

Elloughton cum Brough Town Council

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Financial Regulations

Document includes as appendices:

- Internal controls and procedures
- Annual Investment Strategy
- Grant Policy
- Petty Cash Procedure

Document History

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Town Clerk

INDEX

1.	GENERAL	2
2.	ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)	5
3.	ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING	6
4.	BUDGETARY CONTROL AND AUTHORITY TO SPEND	7
5.	BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS	8
6.	INSTRUCTIONS FOR THE MAKING OF PAYMENTS	9
7.	PAYMENT OF SALARIES	12
8.	LOANS AND INVESTMENTS	13
9.	INCOME	13
10.	ORDERS FOR WORK, GOODS AND SERVICES.....	14
11.	CONTRACTS.....	15
12.	PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS....	16
13.	STORES AND EQUIPMENT	17
14.	ASSETS, PROPERTIES AND ESTATES	17
15.	INSURANCE.....	18
16.	CHARITIES	18
17.	RISK MANAGEMENT	18
18.	SUSPENSION AND REVISION OF FINANCIAL REGULATIONS	19
	APPENDIX 1: INTERNAL CONTROLS AND PROCEDURES.....	20
	APPENDIX 2: ANNUAL INVESTMENT STRATEGY.....	26
	APPENDIX3: GRANT POLICY	28
	APPENDIX4: PETTY CASH PROCEDURE	31

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - Identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. 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;
 - 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 £3,000; 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.

1.16. In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in the *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).

1.17. These regulations should be read alongside the Terms of Reference for committees and the Scheme of Delegation which set out delegated powers in relation to decision making and incurring expenditure.

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 Administration and 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 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 31 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 Administration and Finance Committee.
- 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 £3,000;
 - 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 at the same time as the Council's budget is set for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of the Personnel 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 £1000. 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. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be 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.
- 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 the Administration and 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

- 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 Administration and 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.
- 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 may 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 £3,000 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/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 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 Administration and 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 RFO 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 RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council in writing before any order is placed.
- 6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO and shall be subject to automatic payment in full at each month-end.
- 6.20. 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 £200 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 Personnel 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.
- 7.9. Payroll functions for the Council will be outsourced to a contractor. The arrangement will be reviewed annually.

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 (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 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 Regulations¹.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².
- 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

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

² Thresholds currently applicable are:

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

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 18c, 18d, 18e, 18f and 18g³ 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 descriptions of the proposed supply); where the value is below £3,000 and above £500 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.

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

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 £500.
- 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.
- 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 the Finance Strategic Planning Committee 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 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 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 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.

APPENDIX 1: INTERNAL CONTROLS AND PROCEDURES

Abbreviations used:

RFO – Responsible Financial Officer

DTC – Deputy Town Clerk

AA – Administrative Assistant

COM –Committee of Council delegated to consider financial matters

CONTROL	PROCEDURE	RESPONSIBILITY
Responsible Financial Officer	<ul style="list-style-type: none"> ▪ Formally appointed by Full Council and duties carried out as per defined Job Description and as per guidance from the practitioners guide 'Governance and Accountability in Local Councils in England and Wales'. ▪ The RFO shall be responsible for the day to day management of all financial procedures and preparation of the 'Annual Return'. ▪ The RFO to ensure all members of staff are aware of existing internal controls and any changes when reviewed. ▪ The RFO to ensure all members of staff are adequately trained to carry out all financial controls and procedures. ▪ The RFO should hold the Certificate of Local Council Administration Certificate or be working towards it. ▪ The RFO to work with the Committee to prepare any financial recommendations to the Council. 	<p>Council</p> <p>RFO</p> <p>RFO</p> <p>RFO</p> <p>RFO</p> <p>RFO/COM</p>
Financial Tasks and responsibilities	<ul style="list-style-type: none"> ▪ All day to day financial tasks (including BACs payments) and responsibilities are split between three members of staff to ensure division of responsibility to enable prevention and detection of inaccuracies and fraud. 	RFO/DTC/AA
Financial Regulations and Standing Orders	<ul style="list-style-type: none"> ▪ Financial Regulations shall be reviewed annually by Council. ▪ All Financial controls and procedures must be carried out in line with the Town Council's Financial Regulations and Standing Orders. 	<p>Council</p> <p>RFO/Council</p>
Internal Audit	<ul style="list-style-type: none"> ▪ All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with best practice and statutory responsibilities. ▪ To appoint a qualified internal auditor each year. ▪ A review of the internal auditor's quarterly reports and consider any recommendations made for implementation. 	<p>RFO</p> <p>Council</p> <p>RFO/COM/Council</p>

