



**CHARVIL**

**PARISH COUNCIL**

**2018**

**CHARVIL PARISH  
COUNCIL  
=  
FINANCIAL  
REGULATIONS AND  
RISK MANAGEMENT  
POLICY  
2018**

NEXT REVIEW DUE MAY 2019

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## **RISK MANAGEMENT POLICY**

### **SECTION 1: AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK**

#### **1A RISK IDENTIFICATIONS**

**a Protection of physical assets e.g. buildings, furniture and equipment.**

All physical assets are insured with AXA Insurance UK Ltd under Policy RGBDX6962034. The insurance is cross-checked with the Council's Asset Register annually or as required (e.g. in case of materials additions). See also 1Ba

**b Risk of damage to third party property or individuals as a result of the Council (CPC) providing services or amenities to the public.**

CPC has Public Liability Insurance of £10,000,000. It also has personal accident liability cover for employees, members and volunteers under the above policy.

**c Risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss).**

Included in insurance policy cover.

**d Loss of cash through theft or dishonesty (fidelity guarantee).**

CPC has Fidelity Guarantee cover up to £25,000 for all employees. Funds are further protected through dual signatory banking arrangements by Councillors.

**e Legal liability as a consequence of asset ownership (public liability).**

See (b) above.

**f Employer's Liability Insurance**

CPC has Employer's liability Insurance cover up to £10 Million

**g Risk to individual Councillors and/or Employees**

CPC has insurance to protect the interests of individual Councillors and employees, whose actions, where conducted within CPC's Standing Orders and financial regulations, are considered to be conducted by CPC as a legal entity.

#### **1B INTERNAL CONTROLS**

**a Maintain an up-to- date register of Assets and investments.**

An Asset Register is compiled annually by the Responsible Financial Officer and should be presented to CPC with Annual Accounts each year.

**b Regular maintenance for physical assets**

The Council Staff undertake regular inspections of the facilities. Maintenance of buildings, sites and equipment is undertaken on a responsive basis, in addition to budgeted Capital Projects for major refurbishment. Playground equipment is checked by Council Staff weekly and independently by ROSPA on an annual basis. Trees are periodically checked visually for any hazards weekly; in case of any health and safety concerns noted or in keeping with statutory guidance timescales, specialist arboriculture advice is sought.

**c Annual Review of risk and the adequacy of insurance cover.**

The Responsible Financial Officer reviews the insurance cover annually, makes recommendations to CPC and updates cover as required

**d Ensuring robustness of insurance providers.**

There are four main insurers for local councils – AZA Insurance, Zurich Municipal, Norwich Union and Cornhill. CPC uses AXA Insurance and the RFO is confident that AXA Insurance cover is sufficiently robust.

**1C INTERNAL AUDIT ASSURANCE**

**a Review of internal controls in place and their documentation.**

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to CPC.

**b Review of management arrangements regarding insurance cover.**

This forms part of review at time of annual renewal.

**c Testing of specific internal controls and reporting findings to management.**

This is undertaken as part of the audit process. Reports are presented to CPC and minuted accordingly.

**d Amenities and delegated financial responsibilities**

A separate internal review / audit of the Amenities procedures and financial arrangements is undertaken annually by a nominated person, who is not a member of the Amenities committee and is recommended to be entirely separate to CPC.

## **SECTION 2: AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK**

### **2A RISK IDENTIFICATION**

#### **a Security for vulnerable buildings, amenities or equipment.**

The Council's owned and leased amenities, including Charvil Amenities, are let to several regular users who ensure buildings are secure after use. Amenities are also used by several ad hoc hirers and security is ensured by the assistant clerk, or if it is a late-night booking, then by Taurus Security. The Village Hall is alarmed. In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Keys and alarm codes are held by the Clerk, Assistant Clerk and other delegated Councillors as appropriate. CPC reviews security for its amenities from time to time.

#### **b Maintenance for vulnerable buildings, amenities or equipment.**

All premises are maintained within approved budget unless the Contingency Budget has to be used for emergency measures. In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of all works. The Amenities Committee makes recommendations to the Finance Committee (and thereby to Full Council) for any more substantial maintenance requirements (e.g. roof repair).

