing a revised copy of the year's updated cashbook for his reference and use (for formatting purposes) in 2019-20 and beyond.

Review of Corporate Governance

Our objective in this area is to ensure that the Council has robust corporate governance documentation and procedures in place; that Council meetings are conducted in accordance with the adopted Standing Orders and that, as far as we may be reasonably expected to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Examined the Council's minutes for the financial year to determine whether any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability; and
- Noted that both Standing Orders (SOs) and Financial Regulations (FRs) are being reviewed currently by the clerk and will be adopted by the Council in due course. We again draw the Clerk and members' attention to the recently revised version of the NALC model SOs and FRs and have provided the Clerk with electronic copies of both to assist her current review. These latest NALC documents take account of legislative changes in contracting arrangements (Public Contracts Regulations 2015) and GDPR issues.

We are pleased to note that the Council has considered and approved the 2019-20 budget and precept at the January 2019 Council, although the minutes do not identify the total value of the precept.

Conclusions and recommendations

Whilst no significant issues arise in this area this year, we urge the Clerk and Council to finalise the review and adoption of both SOs ad FRs, ideally aligning them closely to the NALC model documents. The total value of the approved precept should be reported in the approving minutes, not just a reference to the increased value per Band D property: this should be minuted formally and retrospectively at the next Council meeting.

- R1. *Urgent action should be taken to finalise the review and adoption of updated Standing Orders and Financial Regulations, both of which should be, ideally, based on the latest NALC model documents.*
- R2. *The total value of the approved 2019-20 precept should be formally and retrospectively minuted at the next Council meeting.*

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- All payments are subject to appropriate approval in accordance with the Council's approved procedures;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- VAT has been appropriately identified for periodic recovery.

We have reviewed the Council's approach to the approval and authorisation of release of moneys to traders and staff and consider that they are generally sound, noting that, following our previous comment, invoices now afford indication of specific review by members when signing-off cheques.

We have again reviewed the full year's transactions due to their low volume ensuring compliance with the above criteria and are pleased to record that no significant issues have been identified, apart from one instance where the detail recorded in the cashbook analysis of the expenditure (cheque no. 393) did not match the total payment made, although the latter reflected to actual invoice value.

We note that the VAT incurred in 2017-18 has been reclaimed and repaid by HMRC early in 2018-19. VAT incurred in 2018-19 totals £3,024.98 and should be recovered as soon as is practicable.

Conclusions

We are pleased to record that no significant issues or concerns arise from our work in this area this year with no recommendations considered necessary.

Assessment and Management of Risk

Local councils are required to put in place appropriate arrangements to assess and manage all potential risks, financial and other, to which they may be exposed, also ensuring that appropriate insurance cover is in place.

We noted last year that the Council had neither considered nor re-adopted risk assessment documentation during the financial year and reminded the Clerk and members that, in accordance with the requirements of the Governance and Accountability Manual (G&AM), risk assessments must be reviewed and formally re-adopted by the Council at least once annually. We are pleased to note compliance with this requirement with a formal Risk Management Policy Statement and detailed assessments of potential risks facing the Council prepared and adopted formally at the July 2018 meeting of the Council.

We have examined the current year's insurance schedule noting that cover is provided by Zurich Municipal and consider that cover is appropriate for the Council's present needs with Employer's and Public Liability cover in place at £10 million and £12 million respectively, together with Fidelity Guarantee cover at £250,000.

Conclusions

We are pleased to record that no issues arise in this area this year warranting formal comment or recommendation.

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the Royal Borough: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains sufficient funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

We note that, following due debate, the Council finalised its budget and precept deliberations for 2019-20 formally adopting the latter with an increase of £1.50 per Band D property recorded: however, as indicated earlier in this report, the total value of the precept should be minuted formally (Recommendation R2 refers).

We note that subsequent to the RFO providing members with accounting detail including quarterly bank reconciliations and reports identifying performance against the approved budget, members determined to cease the practice: not only is the presentation of such detail a requirement of the G&AM, it is also considered best practice that members be provided with such data so that they may effectively monitor the Council's financial performance and discharge their fiduciary responsibilities effectively.

The Council's reserves at the financial year-end have remained virtually unchanged from the year's opening balance standing at £45,700 (£45,800 as at 31st March 2018). The balance equates to almost approximately 8 months spending at the 2018-19 level and is considered appropriate for the Council's ongoing revenue spending requirements

Conclusions and recommendation

As indicated in the body of the report a more formalised approach should be taken to preparing a detailed annual budget across the various receipts and payments headings with periodic reports prepared and presented to members for their review and approval identifying actual performance against the approved budget.

R3. A detailed annual budget should be prepared and used as the basis for the periodic reporting of actual performance against the approved budget.

Review of Income

The Council receives income from a very limited number of sources in addition to the precept, primarily by way of grants, bank interest and recoverable VAT. We have agreed detail of income received to bank statements and, where available, other supporting documentation.

Conclusions

We are pleased to report that no issues arise in this area this year.