	<ul style="list-style-type: none"> ▪ To undertake a review of the effectiveness of internal audit on an annual basis. 	COM/Council
Independent Financial Advisor	<ul style="list-style-type: none"> ▪ To appoint an Independent Financial Advisor to advise the council on current financial investments as and when required. 	Council
Investments	<ul style="list-style-type: none"> ▪ All investments shall be in the name of the Council with named signatories to be agreed by Council. ▪ Council shall review the Annual Investment Strategy. ▪ To review the council's investments and the interest from those investments on a regular basis and to consider advice by the Independent Financial Advisor. ▪ All investment policies to be stored in a locked filing cabinet. ▪ A review of signatories and assured lives to be undertaken on a yearly basis for all investment policies. 	RFO/COM/Council RFO/COM/Council RFO/COM/Council RFO RFO/COM
Budget	<ul style="list-style-type: none"> ▪ RFO to prepare a budget and associated report in liaison with the Committee which is to be approved by the Council. ▪ Monitoring of budget and reporting variances/recommendations for virement on a quarterly basis to the Committee. ▪ Unspent amounts in budget provision will not be carried forward to a subsequent year unless placed in an earmarked reserve by Council. 	RFO/COM/Council RFO/COM Council
Precept setting	<ul style="list-style-type: none"> ▪ Recommendation of annual precept to Finance & General Purposes Committee ensuring sufficient information is sought from SBC as to amount per Band D Equivalent. ▪ Precept to be approved by the full council. ▪ RFO to issue the precept to the billing authority and shall supply each member with a copy of the approved budget. 	RFO/COM Council RFO
Expenditure	<ul style="list-style-type: none"> ▪ The RFO to ensure that all relevant estimates, quotations, tenders for work are carried out in accordance with the council's Standing Orders and Financial Regulations and detailed information is recorded and kept for reference/audit purposes and all expenditure falls within the current year's budget. ▪ All purchase orders to be signed by the RFO/DTC before issue. ▪ All invoices received to be checked, dated, coded for budget purposes, and linked for reference (audit trail) to the purchase order by the DTC prior to approval by the RFO. 	RFO RFO/DTC RFO/DTC DTC/RFO

	<ul style="list-style-type: none"> ▪ All expenditure to be entered on a schedule of payments for authorisation by Council each month. The Schedule of payments should show all payments that have been made since the last meeting of Full Council and all the payments Council is being asked to make. ▪ All invoices to be entered on to the accounts system. ▪ All payments from 'Schedule of Payments/Expenditure' entered on to accounts system after approval by Full Council. ▪ All suppliers paid after invoices have been approved for payment by Full Council, a Committee with delegated powers under £3,000, a chairman for a committee or an officer with delegated powers with delegated powers under £500. ▪ Cheques are signed by three authorised signatures, one being the DTC/TC. ▪ Payment via BACs is to be recorded with the approval for the spend made clear. ▪ Cheques counterfoils to be initialled by cheque signatories ▪ Under no circumstances should blank cheques be signed. 	<p>RFO RFO</p> <p>TC/DTC/Signatories</p> <p>DTC/Signatories DTC/Signatories</p>
Emergency Expenditure	<ul style="list-style-type: none"> ▪ Emergency financial arrangements have been delegated to the RFO in the event of an emergency up to an amount of £1,000. 	RFO
Income	<ul style="list-style-type: none"> ▪ RFO to appoint a member of staff to be responsible for all sundry income – a receipt must be issued for every item received and show clearly the receipt number, date, amount and signature. ▪ All receipt books to be numbered sequentially and each receipt to be numbered sequentially in every receipt book. ▪ A 'Schedule of Income Return' to be produced at the end of each month and coded to budget income headings for input by the RFO on to the accounts system. ▪ Customer invoices raised promptly in line with the Scale of Charges agreed by Councillor a committee with delegated powers. ▪ The RFO to ensure all customer invoices raised by individual staff members are entered on to account computer system ▪ Aged Debtors list reviewed each month ▪ Fees and charges reviewed annually by the full councillor a committee with delegated powers. 	<p>RFO/DTC</p> <p>DTC/RFO</p> <p>RFO</p> <p>ALL STAFF</p> <p>ALL STAFF</p> <p>RFO RFO/Council</p>
Petty Cash	<ul style="list-style-type: none"> ▪ The RFO to designate a member of staff to be responsible for Petty Cash (£200), all expenditure approved by RFO/DTC and receipts to be obtained for all expenditure. ▪ All petty cash payments to be supported by VAT invoice where appropriate. ▪ Petty Cash book maintained and balanced prior to reimbursement. All expenditure to be coded to relevant expenditure budget heading – similar items to be grouped together for input onto accounts system by RFO (e.g. Sundry items). 	<p>RFO/DTC</p> <p>AA AA</p>