#### **c Banking Services.**

Two members to sign all cheques or if using internet banking, two members to approve electronically an order to be drawn up by the clerk. If Direct Debits are to be set up, these must be approved by full council and the instruction signed by two members. The Full Council reviews all payments

#### **d Provision of amenities/facilities for events for local community groups.**

CPC has approved the use of its sites for the fete on a free-of-charge basis. Users are required to ensure their own public liability insurance cover.

CPC may approve occasional other free use of its amenities by charity and community groups – any such instances to be approved by and recorded at full Council.

#### **e Professional services, contractors etc.**

CPC endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a short-list of three is drawn up.

## **2B INTERNAL CONTROLS**

### **a Standing Orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment.**

CPC has Standing Orders that govern the awarding of contracts. These are fully reviewed every two years (or as required where there are material changes to applicable regulations).

### **b Regular reporting on performance by contractors/suppliers.**

This is done on an ad hoc basis at Council and Amenities meetings

### **c Review of contracts.**

Contracts are reviewed by staff and subsequently by CPC as part of its budget process, in line with the Standing Orders and CPC's financial regulations, including endeavours to receive sufficient quotations to assure best value.

### **d Clear statements of management responsibility for each service.**

Under Standing Orders, the Amenities Committee has delegated management responsibility for its own budgets, subject to the overall CPC budget.

### **e Regular scrutiny of performance against targets.**

See (b) and (d).

### **f Arrangements to detect and deter fraud and/or corruption.**

Invoices are subjected to scrutiny by both the RFO and are reviewed by the Chair of Finance (or their deputy) at each Council meeting. Cheque signatories are councillors – any two from a list of four.

### **g Regular bank reconciliations independently reviewed.**

Bank statements are received weekly and are seen by the Clerk (RFO). A reconciliation is presented at each CPC meeting at which time the bank balances are confirmed. Bank reconciliations are spot-checked twice per year by the Chair of Finance or other delegated Councillors, including at year end. Bank Statements and reports will be presented from financial software at least twice a year at separate Finance meetings

## **2C INTERNAL AUDIT ASSURANCE**

### **a Review of internal controls in place and their documentation.**

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council annually and actions arising are reviewed and monitored.

**b Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied.**

The Clerk undertakes to ensure that CPC does not act 'Ultra Vires' when a decision is taken. It is recorded if CPC decides against the Clerk's advice. Where appropriate, legal powers bestowed on CPC will be recorded in the minutes against decisions taken. The minutes of meetings are also reviewed during the audit process.

**c Review and testing of arrangements to prevent and detect fraud and corruption.**

The use of Standing Orders, internal controls and consideration by CPC are all methods which contribute to prevent and deter fraud and corruption.

**d Review of adequacy of insurance cover provided by suppliers.**

Any contractors working for CPC are asked for proof of insurance cover, where applicable and appropriate.

**e Testing of specific internal controls and report findings to management.**

This is undertaken as part of the audit process. Reports are presented to CPC and minuted accordingly.

**SECTION 3: AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK**

**3A RISK IDENTIFICATION**

**a Keeping proper financial records in accordance with statutory requirements.**

Financial records kept in accordance with the statutory requirements fall within the responsibility of CPC and are reviewed as part of the Audit process.

**b Ensuring all business activities are within legal powers applicable to parish councils.**

See Section 2(C) Internal Audit Assurance (b)

**c Complying with restrictions on borrowing.**

CPC has no current borrowing arrangements. Should CPC look to borrow funds for capital expenditure, such a decision is to be taken by full Council and in line with statutory legislation (currently the Local Government Act 2003, which requires the permission of the Secretary of State)

**d Ensuring that all requirements are met under employment law and Inland Revenue regulations.**

Inland Revenue calculations are made by the Clerk and subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are approved by Council. Independent legal advice is taken as necessary.

The Local Government Pension Scheme (LGPS) is offered to all employees in line with current legislation and CPC adheres to the living wage.

**e Ensuring all requirements are met under Customs and Excise regulations (especially VAT).**

All such requirements are met by the Responsible Financial Officer and the Internal Audit process.

**f Ensuring the adequacy of the annual precept within sound budgeting arrangements.**

The budgets for the village's major amenities are set by the Amenities Committee and the Chair of Finance. It is then reviewed along with the Parish Council budget by Finance Committee and approved by full Council in accordance with CPC's budget setting procedure.

**g Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137.**

Grant applications are considered by CPC. Section 137 grants are listed separately in the annual accounts.

