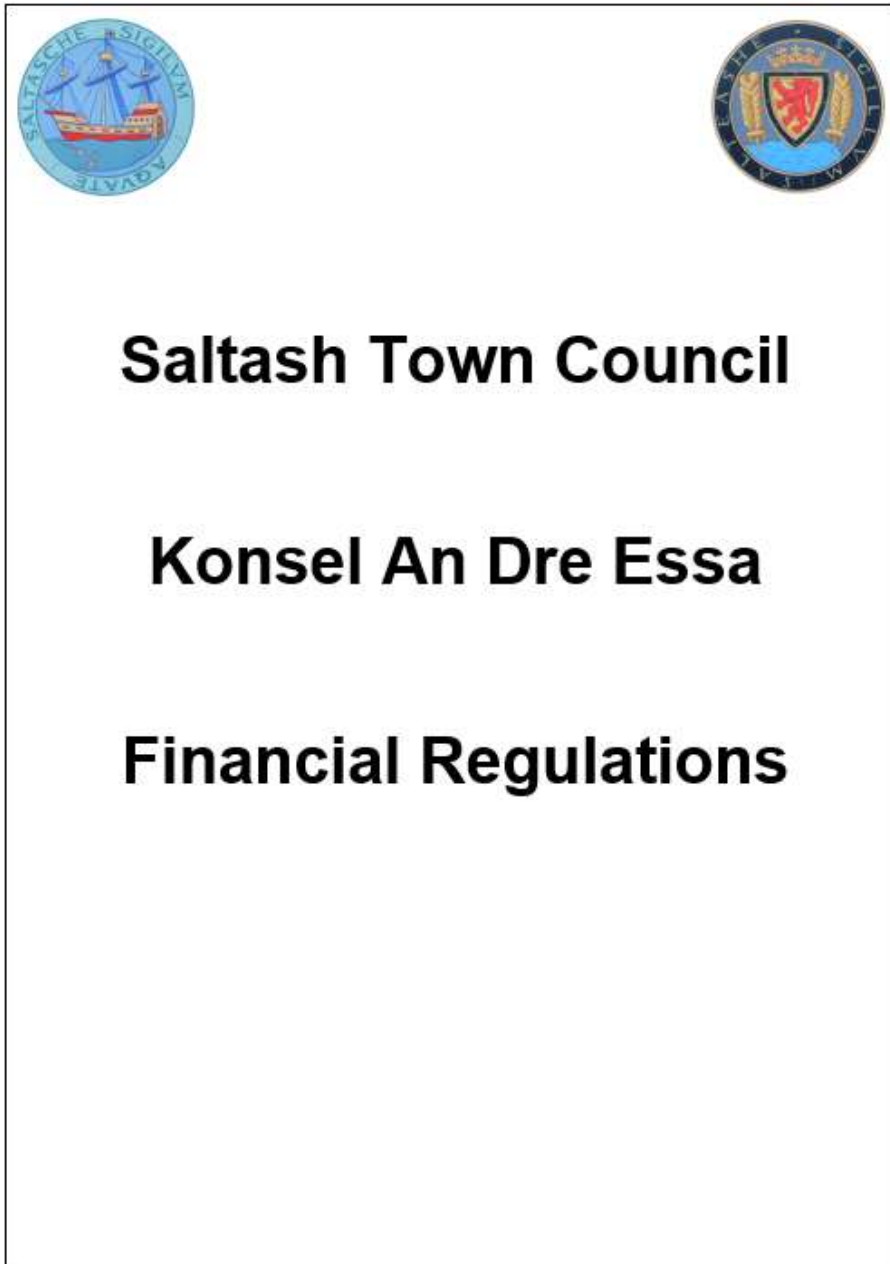


Agenda No. 15 a: Committee Minutes for Approval

DRAFT Policy & Resources Minutes 28th August 2018 – Please see website.