	<ul style="list-style-type: none"> ▪ Petty Cash expenditure to be recorded on schedule of payments for approval by Full Council. 	DTC/RFO
Postage Stamps	<ul style="list-style-type: none"> ▪ Postage expenditure to be recorded on Schedule of Payments. 	RFO
Post	<ul style="list-style-type: none"> ▪ All post to be date stamped upon receipt. ▪ All cheques to be date stamped upon receipt. 	ALL STAFF ALL STAFF
Banking Arrangements	<ul style="list-style-type: none"> ▪ All cheques and larger amounts of cash are banked regularly – staff banking income to be varied and done at varying times of the day, income to be banked should not be visible or obvious (e.g. cloth bank bags should not be used). ▪ All income should be banked by the last day of the month. ▪ Notifications of any BACS payments should be made to the RFO. 	RFO RFO RFO/DTC
Security	<ul style="list-style-type: none"> ▪ All bank statements and returned cheques should be consecutively filed. ▪ All financial records are kept indefinitely in a secure location. ▪ All cheque books, petty cash box, sundry income box, postage stamps are stored in the office safe as per insurance guidelines. ▪ All keys for offices, filing cabinets, strong room, council chamber etc. are locked in lockable key safe. ▪ Security Alarms are regularly tested. ▪ All personnel records to be kept in secure lockable cabinet to comply with confidentiality and data protection. 	DTC ALL STAFF ALL STAFF ALL STAFF RFO RFO
Payroll	<ul style="list-style-type: none"> ▪ Payroll function to be contracted out with the situation reviewed annually. ▪ Personnel Budget to be prepared by RFO for recommendation to Personnel Committee and all associated costs to the Council to be included, estimated pay award, increments, pensions scheme and employer national insurance contributions. Personnel Budget to be recommended by Personnel Committee to the appropriate committee for inclusion in budget preparation and recommendation by the Council. ▪ RFO to ensure that salaried monthly payroll to staff are paid in line with terms and conditions of employment (according to NJC recommendations). ▪ Deductions for PAYE/National Insurance/Statutory Sick Pay as per government guidelines and deductions for Staff Pensions as per the Local Government Pension Scheme. ▪ Pension returns sent to ERPF monthly. ▪ Staff Salaries to be paid on the 20th of the month by bank transfer. ▪ All reports for payroll to be printed and filed in month order. 	RFO/COM RFO RFO RFO RFO RFO RFO RFO