**h Proper, timely and accurate reporting of CPC business in the minutes.**

CPC minutes are prepared by the Clerk. They are distributed to members in advance of the subsequent meeting, verified as a correct record as the first business of that meeting and signed at the meeting. Failure to do so is recorded. Committee minutes are reviewed at the next full Council meeting and actions and resolutions from committee minutes are adopted.

**i Responding to electors wishing to exercise their rights of inspection.**

The rights of inspection by electors is adhered to in accordance with current legislation. In accordance with current legislation, all relevant documents are available on demand (during office hours) or by post and in addition, meeting schedules and minutes are available on CPC's section of the village website. These are reviewed periodically.

**j Meeting the laid down timetables when responding to consultation invitations.**

Every effort is made to meet specified timetables when responding to consultation invitations.

**k Proper document control.**

Paperwork is retained in accordance with national guidelines and is available for viewing during office hours.



**I Register of members' interests and gifts and hospitality in place, complete, accurate and up to date.**

The Clerk holds the members' register of interests and WBC holds a copy. It is the responsibility of members to notify the Clerk of changes. The register is reviewed by the Clerk on annual basis.

**3B INTERNAL CONTROLS**

**a Regular scrutiny of financial records and proper arrangements for the approval of expenditure.**

Comprehensive measures are in place for the internal and external approval of expenditure.

**b Recording in the minutes the precise powers under which expenditure is being approved.**

See Section 2(B) Internal Audit Assurance (b)

**c Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by CPC, systems of updating records for any changes in relevant legislation.**

Inland Revenue returns are to be completed by the Clerk on a quarterly basis. Salaries are calculated by the Clerk and checked by the Chair of Finance and during internal audit. Staffing issues are referred to Council's Staffing Committee.

**d Regular returns of VAT.**

The Clerk as RFO is responsible for VAT returns and these are reviewed by CPC periodically (through delegation to the Chair of Finance or other delegated Councillor(s)). CPC checks that the RFO receives adequate training in all financial matters that relate to council business.

**e Developing system of performance measurement.**

Staff appraisals are undertaken by the staffing committee, which consists of at least five councillors including the Chairman (ex-officio). These are reported to the appropriate Committee.

**f Minutes properly numbered and paginated with a master copy kept in safekeeping.**

All Council and Committee minutes are correctly numbered and page numbered. These are loose leaf and signed copies are stored at the Public Record Office in Reading. They are also stored electronically and backed up remotely regularly.

**g Documented procedures to deal with enquiries from the public.**

Calls and letters are dealt with as soon as practicable unless referred to council or committee. In such cases, acknowledgement of enquiry is made.

**h Documented procedures to deal with responses to consultation requests.**

Consultation requests are referred to Council. They may be further delegated to a working group. The course of action taken is minuted. Copies of responses are available to all members on request.

**i Documented procedures for document receipt, circulation, response, handling and filing.**

The Clerk receives all mail (except correspondence relating to lettings, which is received by the Assistant Clerk). All relevant mail is listed with council or a committee for consideration or for information. Mail for action by the Clerk is dealt with accordingly and filed when actions are completed.

**j Procedures in place for recording and monitoring members' interest and gifts and hospitality received.**

It is a members' responsibility to inform the clerk of any gifts or hospitality as laid down in the Standing Orders.

**k Adoption of Codes of Conduct for members and employees.**

The Council adopted the WBC Code of Conduct on 24<sup>th</sup> July 2012. Employees Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

**3C INTERNAL AUDIT ASSURANCE**

**a Review of internal controls in place and their documentation.**

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are reviewed by the Finance Committee and are submitted to full Council for approval.

**b Review of minutes to ensure legal powers in place, recorded and correctly applied.**

See Section 2(C) Internal Audit Assurance (b).

**c Testing of income and expenditure from minutes to a recognised accounts package, from bank statements to the accounts package, from minutes to statements etc.**

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process and the Amenities internal audit.

**d Review and testing of arrangements to prevent and detect fraud and corruption.**

The system and controls laid down in Standing Orders is reviewed on a regular basis to check it is robust. No expenditure, transfers or disposal of assets can be made without the signature of two councillors recorded in the appropriate approved signatory list.

**e Testing of specific internal controls and reporting findings to management.**

Where appropriate, the results of such testing, as part of the internal controls will be reported to the appropriate committee or council. Similar reporting to Council will be made as part of the internal audit.

