

## RESOURCES COMMITTEE

Minutes of a meeting of the Resources Committee held at 6.30pm on Tuesday, 09 January 2018 in the Town Hall, Banbury.

Present: Councillor Mallon (Chairman)  
Councillors: Banfield, Clarke, Cherry, Colegrave, Fatemian, Harrison, Kilsby, Richards and Wren.

Alternate Members: Councillor Woodcock for Councillor Hussain.

Officers: Mark Recchia (Town Clerk)  
Mark Hassall (Deputy Town Clerk/RFO)

**R.37/17 Apologies for Absence**  
Councillor Hussain.

**R.38/17 Declarations of Interest**  
None.

**R.39/17 Minutes of the last Meeting**  
**IT WAS RESOLVED** that the Minutes of the Meeting held on 07 November 2017 be approved as a correct record and signed by the Chairman.

**R.40/17 Income & Expenditure Report**  
The Committee considered a report prepared by the Deputy Town Clerk/RFO outlining year-to-date income and expenditure with the projected annual budget to 4<sup>th</sup> December 2017. Members were advised that overall the Committees were within forecast.

Principal items of note for Resources Committee, excluding one-off grants, were:

- Variances to legal expenditure, which was principally time related.
- Salary cost in Central Administration were lower than forecast due to timing of filling vacancies, as was the timing of training, broadband replacement and website refurbishment.
- Timing of internal maintenance costs in the Town Hall caused a variance of £16k, grants for the provision of Christmas Lights and Woodgreen Open Air Pool (£94k) were offset by the timing of grant income related to new homes grant (£27k).

Members asked a number of detailed questions on the Income and Expenditure report. The Deputy Town Clerk & RFO answered questions relating to the increase in expenditure in General Services Code: 4503, the Committee was informed that new signage had been designed and installed in Browning Road park.

**IT WAS RESOLVED** to receive and note the Income and Expenditure report.

**R.41/17 Grants & Budget Sub-Committee**  
The Chairman thanked the sub-committee for their review of the budget.

**IT WAS RESOLVED** to receive and note the minutes of the Grants & Budget Sub-Committee held on the 28<sup>th</sup> November 2017 and approve the recommendations set out in Minute GB.4/17.

**R.42/17 Draft Estimates 2018/19**

Members were guided through the Draft Estimates 2018/19 which had been circulated with the agenda. These had been considered by service committees during the last meeting cycle and reviewed by the Grants and Budget Sub-Committee in November. The draft estimates for 2018/19 had been prepared on the basis of a 0% rise in precept and a rise of 2% of households in the town due to general housing growth. A 1% inflationary rise in salaries and specific contract costs had also been assumed. The following observations were made to Members:

**Cost Centre 301 Corporate Management**

Legal fees for land management issues and strategic support for the Horton Hospital campaign increased in 2017/18.

**Cost Centre 305 Central Administration**

Salary costs reduced in 2017/18.

**Cost Centre 310 Town Hall**

Investment in internal redecoration and ongoing maintenance of the Town Hall caused one off costs in 2017/18.

**Cost Centre 315 Other Services to the Public**

Increased grant provision in 2018/19.

**Cost Centre 320 Other Costs and Income**

In 2017/18 capital expenditure on the Town Hall was being funded through Earmarked Reserves to complete the refurbishment of the external stonework, windows and roof netting. The 2018/19 plans prepared by officers had assumed a 0% rise on Average Band D tax rate, and a tax base increase due to an expected increase in housebuilding. Council Tax Reduction Scheme grant receipt from Cherwell District Council had also been forecast to reduce in 2018/19, as had the new homes bonus.

Members asked a number of questions relating to the budget and on funding that would be required for a new musical event in the Town Council's calendar of events. The Deputy Town Clerk/RFO advised Members and answered all questions.

**IT WAS RESOLVED** to endorse the 2018/19 fees and charges as submitted.

**IT WAS RECOMMENDED** to the Council that

- (1) the Estimates as recommended by the Grants & Budget Sub Committee on 28 November and the General Services Committee on 12 December 2017, be approved; and
- (2) the Town Council set a precept of £1,772,536 or £122.12 per Band D property for 2018/19, being an increase of 0%; and
- (3) the Four Year Financial Forecast be approved.