Recommendations:

Minute No. 76/18/19



SALTASH TOWN COUNCIL FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the Council at its Meeting held 8th January 2015

1. GENERAL

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

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

Revised Financial Regulations Approved 7/4/16

Minor text amendment 12.1h 30/05/17

Updated April 2018 P and R.

To be approved by P and R September 2018

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 Regulations².

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;

² In England - Accounts and Audit (England) Regulations 2011/817
In Wales - Accounts and Audit (Wales) Regulations 2005/368

Revised Financial Regulations Approved 7/4/16
Minor text amendment 12.1h 30/05/17
Updated April 2018 P and R.

To be approved by P and R September 2018

- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (Council Tax Requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the General Power of Competence; and
 - addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.
- 1.14. In addition the council must:
- determine and keep under regular review the bank mandate for all council bank accounts;
 - approve any grant or a single commitment in excess of **£1,000** and
 - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.
- In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils – a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC)

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 2.2. On a regular basis, at least once in each quarter, and at each financial year end, the Chairman of Policy and Resources and Town Clerk shall be appointed to verify bank reconciliations (for all accounts) produced by the FO. The Chairman and Town Clerk shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.
- 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 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:
 - appointed every 3 years;
 - be competent and independent of the financial operations of the council and declare such by a written statement on an annual basis;
 - 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.
- 2.11. The council will periodically review its internal day to day controls and procedures.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. Each committee shall review its three year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Policy and Resources Committee not later than the end of December each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than January prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by Policy and Resources Committee.
- 3.3. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The statutory contingency budget shall be a minimum of six months and a maximum of 12 months operating costs.

- 3.5. The statutory contingency budget of a minimum of six months operating costs and a maximum of twelve months operating costs of the Council shall be related and available from the statutory contingency, EMF's and capital works arising from devolved assets and services.
- 3.6. 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 February 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.
- 3.7. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- the council via tender for all items over £50,000
- the council for all items over £10,000;
- a duly delegated committee of the council for items up to £10,000;
- a duly delegated sub-committee for items up to £5,000
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for items up to £5000.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. The FO to conduct regular checks to ensure all expenditure is within the powers of the council to undertake;
- 4.4. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

- 4.5. The salary budgets are to be reviewed at least annually in September by the Staffing Committee for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.6. In cases of extreme risk to the delivery of council services, the Clerk may authorise revenue expenditure on behalf of the council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of **£1000**. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.
- 4.7. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.8. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.9. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of **£100 or 15%** of the budget.
- 4.10. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO shall prepare a monthly schedule of payments made forming part of the Agenda for Full Council and present the schedule to council. The council shall review the schedule for compliance and having satisfied itself shall authorise by a resolution of the council. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting. 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, Finance Officer and two councillors 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 Finance Officer shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Finance Officer shall take all steps to pay all invoices submitted, and which are in order.
- 5.5. The Clerk and Finance Officer 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 Finance Officer certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
 - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council or
 - c) fund transfers within the councils banking arrangements provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.6. For each financial year the Finance Officer shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council or a duly authorised committee may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants a duly authorised committee 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 **£1,000** shall before payment, be subject to ratification by resolution of the council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to

authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

- 5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by the Chairman of Policy and Resources.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two members of council and countersigned by the Clerk and Financial Officer in accordance with a resolution relating to that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. Cheques or orders for payment shall be reported to the council at the next convenient meeting.
- 6.7. **If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.**
- 6.8. **If thought appropriate by the council, payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members**

are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.

- 6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.10. If thought appropriate by the council payment for certain items may be made by the council credit card or internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11. Any Credit/Debit Card issued for use will be specifically restricted to a limit of **£4000** to be paid off in full each month.
The card only be used for corporate procurement and no personal use.
The authorisation to use the card is delegated to the Chairman, Vice Chairman of Policy and Resources and the Clerk.

A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council. Transactions and purchases made will be reported to the council and authority for topping-up shall be at the discretion of the council.