**f Computer data safety.**

All necessary procedures and documents are computerised and all relevant areas of the computer are backed up. The computer system is protected by Symantec Norton Antivirus, which incorporates a firewall. Each time the computer is used this automatically backs up all data to a remote server operated by Symantec. Financial records are backed up daily on a cloud based system.

#### **SECTION 4: AMENITIES RISK ASSESSMENT PROCEDURES**

**a Health and Safety Risk Assessment**

This is reviewed and updated annually.

**b Fire Risk Assessment**

A Fire Risk Assessment and associated action plan is undertaken, reviewed and updated annually by the Amenities Committee Fire extinguishers undergo a certified annual check. A fire alarm system and automated door closer system has been in place since 2016, with appropriate service intervals.

## **FINANCIAL REGULATIONS**

### **1.0 GENERAL**

- 1.1 These financial regulations govern the conduct of the financial transactions of Charvil Parish Council (CPC) and may only be amended or varied by resolution of CPC.
- 1.2 The Responsible Financial Officer (RFO), under the policy direction of CPC, shall be responsible for the proper administration of CPC's financial affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.
- 1.4 The Council shall be responsible for ensuring that the financial management is adequate and effective, and that CPC has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- 1.5 The Council shall review at least once a year the effectiveness of its systems of internal controls at a meeting of its Finance Committee and shall produce a statement of internal control with its statement of accounts.

### **2.0 ANNUAL ESTIMATES**

- 2.1 Each Committee shall formulate and submit proposals to CPC in respect of revenue and capital costs for the following financial year not later than the end of November each year, through the auspices of the Finance Committee, which makes recommendations to full Council.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- 2.3 CPC shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.4 The annual budgets shall form the basis of the financial control for the ensuing year.
- 2.5 CPC shall prepare and have regard to a three year forecast of Revenue and Capital Receipts and Payments which shall be prepared at the same time as the annual Budget or Estimates, and then monitor in subsequent years.

### **3.0 BUDGETARY CONTROL AND SPENDING LIMITS**

- 3.1 Expenditure on Revenue items may be incurred up to the amounts included in the approved budget.
- 3.2 Every effort shall be made to ensure that no expenditure may be incurred that will exceed the amount provided in the revenue budget. Should overspend occur, the RFO shall draw this to the attention of CPC for consideration at next CPC meeting.

- 3.3 The RFO shall regularly provide CPC with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.
- 3.4 The Clerk and Assistant Parish Clerk may incur expenditure on behalf of CPC which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2,000 (Parish Clerk, or in his/her absence, the Assistant Clerk). The Clerk(s) shall report the action to CPC as soon as practicable thereafter.
- 3.5 The Amenities Committee may incur expenditure on behalf of full Council, subject to a limit of £1000 per item or estimate providing it is within an approved budget.
- 3.6 Unspent provisions in the expenditure budget shall be taken to reserves.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless CPC is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.8 All capital works shall be administered in accordance with CPC's standing orders and financial regulations relating to contracts.

#### **4.0 ACCOUNTING AND AUDIT**

- 4.1 All accounting procedures and financial records of CPC shall be determined by the RFO as required by the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.
- 4.2 The RFO shall be responsible for completing the annual financial statements of CPC as soon as practicable after the end of the financial year and shall submit them and report thereon to CPC.
- 4.3 The RFO shall be responsible for completing the Accounts of CPC contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit commission) and for submitting the Annual Return for approval and authorisation by CPC within the timescales set by the Accounts and Audit Regulations 1996 as amended or set by the Auditor.
- 4.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of CPC's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments. Any officer or member of CPC shall, if the RFO or Internal Auditor require, make available such documents of CPC which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

- 4.5 CPC shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.
- 4.6 The Internal Auditor shall carry out the work required by the RFO, and CPC, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of CPC, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.7 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by Audit commission Act 1998 section 15 and the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.
- 4.8 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.
- 4.9 CPC should change internal auditor every four to five years.

## **5 BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

- 5.1 CPC's banking arrangements, including the bank mandate, shall be made by the RFO and approved by CPC; 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 CPC. CPC shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of CPC. 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 CPC 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 CPC;

- 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 CPC; 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 CPC.

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 CPC 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 CPC.

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 CPC 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 CPC.

5.9 Members are subject to the Code of Conduct that has been adopted by CPC 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 CPC 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 CPC 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 CPC.