Petty Cash Account

The Council does not operate a petty cash account.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions. We note that the Council uses the services of an external payroll bureau.

To ensure compliance with the above objectives, we have: -

- Ensured that the gross salaries applied in 2018-19 to the Clerk and RFO have been paid at the approved rate of pay;
- Verified the net payments made to both throughout the financial year, based on the gross salary recorded on the payroll provider's records and taking account of any tax NI deductions payable
- Noted that no National Insurance employee deductions or Council contributions were applicable, as the salary for both was below the relevant threshold; and
- Ensured the appropriate and prompt payment of tax deducted to HMRC during the year.

Conclusions

We are pleased to record that no issues have been identified in this area of our review process this year warranting formal comment or recommendation.

Asset Registers / Inventories

The G&AM requires all councils to maintain a record of all assets owned. We noted last year that, due to the circumstances arising since the end of the previous financial year, the then locum Clerk had been unable to trace a formal asset register, either in hard copy or electronic format. We noted that she had drawn this to members' attention and that they acknowledged the requirement to develop / maintain an appropriate register.

We are pleased to now note that a formal register has been developed with appropriate values applied to the asset detail as recorded. We also note the inclusion of the new assets acquired during 2017-18 and 2018-19 to the register with a consequent increase in the asset value reported in the year's AGAR of £1,062.

We have previously suggested that, in line with best practice, the Council should consider the development of a photographic register of their assets, as several of our clients had found that it assisted the smooth progress of any insurance claims where assets have either been stolen or vandalised and acknowledge that the Council is taking appropriate action to develop such a register.

Conclusions

No issues arise in this area this year warranting formal comment or recommendation and anticipate that, with a formal "priced" asset register in place, no further issues will arise in future years.

Investments and Loans

The Council has no long-term investments, nor does it have any loans in place repayable either by or to it.

Statement of Accounts and AGAR

Section 2 of the AGAR now forms the Council's formal Statement of Accounts subject to external audit review and certification. We have examined the content of the detail to be recorded in Section 2 for 2018-19 agreeing detail to the underlying financial records.

Conclusions

No issues arise in this area, although we remind the Clerk, RFO and members of the need to formally approved and adopt Sections 1 & 2 of the AGAR by the statutory deadline of 30th June 2019.

Based on the outcome of our work programme for the year, we have signed off the Internal Audit Report in the AGAR assigning positive assurances in each relevant area.

Rec. No.	Recommendation	Response
Review of Corporate Governance		
R1	Urgent action should be taken to finalise the review and adoption of updated Standing Orders and Financial Regulations, both of which should be, ideally, based on the latest NALC model documents.	
R2	The total value of the approved 2019-20 precept should be formally and retrospectively minuted at the next Council meeting.	
Budgetary Control and Reserves		
R3	A detailed annual budget should be prepared and used as the basis for the periodic reporting of actual performance against the approved budget.	

MODEL for consideration by Council. Values are to be set by the Council when adopting Financial Regulations (other than the Statutory Procurement thresholds shown in Regulation 11)

**HORTON TOWN / PARISH / NEIGHBOURHOOD / VILLAGE / COMMUNITY COUNCIL
FINANCIAL REGULATIONS [ENGLAND]**

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These Financial Regulations were adopted by the Council at its Meeting held on [.....]

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 orders¹ and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. **Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.**
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. ~~The Clerk has been appointed as RFO for this council and these regulations will apply accordingly.~~

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

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

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

- measures to ensure that risk is properly managed.

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

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

shall be a matter for the full council only.

1.14. In addition the council must:

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

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

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

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] 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 [~~month~~ January], 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 [relevant 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 [£500]. 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 [£100] or [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. [The council shall seek credit references in respect of members or employees who act as signatories.] PLEASE TELL ME IF WE WANT TO KEEP THIS?

- 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 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.

- 5.3. 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 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 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].~~

~~5.6.~~ 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 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 ~~for 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 ~~one~~ two member[s] of council ~~and countersigned by the Clerk,~~ in accordance with a resolution instructing that payment. **A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.**
- 6.5. 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 ~~for 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, 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 OR the RFO AND A COUNCIL MEMBER][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 a petty cash float of [£250] 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 11.1 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the council.
- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down as follows:
 - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;

- v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the 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 the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations².
 - c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³.
 - d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
 - e. Such invitation to tender shall state the general nature of the intended contract and the 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.
 - f. 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.
 - g. Any invitation to tender issued under this regulation shall be subject to Standing Orders[], ⁴ [2019/04/16 V 2019 Horton Model Standing Orders/18/financial controls and procurement/D] and shall refer to the terms of the Bribery Act 2010.
 - h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

³ Thresholds currently applicable are:

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

⁴ Based on NALC’s model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

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.

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

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the 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 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 Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.
- 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 Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers **[in consultation with the Clerk if applicable]**.
- 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 square brackets in [...] any of the paragraphs (other than the EU Procurement and Public Contract Regulations 2015 thresholds referred to in 11.1(k)) 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, if such list is maintained. In the absence of an appropriate list, the words in square brackets should be omitted.

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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