Any corporate credit card or trade card account opened by the council will be specifically restricted to

- A limit of **£1000** expenditure activity to be paid off in full each month.
- The accounts only be used for corporate procurement and no personal use.
- The authorisation to use the corporate credit card be delegated to the Chairman, Vice Chairman of Policy and Resources and the Clerk.

Personal credit or debit cards of members or staff shall not be used under any circumstances.

- 6.12. 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 retained in a sealed dated envelope in the safe. 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.

- 6.13. 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.
- 6.14. 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.
- 6.15. 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.
- 6.16. Where internet banking arrangements are made with any bank, the Finance Officer shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.17. 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.
- 6.18. Supplier bank details used for electronic payments are particularly vulnerable to fraud or error and it is therefore essential that the following procedure is followed to carry out any changes.

Any requests for change to supplier bank details for payments must be received by written hard copy notification from the supplier.

The written hard copy notification from the supplier must be authenticated and confirmed by further email communication with the supplier.

The written hard copy notification from the supplier and the email authentication and confirmation must be signed by a councillor and the Town Clerk prior to any change being made to the supplier bank details.

The Chairman or Vice Chairman of Policy and Resources will check and sign off standing data of all suppliers bank details on a monthly basis when signing the bank reconciliations.

- 6.19. The Finance Officer may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the FO with a claim for reimbursement.
- a) The FO 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 council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.
- 7.2. The Clerk and Chairman of Policy and Resources will conduct regular checks to ensure that PAYE and VAT regulations have been followed.
- 7.3. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.
- 7.4. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.
- 7.5. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or

- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.6. 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.
- 7.7. An effective system of personal performance management should be maintained for the senior officers.
- 7.8. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.9. Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. 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 consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5. 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 Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

10. PROCUREMENT

10.1 The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2015 including thresholds shall be followed:

- Up to £25,000 Requirements in the councils standing orders and financial standing orders.
- Over £25,000 Use of the Contract Finder website and other light touch rules in the Public Contracts Regulations 2015.
- Over £181,302 or £4,551,413 Other detailed and complex requirements in the 2018 Regulations.

11. ORDERS FOR WORK, GOODS AND SERVICES

- 11.1. 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.
- 11.2. Order books shall be controlled by the RFO.
- 11.3. 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 (l) below.
- 11.4. A member may not issue an official order or make any contract on behalf of the council.
- 11.5. The Finance Officer 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 Finance Officer 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.

12. CONTRACTS

- 12.1. Procedures as to contracts are laid down as follows:
- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that

this regulation need not apply to contracts which relate to items (i) to (vi) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external Auditor up to an estimated value of **£500** (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where 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 excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from an appropriate approved list.
- c. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- d. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed **or secure email address (which account has access restricted to the Office Manager and Administration Officer)** until the prescribed date for opening tenders for that contract.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk **or a member of staff** in the presence of at least one member of council. **Tenders received in the secure email account will be opened by either the Office Manager or Administration Officer in the presence of the Town Clerk and at least one member of the council.**

- f. If less than three tenders are received for contracts **above £50,000** or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. **Any invitation to tender issued under this regulation shall refer to the Anti-Bribery Policy Statement and Anti-Fraud and Corruption Strategy.**
- h. When it is intended to enter into a contract of less than **£50,000 and above £5000** in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or FO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below **£5000** the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (ii) above shall apply.
- i. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 13.1. 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).
- 13.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 13.3. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

14. STORES AND EQUIPMENT

- 14.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 14.2. 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.
- 14.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 14.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

15. ASSETS, PROPERTIES AND ESTATES

- 15.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 15.2. No tangible moveable property shall be purchased or otherwise acquired 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 **£1000**.
- 15.3. 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 **£250**.
- 15.4. 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).
- 15.5. 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).

- 15.6. Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council with a full business case.
- 15.7. 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.