6.4 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. 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 CPC to 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 CPC as made. The approval of the use of a variable direct debit shall be renewed by resolution of CPC at least every two years.
- 6.8 If thought appropriate by CPC, 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 CPC, 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 CPC 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 CPC 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 CPC, 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 CPC 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 two of the RFO and a bank signatory. A programme of regular checks of standing data with suppliers will be followed.

## **7.0 PAYMENT OF SALARIES**

- 7.1 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.

## **8.0 LOANS, INVESTMENTS AND RESERVES**

- 8.1 All loans and investments shall be negotiated in the name of CPC and shall be for a set period in accordance with Council policy.
- 8.2 At each annual Budget, Council is to review investments in order to ensure optimum return, having due regard to levels of risk and in accordance with the Trustee Act 2000 or any amendment.
- 8.3 All investments of money under the control of CPC shall be in the name of CPC.

- 8.4 All borrowings shall be effected in the name of CPC, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.6 The Council endeavours to maintain financial reserves above £40k and not more than £80k. Where these limits are exceeded, CPC shall endeavour to return reserves to within these limits as soon as practical and in any case within two years. However, Council reserves the right to allow reserves to rise higher than this when it would be prudent to invest substantial capital to further its contribution to the community.

## **9.0 INCOME**

- 9.1 The collection of all sums due to CPC 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 CPC, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to CPC.
- 9.3 CPC will review all fees and charges annually, following a report of the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to CPC and shall be written off in the year.
- 9.5 All sums received on behalf of CPC shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with CPC'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 CPC.
- 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 It is CPC's policy to minimise cash receipts but where any significant sums of cash are regularly received by CPC, the RFO shall take such steps as are agreed by CPC 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.

## **10.0 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 is to ensure as far as reasonable and practical 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 minimus provisions in Regulation 11 (1) below.
- 10.4 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.

## **11.0 CONTRACTS**

- 11.1 Procedures as to contracts are laid down as follows:
- 11.1.1 Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall 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 CPC;
  - (v) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price
- 11.1.2 Where it is intended to enter into a contract exceeding £50,000 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 expected as set out in para (a) the Clerk shall invite tenders from at least three firms.
- 11.1.3 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 CPC.

- 11.1.4 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
- 11.1.5 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.
- 11.1.6 If fewer than three tenders are received for contracts above £50,000 or if all the tenders are identical CPC may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 11.1.7 Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 61, 63 and 64.
- 11.1.8 When it is intended to enter into a contract less than £50,000 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 expected as set out in paragraph (a) the Clerk or RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £2,500 and above £250 the Clerk or RFO shall strive to obtain three estimates. Otherwise, Regulation 10 (3) shall apply.

## **12.0 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payment. 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 CPC.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by CPC and Clerk to the Contractor in writing, CPC being informed where the final cost is likely to exceed the financial provision.

## **13.0 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 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.

#### **14.0 PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds, leases and other appropriate legal documents related to properties owned or leased by CPC. The RFO shall ensure a record is maintained of all properties owned and leased by CPC, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with regulation 4(3) (b) of the Accounts and Audit Regulations 1996 as amended.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of CPC, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

#### **15.0 INSURANCE**

- 15.1 Following an annual assessment, the RFO shall effect all insurances and negotiate all claims on CPC's insurers.
- 15.2 In effecting all insurances, the RFO shall ensure that Sums Insured are maintained at appropriate levels, all premiums are paid promptly and no later than deadline required by Insurers, and policies are underwritten by reputable Insurers.
- 15.3 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.
- 15.4 The RFO shall keep a record of all insurances effected by CPC and the property and risks covered thereby, and annually renew it.
- 15.5 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.
- 15.6 All appropriate employees of CPC shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by CPC.

## **16.0 CHARITIES**

16.1 Where CPC is sole trustee of a Charitable body the Clerk and RFO shall ensure that separate accounts are kept of 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.

## **17.0 RISK MANAGEMENT**

17.1 The Clerk with the RFO shall promote risk management in accordance with CPC's Risk Management Policy Statement.

17.2 When considering any new activity the Clerk and RFO shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

17.3 The Council shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

## **18.0 REVISION OF FINANCIAL REGULATIONS**

18.1 It shall be the duty of CPC to review the Financial Regulations of CPC immediately following inauguration of new Council.

***James Bell, Chair of Finance***

***Miranda Parker, Clerk & Responsible Finance Officer***

***21st May 2018***