	<ul style="list-style-type: none"> ▪ Payments to the Inland Revenue and Pensions made monthly and payroll figures submitted to HMRC by RTI. ▪ Staff Annual Leave to be authorised and approved by RFO. Chairman of the Personnel Committee to approve the RFO's Annual Leave 	RFO/Chairmen of Personnel
Minute recording	<ul style="list-style-type: none"> ▪ All minutes to be sequentially numbered and page numbers filed numerically. ▪ Minutes to be stored indefinitely. ▪ Agendas for all meetings of the Council to be displayed on notice board and website with 3 clear days' notice. ▪ All committee minutes to be preceded by a letter for clear identification. ▪ Each page of minutes to be initialled and dated by Chairman, final page signed and dated following ratification. 	RFO RFO RFO RFO RFO Chairman/Committee Chairman
Computer data	<ul style="list-style-type: none"> ▪ All computers have individual user names and passwords. ▪ All computer data is saved to a shared drive and cloud storage every evening. 	Council Council
Office 365	<ul style="list-style-type: none"> ▪ Town Clerk/RFO to manage the Microsoft Office 365 system. 	RFO
Data Protection	<ul style="list-style-type: none"> ▪ All Staff and Members to be aware of the GDPR Act. ▪ The Town Council and all Members to be individually registered with the Information Commissioners Office 	RFO Council/All Members
Insurance	<ul style="list-style-type: none"> ▪ Insurance reviewed on an annual basis. ▪ All new risks added to insurance policy. ▪ Insurance to include fidelity guarantee for maximum risk exposure to the council. ▪ Adequate Public Liability insurance to be maintained. ▪ Review of all assets on a regular basis in line with the council's insurance policy. 	RFO/Council RFO RFO/Council RFO/Council RFO/COM/Council
Deeds/Land Registry documents	<ul style="list-style-type: none"> ▪ Safe storage of all Deeds/Land Registry/Lease documents. ▪ Checks to be made that all documents are kept up to date and any new information recorded with the Land Registry. 	RFO RFO
Asset Register	<ul style="list-style-type: none"> ▪ Maintenance of Asset Register to be reviewed on an annual basis and linked to Insurance valuations. ▪ Building contents inventory to be reviewed on an annual basis and linked to Insurance valuations. 	RFO/COM/Council RFO/COM/Council

Risk Management	<ul style="list-style-type: none"> ▪ Every activity and/or event to be assessed for risk to the Council. ▪ Risk Management to be updated on a regular basis and reviewed by the Council annually. ▪ Expenditure to be identified by legal statute to ensure the Council is not acting unlawfully (ultra vires). 	RFO RFO/COM/Council RFO
Grants	<ul style="list-style-type: none"> ▪ All applications for financial assistance should apply using the financial assistance application form, be duly signed and completed submitting the relevant evidence to support each application. ▪ Each application must be examined by the RFO to comply with the legal power to provide financial assistance. 	Applicants RFO
VAT	<ul style="list-style-type: none"> ▪ At the end of each financial year a VAT Return must be submitted to re-claim VAT and wherever possible this to be carried out at quarterly intervals. 	RFO
Bank Reconciliations	<ul style="list-style-type: none"> ▪ The RFO to prepare monthly bank reconciliations to be approved by Full Council and reviewed by the internal auditor on a quarterly basis. 	RFO/Internal Auditor/Chairmen COM
Annual Return	<ul style="list-style-type: none"> ▪ After the end of the financial year the RFO to prepare the Annual Return for approval by the Full Council and submit the return to the External Auditor. ▪ Public notice must be given to view the end of year accounts (those included as part of the Annual Return) and this is to be displayed in the Council Office noticeboard and on the Council's website. 	RFO/Council RFO

APPENDIX 2: ANNUAL INVESTMENT STRATEGY

1. Introduction

- 1.1 The Town Council acknowledges the importance of prudently investing all funds held on behalf of the community by the Council. This Strategy should be read in conjunction with the Council's Financial Regulations.
- 1.2 This Strategy complies with the requirements set out in the Statutory Guidance on Local Government Investments issued by the Secretary of State.
- 1.3 In accordance with Section 15(1) of the Local Government Act 2003, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.
- 1.4 The Council currently holds its general funds in an account with HSBC, savings account with Nationwide and a reserve (investment) account with NS&I.

2. Objectives

- 2.1 The Council's investment priorities are as follows in order of priority:
 - i. Security of capital
 - ii. Liquidity
 - iii. Yield
- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling.
- 2.3 The Department for Communities and Local Government maintains that borrowing of monies purely to invest or to lend and make a return, is unlawful and this Council will not engage in such activity.
- 2.4 The committee developed to consider financial matters (the appropriate committee) will monitor the risk of loss on investments by reviewing credit ratings.
- 2.5 The Council will only invest in institutions of high credit rating. Reference will be made in the assessment of credit worthiness to the general economic and political environment in which institutions operate. All significant sources of information will be scrutinised including information from the main credit rating agencies including Fitch and Moody's.
- 2.6 The Council's minimum criteria is that the deposit (account or product) is covered by the Financial Services Compensation Scheme (FSCS). The FSCS pays compensation for financial loss with compensation limited to one claim per firm (bank, building society, etc.).
- 2.7 Currently the maximum level of compensation is £85,000 per organisation, per firm. Credit criteria for individual counterparties will also be considered with A (long-term) and F1 (short-term) being the preferred ratings.
- 2.8 When required investments will be spread over different providers where appropriate to minimise risk. Significant changes in credit ratings will be immediately reported to the Finance and General Purposes Committee and the

Responsible Financial Officer will act within delegated powers to protect Town Council assets.