**R.43/17 Internal Audit Report**

Members were advised that under the Accounts and Audit Regulations 2015 the Council was required to have in place an Internal Audit System. The Town Council had an arrangement with Stuart Pollard of Auditing Solutions Ltd to provide the Internal Audit Services. The Internal Auditor planned visits over a three year cycle and examined different aspects of the Council's financial operations. The auditor made a number of recommendations, three low priority, four of medium priority and five of high priority.

**IT WAS RECOMMENDED** that the Council

- (1) receive and note the Internal Audit Report;
- (2) recommend to Full Council the internal auditors action plan for implementation where practicable; and
- (3) that the RFO report back on actions taken to implement the recommendations of the Internal Auditor.

**R.44/17 Revisions to Standing Orders and Financial Regulations**

Members were invited to review the Council's Standing Orders in respect of financial matters and its Financial Regulations, in pursuance of a recommendation from the Internal Auditor. The Standing Orders and Financial Regulations had not been subject to a full and formal review since January 2015 and September 2012 respectively.

**IT WAS RECOMMENDED** to the Council that it approve the updated Standing Order 30 (Financial Matters) at Appendix A to these Minutes and adopts the revised Financial Regulations at Appendix B.

**R.45/17 Calendar of Meetings for 2018/19**

Approval was sought from members for the 2018/19 Calendar of Meetings.

The Town Clerk reminded Members that he had been asked to ensure that where possible the new Calendar sought to avoid any clashes with meetings of the principal councils. The draft Calendar as submitted had achieved this, but had necessitated changes to the day upon which the full Council and various committees were normally held.

Having considered the draft Calendar Members' felt that further work was needed to see if it was possible to avoid clashes without changing meeting days. In this respect it was accepted that meetings of Committees should be left on their normal scheduled dates and that where this meant that clashes occurred, then the Members' concerned could make use of the Alternate Member scheme. However, every effort needed to be made to avoid clashes for the full Council, where the scheme was not available. The Town Clerk undertook to re-examine the options in an attempt to submit a further revision to the Council meeting.

**IT WAS RECOMMENDED** that the Council approve the Calendar of Meetings, as amended, attached at Appendix C to these Minutes.

**R.46/17 Confidential Business Exclusion**

It was proposed by the Chairman and **WAS RESOLVED** that, in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, the public and press be excluded from the meeting during the consideration of the items set out below on the grounds that publicity would be prejudicial to the general interest by reason of the confidential nature of the business to be transacted.

**SUMMARY of items discussed during confidential session**

**R.47/17 Property Matters:**

**(1) Easington Allotment Lease**

The allotments at Easington (shown on the plan forming Annex 1 to the report) were managed by the Easington Allotment Association, as they have been for many years. The latest lease for the site covered the period 1 April 2012 to 31 March 2018. The rent paid during the last lease period was £350 per annum (increased from £300 per annum for the previous period).

**RESOLVED** that:

1. a new Lease be granted to the Easington Allotment Association, for the area shown on the plan at Annex 1 to the report;
2. the Lease be for a term of six years from 1 April 2018; and
3. the rent for the allotments be set at £400 per annum.

**(2) Land at Warkworth Close**

The Town Clerk reported that, under Minute GS.28/17, the General Services Committee had given approval for the Town Clerk to negotiate and agree terms for the potential disposal of a small area of land on Warkworth Close. The matter required the further approval of this Committee, as the property committee.

**RESOLVED** that the Town Clerk be authorised to finalise the sale of this land, subject to no objections being received to the public advertisement.

**(3) Potential Lease Opportunity - Town Centre Business Unit.**

The Committee considered a verbal update from the Town Clerk, submitted further to Minute R.36/17, where in principle agreement had been given to approve draft Heads of Terms for the lease of a town centre business unit, subject to contract. The Town Clerk had been asked to further develop a business case to be submitted to the Council Meeting for final approval. However, in the intervening period due diligence enquiries had revealed that the property was owned by an offshore company. This was specifically excluded by the Council's recently adopted Treasury Management Policy. There remained widespread support for this venture from members, which was seen as a positive contribution by the Town Council to the Town Centre. As such, it was

**RESOLVED** not to proceed with the Lease of the Unit under consideration, but to instruct the Town Clerk to look for other suitable opportunities within the town centre.

The meeting ended at 8:15pm

## STANDING ORDERS

### 30 Financial matters

- a The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
  - i. the accounting records and systems of internal control;
  - ii. the assessment and management of financial risks faced by the Council;
  - iii. the work of the Internal Auditor and the receipt of regular reports from the Internal Auditor, which shall be required at least annually;
  - iv. the inspection and copying by councillors and local electors of the Council's accounts and/or orders of payments;
  - v. procurement policies (subject to standing order 30(b) below) including the setting of values for different procedures where the contract has an estimated value of less than £50,000.
  