16. INSURANCE

- 16.1. Following the annual risk assessment (per Financial Regulation 17), the FO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the Clerk.
- 16.2. The Clerk shall give prompt notification to the FO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 16.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 16.4. 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.
- 16.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.

17. CHARITIES

- 17.1 Where the council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.]

18. RISK MANAGEMENT

- 18.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk with the FO and **Senior Policy & Data Compliance Monitoring Officer** 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.

- 18.2. When considering any new activity, the Clerk with the FO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

19. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 19.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk shall make arrangements with the FO and **Senior Policy & Data Compliance Monitoring Officer** to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these financial regulations.
- 19.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.

Notes to the Model.

Stated dates or months may be changed to suit local circumstances.

[square brackets] This part may be deleted if not relevant. An alternative may have been provided.

Where the word "regularly" is used in the text it is for the individual council to set the required interval, monthly, quarterly, or half-yearly. This period should never exceed 12 months.

The value inserted in square brackets in [...] any of the paragraphs (other than the EU Procurement thresholds referred to in 11.1(l)) may be varied by the council and should be reviewed regularly and confirmed annually by the council.

The appropriate approved list referred to in paragraph 11.1 (b) shall be a list drawn up by the Clerk and approved by council but, normally shall be based on the list maintained by the District Council for such works.

Every effort has been made to ensure that the contents of this document are correct at time of publication. The National Association of Local Councils (NALC) cannot accept responsibility for errors,

Date	Minute	Amendment
08/2018	--/18/19	12. Amendment to contract values 18. Addition of member of staff 19. Addition of member of staff

omissions and changes to information subsequent to publication.

Amendments

Minute No. 77/18/19

Saltash Town Council



Policy/Procedure:

Scheme of Delegation

Date of Adoption:

This is a Policy or Procedure document of Saltash Town Council to be followed by both Councillors and employees.

Current Status			
Version		Approved by	
Date		Date of approval	
Responsible Officer		Minute reference	
Responsible Committee		Review date	

Version History			
Date	Version	Author/Editor	Comments

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Date	Type of Review	Date of completion	Summary actions	Completed by

Saltash Town Council Scheme of Delegation

1. This scheme of delegation supersedes any extant permanent delegated authorities except where specified, and voids any such delegated authorities not referred to. No future permanent delegated authority shall be valid unless referred to in this scheme.
2. None of the authorities or limitations below should be taken as preventing the exercise of duties or authority clearly laid out in the Town Clerk's job description (for example as Line Manager)
3. Temporary delegations of authority to accomplish a particular task do not fall within the purview of this scheme: existing such temporary delegations stand, and further such temporary delegations may be agreed without amending this scheme
4. This scheme shall lapse after the 1st full meeting of the council following each set of Town Council Elections commencing in May 2013, unless re-approved by the council with or without amendments.
5. Any reference to the Town Clerk in these documents will apply to the **Office Manager** if and only if:
 - a. The Town Clerk is not reasonably contactable due to leave, illness etc. **AND**
 - b. The matter is of sufficient urgency that it cannot be reasonably delayed until the return of the Town Clerk.

Section A Financial

The Clerk shall have sole delegated authority to:

- a. maintain and defray a petty cash float to a limit of £300 for the purpose of defraying operational and other expenses, in line with **Financial Regulation 6.19a;**
- b. incur expenditure on behalf of the Council 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 £1,000, in line with **Financial Regulation 4.6.** The Clerk shall report the action to the appropriate Committee **Chairman and Committee** as soon as practicable thereafter. Where expenditure required cannot be met from savings made elsewhere within that

Committee's approved budget, it shall be subject to the provisions of a **budget head** approved by the Policy and Resources Committee or the Council;

- c. carry out the dispersal of Section 106 Money held by the Council, when authorised according to procedures already agreed by the Council.