- 2.9 Where external investment managers are used, they will be contractually required to comply with this Strategy.
- 2.10 The Town Council will provide specific staff training for treasury management appropriate to the Council's circumstances.

3. Specified Investments

- 3.1 Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short-term investments made with a body or investment scheme of high credit rating (including the UK Government or a local authority or town and parish council) will automatically be Specified Investments. The Council will only invest in institutions with good credit ratings from approved credit rating organisations (see above).
- 3.2 Long term investments are defined in the Guidance as greater than 36 months.
- 3.3 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Town Council will use deposits with banks, building societies, local authorities or other public authorities.

4. Non-specified Investments

- 4.1 These investments have greater potential risk – examples include investment in the money market, stock and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

5. Liquidity of Investments

- 5.1 The Responsible Financial Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. Investments will be regarded as commencing on the date the commitment to invest is entered, rather than the date on which the funds are paid to the counterparty.

6. Budgets, Reporting and Review

- 6.1 Investment forecasts for the forthcoming year are accounted for when the budget is prepared.
- 6.2 At the end of the financial year, the Responsible Financial Officer will report on investment activity to the appropriate committee of the Council.
- 6.3 This Strategy will be reviewed annually and at other times as necessary.

APPENDIX 3: GRANT POLICY

Elloughton cum Brough Town Council

60 Welton Road, Brough, HU15 1BH

Write to: PO Box 124, Brough, HU15 1YH

Telephone: 01482 665600

Website: elloughtonbrough-tc.gov.uk



Grant Policy

Document History

Adopted by COUNCIL – 15th May 2023

To be reviewed – May 2024

Philippa Beverley

Town Clerk

1. Introduction

- 1.1 The Town Council wishes to fund projects and services that support organisations and groups that are based within, or that directly benefit, Elloughton cum Brough and its residents.
- 1.2 The Town Council usually maintains two grant schemes:
 - i. **Annual Grant Scheme:** This scheme is for funding of up to £500 and is determined at the same time as the budget for the next financial year.
 - ii. **Community Grant Fund:** This scheme is for funding of up to £500. It can be applied for at any point between 1 April and 31 January. Applications received after the 31 January will be considered in the new financial year.
- 1.3 Grant applications for the 2023-2024 Financial year will be looked upon favourably if:
 - i. New applicant who has not received a grant from the Town Council previously.
 - ii. If the aim of application is directed to support residents and community members throughout the current period of economic crisis.
 - iii. If the organisation can demonstrate they are also sourcing funding in addition to the Town Council grant.
- 1.4 Projects and services must support the aims of the Town Council which are:
 - i. Develop civic pride through activities which involves the community in heritage, arts, culture and leisure;
 - ii. Engage young people and address educational, recreational and training needs;
 - iii. Improve and enhance our community, 'green spaces' and physical environment;
 - iv. Encourage events and activities that will bring social and economic benefits to the Town Council's area;
 - v. Assist the development of sustainable initiatives that will benefit the community in both the short and long term
 - vi. Support and improve the health and wellbeing of the community, and;
 - vii. Strengthen community enablement.

2. Eligibility

- 2.1 When seeking funding, organisations must take into account the following criteria.
- 2.2 To qualify for a grant, organisations **MUST**:
 - Operate within the town council boundary;
 - demonstrate that the project or service benefits local residents and the community;
 - be a voluntary or community organisation, registered charity, community amateur sports club or a not-for-profit group that has a governing document and active management group;
 - be able to provide proof of a bank or building society account in an organisations name with at least two signatures and where possible, a set of audited/approved accounts, and;

- have not already received a grant or financial assistance from the Town Council within the financial year for which funding is being sought.

2.3 Applications **WILL NOT** usually be considered for:

- Organisations that are not based within the Town Council's boundary unless they can show significant benefits for residents within the Town Council's boundary;
- Projects or services which do not involve, include or benefit residents within the Town Council's boundary;
- Individuals or organisations that are not properly constituted;
- General appeals, sponsorship or fundraising;
- National bodies or charities without a local link, or who are unable to demonstrate their effectiveness within the Town Council's area;
- Activities that are mainly of a political or religious nature, and/or;
- Organisations that have previously had an application turned down or received financial assistance within the current financial year.