- b Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £25,000 shall comply with the relevant requirements of the Public Contracts Regulations 2015.
  
- c Any formal tender process shall comprise the following steps:
  - i. a public notice of intention to place a contract to be placed in a local newspaper or in any other manner that is appropriate;
  - ii. a specification of the goods, materials, services and the execution of works shall be drawn up;
  - iii. tenders are to be sent, in a sealed marked envelope, to the Town Clerk by a stated date and time;
  - iv. tenders submitted are to be opened, after the stated closing date and time, by the Town Clerk or Deputy Town Clerk and at least one member of the Council;

- v. tenders are then to be assessed and reported to the appropriate meeting of Council or Committee.
- d Neither the Council, nor any committee, is bound to accept the lowest tender, estimate or quote.
- e Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time the Council must consider whether the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2006 (SI No. 6, as amended) apply to the contract and, if either of those Regulations apply, the Council must comply with EU procurement rules.

# **FINANCIAL REGULATIONS**

## **1. General**

- 1.1. These Financial Regulations govern the conduct of financial management by Shrewsbury Town 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. A 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 and is independent of the office of Proper Officer (Town Clerk).
- 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<sup>1</sup>.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Council; and
  - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
  - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions. The principle of separation of duties will be observed wherever possible in respect of financial 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,

24/01/2018\_\_\_\_\_

<sup>1</sup> Accounts and Audit (England) Regulations 2015/234

shall be a matter for the full Council.

- 1.14. In addition the Council must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
  - approve any grant in excess of £5,000; and
  - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.
- 1.15. In these Financial Regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.  
In these Financial Regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils – a Practitioners' Guide* issued by the Joint Practitioners Advisory Group (JPAG).

## **2. Accounting & Audit (Internal & 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 of the Resources Committee who is not 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 the Resources 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) & Forward Planning**

- 3.1. The RFO must each year, by no later than the December meeting of Resources Committee, 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 Resources Committee.
- 3.2. The Council shall consider annual budget recommendations of the Resources Committee of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.3. 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.

- 3.4. The approved annual budget shall form the basis of financial control for the ensuing year.

#### **4. Budgetary Control & 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. Such authority is to be evidenced by a Minute or by an authorisation duly signed by the Town Clerk or RFO. 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. Transfers within committee revenue budgets can be made provided that this does not distort Council policy. The Town Clerk and the RFO may authorise such transfers.
- 4.4. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.5. In cases of an emergency or extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council which in the Town 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 £10,000. The Town Clerk shall report such action to the Resources Committee and/or 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 Resources Committee 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 Resources Committee with a summary of receipts and payments to date under each heading of the budget, 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.
- 4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

## **5. Banking Arrangements & 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 by two of the Council's Authorised Signatories (who shall be the Town Mayor; Deputy Town Mayor; Chairman and Vice Chairman of Resources Committee). The two Authorised Signatories shall review the schedule for compliance and, having satisfied themselves shall authorise payment by signing the schedule. This shall be deemed as authorisation by either the RFO or Town Clerk to activate electronic payments using the Council's Electronic Banking System.
- 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.
- 5.5. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any Policy statement approved by Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.6. 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.
- 5.7. 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.
- 5.8. The Council shall retain a file with details of all suppliers whose invoices are paid electronically. The nominated Councillor in 2.2 above may take a random sample of invoices to ensure that the details match those held in the Council's accounting software.

## **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 Town Clerk or RFO shall give instruction that a payment shall be made.

- 6.3. 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. Due to the volume of payments from the Council's bank account, the primary method of payment shall be via electronic banking as set out in 5.2 above. The schedule of payments shall be signed by two authorised signatories
- 6.5. In the event that payment is required by cheque those shall be signed by two signatories. 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. If thought appropriate by the Council, payment of accounts may be made by variable Direct Debit provided that the instructions are signed by two authorised signatories.
- 6.7. If thought appropriate by the Council, payment for certain items may be made by Electronic Methods such as Online Banking, BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained.
- 6.8. 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.
- 6.9. 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.
- 6.10. 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.
- 6.11. 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.
- 6.12. Where internet banking arrangements are made with any bank, the Town Clerk &/or RFO shall be appointed as the Service Administrators. The Bank Mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts.
- 6.13. 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.