The Town Clerk shall have delegated authority himself **and delegated authority to authorise members of staff** to disperse other monies with the authority of Full Council, or otherwise under the following restrictions:

- d. If within budget up to £5000 with the approval of the appropriate Committee Chairman, or in their absence that of the Committee Vice Chairman, Mayor or Deputy Mayor. Approval may be verbally or by email initially, with a later signature.

However, in the case of the P&R (Office) budget, no such approval will be necessary.

- e. If within budget, up to £10,000 only where that item has been resolved by the relevant Committee, and with the approval of the appropriate Committee Chairman or in their absence that of the Committee Vice Chairman, Mayor or Deputy Mayor.
- f. Monies over £10,000 or not within budget only where that item has been resolved by Full Council, with an agreed spend or maximum spend.

Items spent under d. or e. will be reported back to the following meeting of the relevant committee

- g. The Town Clerk shall have delegated authority and delegated authority to authorise members of staff with the agreement of the Chairman of P&R, or in their absence that of the Vice Chairman of P & R, Mayor or Deputy Mayor, to use the Town Credit Card, where the expenditures in question are otherwise acceptable under council regulations and where necessary for the efficient running of the council and for best value. However in no case may this be used for individual expenses to be reclaimed, or in excess of the credit limit agreed by full council.

Section B Staffing

- a. All matters detailed in adopted staffing policies of the council shall be taken as being encompassed with this scheme of delegation. For example, but not limited to:

- i. The Clerk's authority to appoint staff where carried out in line with policy.
 - ii. Resolution of grievance and disciplinary matters.
 - iii. The authorisation of discretionary leave.
 - iv. Appraisal and exit interviews etc.
- b. Furthermore the following functions shall be delegated to the Staffing Committee:
 - i. The line management of the Town Clerk (with the Chairman, or Vice Chairman if his absence, dealing with routine issues)
 - ii. The confirmation of progression along pay scales, and successful completion of probationary periods (recommendation not to progress staff or to approve completion of probation shall be recommended to full council).

Section C Other

1. The Clerk shall have sole delegated authority to:
 - a. exercise overall responsibility for Health and Safety;
 - b. have fly-posters removed from STC land, or from Cornwall Council land having checked that they do not have authority to be there;
 - c. waive charges for Guildhall room hire;
 - d. approve or reject links for display on the STC website, and items for display on the STC noticeboards;
 - e. Approve the use of the town's modern logo, in accordance with the principles outlined in the relevant policy.
2. The Town Clerk shall have delegated authority in consultation with the Mayor, or in his absence the Deputy Mayor, to:
 - a. make any temporary arrangements necessary for the good running of the council not falling under the clerk's day to day exercise of duties, where they incur no expenditure, or the expenditure falls under the other delegated powers. These shall be reported back to the appropriate committee or full council as soon as possible where they may recommend that they be made permanent or halted if appropriate, or else 'noted'.
 - b. commence the election or co-option procedure for vacancies in the town council in accordance with legislation and council procedures.

3. The Town Clerk shall have delegated authority in consultation with the Mayor, or in his absence the Deputy Mayor, and the Chairman of P&R, or in his absence the Vice Chairman, to
 - a. decline bookings for the Guildhall where they consider them inappropriate, or where they are for purposes that might be perceived as prejudicing the neutrality of the town council on future developments.
4. The Town Clerk shall have delegated authority with the agreement with the Mayor or appropriate Committee Chairman, or in their respective absence the Committee Vice Chairman or Deputy Mayor to:
 - b. send out Press Releases. In all cases the Mayor, or in their absence the Deputy Mayor, must either directly approve the release, or be sent a copy of the release at least 24 hours before it goes out in order to give them chance to object if necessary. No Press Release may be sent out under this authority if the Mayor or Deputy Mayor does object: in that instance they must be authorised by Full Council.

Note: Power C/3a shall also apply to the Chairmen/Vice of the Neighbourhood Plan steering group, and any other sub-committee or working group of the council granted this power by full council. However other delegated powers to committees do not automatically apply.