3. General Conditions

- 3.1 Organisations applying for the Annual Grant Scheme are advised to apply for no more than £500 as applications over this amount will not be considered.
- 3.2 Organisations applying for the Community Grant Scheme are advised to apply for no more than £500 as applications over this amount will not be considered.
- 3.3 Funds awarded to an organisation must only be used for the stated purpose for which it was applied.
- 3.4 The Town Council must be informed immediately if funds are unable to be used as stated in the application within the current financial year. All monies must be repaid unless an organisation formally writes to the Town Council to seek formal approval to vary the agreement.
- 3.5 Funds granted from the Town Council are awarded on a one-off basis. Repeat applications from organisations in consecutive financial years, for the same purpose, might not be considered;
- 3.6 In cases where the grant funded project generates a profit, the profit must be used to the benefit of that organisation.
- 3.7 Any unspent monies must be returned to the Town Council.

4. Publicity Guidelines

- 4.1 It is expected that a successful applicant will make clear that they are receiving funding in any literature they produce, and the Town Council reserve the right to approve the literature before publication.
- 4.2 Our logo is to be used on all signs, plaques and promotional material relating to your project.
- 4.3 After receiving awarded funding, if the Town Council feel inaccurate and damaging information has been publicised by the recipient and/or its organisation members

in regard to the Town Council, the Town Council reserves the right to consider this information when reviewing future grant applications.

5. Applications and Consideration of Grants

- 5.1 Applications can be made for a maximum of £500, as the Council's resources are limited and they aim to assist as many organisations as it can. Applicants should therefore be aware that where a grant is awarded it may be for less than the full amount requested.
- 5.2 Applications for grants must be made in writing. Forms must be clear and legible, preferably submitted by email or in the post.
- 5.3 A complete copy of an organisation's latest audited/approved accounts or bank statement, governing documentation, equal opportunities policy and, where applicable, safeguarding policy, must be submitted along with each application.
- 5.4 In the case of new organisations or projects (i.e. less than a year old) projected income/expenditure can be supplied instead of approved/audited accounts.
- 5.5 The Town Council will receive and consider applications for the Annual Grants Scheme from the 1 October until 31 December.
- 5.6 Applications for the Community Grant Scheme will be considered at any point between 1 April and 31 January.
- 5.7 Grants cannot be awarded retrospectively.
- 5.8 Once your application is submitted your application will be checked and evaluated by Town Council Officers. Incomplete applications will be returned and where felt necessary, the Town Council might seek further clarification on information contained within the application.
- 5.9 The Town Council strives to allocate grant funding in a fair and open manner, judging each application on its own merit. It should also be noted that all Town Councillors are governed by the Code of Conduct and have an obligation to declare any personal and/or prejudicial interest where relevant when considering the allocation of funds.

6. Score Matrix

Achieves Town Council aims, highlighted in section 1.4	Up to 10 points	<p>A high score indicates that the application meets at least one outcome fully and provides a legacy of benefits to the community.</p> <p>A very high score here would indicate meeting two or more outcomes fully.</p>
Value for money	Up to 10	<p>A high score indicates that the application is either collaborative with other organisations or supplemented by other funding sources.</p> <p>It must provide a cost-effective use of our funds.</p>
Strong governance	Up to 10	<p>A high score indicates that the applicant has good control structures within its organisation, and experienced individuals leading the project.</p> <p>Strong dependence on just one or two individuals is not good. If relevant, insurance arrangements must be in place.</p>
Fits well with Town Council annual objectives	Up to 6	A high score indicates a good fit with the objectives

6.1		aims of Elloughton-cum-Brough Town Council.
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An application must score at least 6 points on governance and achieve an overall score of at least 18 to be awarded a grant. Subject to these provisions, the Town Council will award those grants which achieve the highest score in the current round of funding.