- 6.14. Changes to account detail 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 of the Town Clerk, the RFO or a Bank Signatory.
- 6.15. Any Debit Card issued for use will be specifically restricted to the Town Clerk and the RFO and will also be restricted to a single transaction maximum value of £5,000 unless authorised by the Resources Committee in writing before any order is placed.
- 6.16. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Resources Committee. Transactions and purchases made will be reported to the Resources Committee and authority for topping-up shall be at the discretion of the Resources Committee.
- 6.17. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use/sanctioned use by the Town Clerk and RFO and shall be subject to automatic payment in full at each month-end.
- 6.18. 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 £300 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 authorised signatories.

## **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 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. Reports detailing each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be retained in a separate file. 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. Any termination payments shall be reported to and approved by the Council.

## **8. Loans & 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 Town Clerk or RFO.
- 8.3. 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.
- 8.4. The Council shall maintain an Investment Strategy and Policy which shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. 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 Town 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.

## **10. Orders for Work, Goods & Services**

- 10.1. An official order or letter shall be issued for all work, goods and services over £100 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, using the an appropriate accounts package.
- 10.3. All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (i) below.
- 10.4. A member may not issue an official order or make any contract on behalf of the Council.

- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

## 11. Contracts

- 11.1. Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
  - i. for the supply of gas, electricity, water, sewerage and telephone services;
  - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
  - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - v. for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Town Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Resources Committee); 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 Regulations.
- 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 exceeds thresholds in the Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- 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 Town Clerk or Deputy Town 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 Town Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in

which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

- f. All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of either the Town Clerk or Recreation & Amenities Manager, accompanied by at least one elected member.
- g. If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- h. Any invitation to tender issued under this regulation shall be subject to Standing Order 30, and shall refer to the terms of the Bribery Act 2010.
- i. 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 Town Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply). Where the value is below £5,000 the Town Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
- j. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- k. 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.
- l. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

## **12. Payments under Contracts for Building or other Construction Works**

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 10% or more a report shall be submitted to the appropriate committee.

- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Town Clerk to the contractor in writing, the appropriate committee being informed where the final cost is likely to exceed the financial provision.

### **13. Stores & 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 Recreation & Amenities Manager shall be responsible for periodic checks of stocks and stores at least annually.

### **14. Assets, Properties & Estates**

- 14.1. The Town 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 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 £5,000.
- 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. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible

assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **15. Insurance**

- 15.1. Following the annual risk assessment (per Financial Regulation 16), the RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Town Clerk.
- 15.2. The Town Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 15.5. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Resources Committee.

## **16. Risk Management**

- 16.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk with the RFO shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 16.2. The Town Clerk and RFO shall ensure that all reports considered by the Council, Committees or Sub Committees address the legal and financial liabilities and risks that arise from the proposed activity.

## **17. Suspension & Revision of Financial Regulations**

- 17.1. It shall be the duty of the Resources Committee to review the Financial Regulations of the Council from time to time and make recommendations to the Council. The Town 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.
- 17.2. 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.

\* \* \*

**Calendar of Meetings 2018 – 2019**

	<b>CYCLE 1</b>	<b>CYCLE 2</b>	<b>CYCLE 3</b>	<b>CYCLE (BUDGET) 4</b>	<b>CYCLE 5</b>	<b>CYCLE 6</b>
<b>COUNCIL</b>	Tuesday 8 May <b>Annual Meeting</b>	26 June	18 Sept	20 Nov	15 Jan	12 Feb
<b>PLANNING (Wednesday)</b>	2 May  30 May	27 June  25 July  22 Aug	19 Sept  17 Oct	14 Nov  12 Dec	9 Jan  6 Feb	6 Mar  3 April
<b>GENERAL SERVICES</b>	5 June	4 Sept	30 Oct	11 Dec	29 Jan	26 March
<b>RESOURCES</b>	12 June	11 Sept	6 Nov	8 Jan	5 Feb	2 April
<b>TRAFFIC ADVISORY (Wednesday @ 2.00 p.m.)</b>	30 May	5 Sept	-	5 Dec	27 Feb	-
<b>COUNCIL</b>	26 June	18 Sept	20 Nov	15 Jan	12 Feb	9 April

**Notes:**

1. All Meetings are held at the Town Hall, Bridge Street, Banbury and commence at 6.30pm unless otherwise stated.
2. The 2019 Annual Meeting will be held on Tuesday, 7 May.
3. Annual Town Meeting – Monday, 11 March 2019.