7. If You Are Successful

- 7.1 All applicants will be notified in writing within 14 working days following the decision of the Council.
- 7.2 Organisations will be required to complete post-grant monitoring forms highlighting how the project has benefitted and made a difference to the organisation and the community and details on how the funds were spent.
- 7.3 Where requested, copies of all receipts and invoices must be submitted no later than 30 days following completion of the project or by the date stipulated.
- 7.4 Applicants for the Annual Grant Scheme will usually receive funding in the financial year following their application, with payment being made in April or May.
- 7.5 Applicants for the Community Grant Scheme will received funding in year the application before 31 January. After the 31 January funding will be paid in the next financial year, usually in April or May.
- 7.6 Grants will only be paid by BACS payment or cheque, made out to the bank account of the named organisation.

APPENDIX 4: PETTY CASH PROCEDURE

Elloughton cum Brough Town Council

60 Welton Road, Brough, HU15 1BH

Write to: PO Box 124, Brough, HU15 1YH

Telephone: 01482 665600

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Petty Cash Procedure

Document History

Adopted by Council – 15th May 2023

To be reviewed – May 2024

Philippa Beverley

Town Clerk

PETTY CASH PROCEDURE

Introduction

To deal with minor expenses, the Town Council needs a procedure that is flexible yet consistent with the need to protect the authority's funds.

This procedure seeks to ensure that petty cash floats are established and managed appropriately and that staff, members and residents are not financially disadvantaged as a result of incurring minor expenses in relation to the work of the Council.

Responsibilities

It shall be the responsibility of the Town Clerk and in his/her absence the Deputy Clerk to consider any application for a petty cash float. It shall be the responsibility of the Deputy Clerk to manage the amount of the float and to ensure that the procedures specified below are implemented.

Petty Cash Use

Petty cash is to be used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient to use the normal purchasing methods. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures.

Expenses incurred using petty cash funds are to be substantiated by acceptable supporting documentation such as receipts, tax invoices, invoices, etc., and the documentation relating to each item shall be sufficient to establish the nature of the expenditure.

The Deputy Clerk shall retain acceptable supporting documentation of payments from the Petty Cash float and shall submit these with their accounts to the Town Clerk each month.

Petty Cash Limit

The amount of the petty cash float shall be as determined by the Town Clerk in consultation with members, but in general it should not exceed £200.

Any amount in the petty cash float over £200 shall be returned to the general fund.

The limit of £200 shall not be evaded through splitting of items into smaller amounts. Replenishments should be sought when sufficient funds go below £25.

Petty Cash Replenishment

Total yearly petty cash requirements shall be estimated by the Town Clerk and submitted as part of the budget process. Replenishments must not exceed this amount.

If there is a need for additional finance, or if it is desired to increase the amount of the float, a request must be made to the Town Clerk who will bring the matter to members' attention.

Imprest System

An Imprest System of petty cash is where a fixed amount is set for a cash float. The person claiming back money fills in a petty cash voucher with details of their claim. Wherever possible a receipt should be attached.

The person who authorises petty cash expenditure signs the voucher and then the person who deals with petty cash payments will record the expenditure and pay over the money.

Petty cash vouchers are kept in the petty cash tin. The total of cash plus the vouchers in the tin at any point in time should always be equal to the original float.

At the end of the week or month when it is time to replenish the petty cash float, the receipts in the tin are added up. Whatever they total is the amount to be withdrawn from the bank. This will take the amount of cash in the tin back up to the original float.

For example: Float is £50.00. Vouchers for June total £34.50. Cash left in tin is £15.50. Amount withdrawn from bank £34.50. The vouchers should then be stored safely.

Recording Petty Cash Transactions

Details of expenditure should be recorded in a petty cash book. Transactions are entered in date order. The Petty cashbook should be checked and balanced weekly.

Security

Petty cash is vulnerable to fraud and the following will be observed at all times:

- Petty cash is to be in a lockable tin that is kept in a locked drawer, cabinet or safe.
- Only the Town Clerk and Deputy Clerk may access the petty cash tin.
- The Deputy Clerk will be responsible for the money held in the tin.
- There will be no borrowing out of the petty cash.
- Wages must not be paid out of petty cash.
- A petty cash voucher must be completed for each item of expenditure before making the payment.
- Where possible the person authorising expenditure should not be the same person as the one receiving the money.
- Cash income received should be paid into the bank and not used to top up the petty cash tin or to pay expenses.

The petty cash will be checked every month by the Deputy Clerk. The Town Clerk will reconcile the cashbook at the end of every month as part of the accounting process and once a year during the Annual Return process.