

GODALMING TOWN COUNCIL

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107-109 High Street
Godalming
Surrey
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6 September 2024

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the meeting room at 107-109 High Street, Godalming on THURSDAY, 12 SEPTEMBER 2024 at 6.30pm.

Andy Jeffery

Andy Jeffery
Town Clerk

If you wish to speak at this meeting please contact Godalming Town Council on 01483 523575 or email office@godalming-tc.gov.uk

Where possible proceedings will be live streamed via the Town Council's Facebook page. If you wish to watch the council meeting's proceedings, please go to Godalming Town Council's [Facebook](#) page.

Committee Members: Councillor Crooks – Chair
Councillor C Downey
Councillor Martin
Councillor Steel
Councillor Thomson – Vice Chair

AGENDA

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 18 July 2024, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

3. DISCLOSABLE PECUNIARY INTERESTS AND OTHER REGISTERABLE INTERESTS

To receive from Members any declarations of interests in relation to any items included on the agenda for this meeting required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

4. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chair to invite members of the public to make representations, ask or answer questions and give evidence in respect of the business on the agenda or other matters not on the agenda. This forum to be conducted in accordance with Standing Order 5.

5. QUESTIONS BY MEMBERS

To consider any questions from Councillors in accordance with Standing Order 6.

6. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein (copy attached for the information of Members).

7. BANK RECONCILIATION

The Responsible Finance Officer to table the current Bank Reconciliation for the information of Members.

Members to agree that the Chair should sign the bank reconciliation tabled.

8. EXTERNAL AUDITOR'S REPORT

Members to note the Report from the External Auditor stating that there were no issues that came to their attention during the audit - further to note that Full Council has already received the report (copy of report attached for the information of Members).

9. FINANCIAL REGULATIONS

Members to consider the report of the Town Clerk and the Locum RFO on their review of the Town Council's Financial Regulations against the new NALC model Financial Regulations (report attached for the information of Members).

10. BUDGETARY CONTROLS

Members to receive the report on the review of budgetary controls (report to be tabled at the meeting).

11. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the meeting room at 107-109 High Street, Godalming on Thursday, 6 February 2025 at 6.30pm.

12. ANNOUNCEMENTS

Brought forward by permission of the Chair. Requests to be submitted prior to commencement of the meeting.

AUDIT COMMITTEE WORK PROGRAMME

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Bank Reconciliation	Cllr Crooks/RFO	18 April 2024	Latest bank recs reviewed at each meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Steel	18 July 2024	Conducted 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Payment Controls	Cllr Steel	18 July 2024	Conducted 30 May 2024 – no issues identified	Annual review to be completed by July 2025	
Payroll Controls	Cllr Steel	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Proper Book-keeping	Cllr Steel	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
VAT Controls	Cllr Steel	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	14 September 2023	Already considered by Full Council on 5 September 2024	On this agenda	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Asset Control	Cllr Thomson/RFO	14 September 2023	Conducted 14 September 2023. Building revaluations required to remain compliant with Fixed Asset Policy	Annual review to be completed by September 2024	Provision for revaluation of buildings provided in the 2024/25 budget. Due to RFO vacancy this workstream to be reassigned, it is unlikely to be completed by Sept.
Review of Suppliers	RFO /TC	Ongoing Insurance contract reviewed for 2024/25.	Review suppliers to ensure best value for money being achieved	Annual review to be completed by September 2024	Investigate having an IT audit as an alternative. The Locum RFO has been unable to progress this task.
Financial Regulations	RFO	14 September 2023	Review of Financial Regulations completed by this committee 14 September 2023	On this agenda	Updated Model Financial regulations have been issued by NALC, and the TC and Locum RFO have conducted a line-by-line review of GTC adopted Financial Regulations in order to identify changes to Members. Report circulated with this agenda.
Procedures	RFO	Ongoing SOP's for Facilities function written and being updated by Operations & Compliance Officer.	Creating a Standard Operating Procedures File for each position	SOP for Communications & Community Officer to be completed.	No progress since last meeting
Budgetary Controls	Cllr C Downey	14 September 2023	Conducted 6 September 2024 – to be reviewed in 12 months	On this agenda	
Risk Management – Meeting 3					
Risk Management Strategy	RFO	14 September 2023	Review of the Risk Management Strategy to be completed by this Committee	Annual review to be completed by February 2025	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Insurance	RFO	18 April 2024	To be reviewed in detail at each contract renewal	Annual review to be completed by April 2025	.
Risk Assessment – Re-use of Land at Nightingale Cemetery	Cllr Steel / RFO	1 February 2024		Review to be completed by July 2024	Cllr Steel to complete assessment for next Committee meeting. Risk assessment to be produced as part of application for Faculty. Expected submission Summer 2025.
Risk	RFO	Ongoing	Identify areas to review to ensure risk is being managed appropriately within the Council	Ongoing	
Year End – Meeting 4					
Internal Auditor's Reports	RFO	18 April 2024	To be reviewed at next interim audit	Ongoing	Interim internal audit date set for 25 September 2024
Management of Debt (particularly Bad Debt)	RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2025	
Review of Effectiveness of Internal Control	Cllr Crooks /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2025	
Annual Governance Statement	Cllr Crooks /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2025	
Annual Accounting Statements	Cllr Crooks /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2025	
Review of Credit Control Procedures	RFO	18 April 2024	To be reviewed at least every three years	Next review to be completed by April 2027	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Council Banking Arrangements	Cllr Crooks /RFO	20 July 2023 Full Council Min 117-23	To be reviewed each Administration	Next review to be completed after May 2027	
Review of Treasury & Investment Policy	Cllr Crooks /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2025	

Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

Godalming Town Council – SU0039

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2023/24

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None.

3 External auditor certificate 2023/24

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

 SIGNATURE REQUIRED

Date

28/08/2024

9. FINANCIAL REGULATIONS

NALC Model Financial Regulations

The National Association of Local Councils published a new Model Financial Regulations template in May 2024.

The model contains broadly the same regulations as the previous (2019) model but they have been reordered and re-grouped so comparison between the two (or Godalming Town Council's version of the previous model) is difficult. The Clerk and the Locum RFO have studied the new model regulations line by line and compared them to the Council's current financial regulations.

In the publicity surrounding the launch of the new model, NALC said that "the regulations are designed with flexibility in mind, allowing councils to adapt them to suit their specific requirements seamlessly. This flexibility ensures that councils of all sizes and operational scopes can benefit from the guidelines provided.". This point is identified in the preamble provided by NALC and that preamble is reproduced as Appendix 1 of this report. The preamble also signposts paragraphs where councils should customise the regulations.

Adapting the Model for Godalming Town Council

The Clerk and the Locum RFO have produced a draft document which adapts the NALC model for use by Godalming Town Council – those draft regulations are circulated as Appendix 2 of this report.

Supporting the draft document is Appendix 3 in which a table records where the Clerk and the Locum RFO have made amendments to the regulations and a brief explanation of why the amendments have been made. On the subject of Electronic Payments your Officers have suggested such substantive changes to the model that this is recorded separately. At Appendix 4 a table has the relevant regulations in three columns, the first being the existing regulations, the second the model regulations and the third the suggested rewriting of those regulations. The suggested wording in the third column covers accurately current practice at Godalming Town Council but Members are asked to read that alongside the previous and model versions.

The Way Forward

Members are asked to consider the draft financial regulations at Appendix 2 of this report; whether there are further amendments they would like to make and to formulate a recommendation to Full Council.

The Internal Auditor reviews our compliance with our own Financial Regulations. The External Auditor reviews whether budget monitoring is done.

New Model Financial Regulations – NALC Preamble

This Model Financial Regulations template was produced by the National Association of Local Councils (NALC) in April 2024 for the purpose of its member councils and county associations. Every effort has been made to ensure that the contents of this document are correct at time of publication. NALC cannot accept responsibility for errors, omissions and changes to information subsequent to publication.

Notes to assist in the use of this template:

- 1) This document is a model for councils of all sizes to use to develop their own financial regulations, suitable for the size of the council and the activities it undertakes.
- 2) Bold text indicates legal requirements, which a council cannot change or suspend.
- 3) For the rest, each council needs to adapt the model to suit its size and structure. For example, some councils have both a Clerk and RFO, possibly with several more staff, while others have a single employee as Clerk/RFO. Some councils have committees, some have a high level of delegation and some make all decisions at full council meetings. Many now use online payment methods, but others still rely on cheques.
- 4) Curly brackets indicate words, sentences or sections that can be removed if not applicable or amended to fit the council's circumstances. An example of this is the phrase {or duly delegated committee}, which can be deleted if there are no committees.
- 5) Specific areas that may need adapting:
 - a) In 1.5 – is the Clerk the RFO?
 - b) In 3.3 and 3.4, the words "Governance and Accountability" do not apply in Wales.
 - c) In section 4, does the council have committees and how many years are forecast?
 - d) In 5.6, does the council issue an open invitation to tender, or invite specific firms?
 - e) In 5.9, are online prices acceptable evidence?
 - f) In 5.13, 5.15 and 5.17, does the council have committees?
 - g) In 5.16, will a councillor ever be instructed to place an order?
 - h) In 5.20, is there a minimum level for official orders?
 - i) Section 6 includes several alternatives to cover delegation to committees or to Officers, approval of invoices individually or in batches, or for approval of regular contractual payments at the beginning of the year.
 - j) Sections 7, 8 and 9 also includes several alternatives, including wording for where the Clerk is a signatory. These are intended to allow a council's financial regulations to fit what they actually do, not to force any council to change what they do.
 - k) Section 10 gives two alternatives, with or without petty cash.
 - l) 13.6 has alternatives for VAT-registered and unregistered councils – only use one.
 - m) 13.7 and 13.8 are removable if they don't apply to the council.
 - n) Much of Section 16 can be deleted if not applicable.
 - o) 17.3, is the Clerk the RFO or will the RFO consult the Clerk?
- 6) Square brackets indicate where the council needs to specify who, or how much, or what the timescale is. For example [£500] might need to be £100, or [October] might need to be November, or [the council] might need to say the Policy & Management Committee.
 - a) In 4.1 and 4.7, select the wording for England or Wales, based on your location.
 - b) In Section 4, the council needs to determine the timescale for its budget setting.

- 7) It is challenging to try to offer guidance on setting financial limits. A council spending £1,000 a year is unlikely to delegate authority to spend £500 to its proper officer, but one spending £5 million a year might regard £5,000 as a reasonable limit. Each council needs to determine its own limits, that help, rather than hinder, its operations.
- 8) Key limits to set:
 - a) In 5.6, at what limit will the council require a formal tender process to ensure fair competition, rather than just asking for quotes? If this is set too low, it may discourage suppliers. Many small councils might only use formal tenders once every few years.
 - b) In 5.8, at what limit will the council require fixed-price quotes rather than estimates?
 - c) In 5.9, at what level can smaller purchases be made without competition?
 - d) In 5.15, at what level can purchases be made under delegated authority (having complied with the rules about obtaining prices)?
 - e) In 5.18, how much can the Clerk commit to spending in an emergency?
 - f) In 6.9, can payment of invoices (for purchases that have already been authorised) be authorised by an Officer under delegated authority as a general principle, or only to avoid problems?
 - g) In Section 9, what are the limits for card payments?
 - h) In 16.5, what value of assets can be bought or disposed of, without seeking council approval?
- 9) The contents list is a table that extracts section headings from the document. It can be updated by clicking on the contents list, whereupon a tab saying "update table" appears at the top of the list.
- 10) Once this model has been tailored to fit the council's needs, the resulting Financial Regulations (with the insertion of the council's name at the top) should be adopted at a meeting of the full council. The date of adoption should be inserted below the Contents. Any subsequent proposal for amendment should also be made to the full council.
- 11) The council should keep abreast of developments in legislation that affect the local council sector and should review and update its Financial Regulations annually.
- 12) Please ensure that the latest approved version is published on the council's website.

FINANCIAL REGULATIONS

1. GENERAL

- 1.1. These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
 - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
 - "Approve" refers to an online action, allowing an electronic transaction to take place.
 - "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
 - 'Proper practices' means those set out in *The Practitioners' Guide*
 - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
 - 'Must' and **bold text** refer to a statutory obligation the council cannot change.
 - 'Shall' refers to a non-statutory instruction by the council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. 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 control systems;
 - ensures the accounting control systems are observed;
 - ensures the accounting records are kept up to date;
 - seeks economy, efficiency and effectiveness in the use of council resources; and
 - produces financial management information as required by the council.
- 1.6. **The council must not delegate any decision regarding:**
 - **setting the final budget or the precept (council tax requirement);**

- **the outcome of a review of the effectiveness of its internal controls**
- **approving accounting statements;**
- **approving an annual governance statement;**
- **borrowing;**
- **declaring eligibility for the General Power of Competence; and**
- **addressing recommendations from the internal or external auditors**

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £50,000.

2. RISK MANAGEMENT AND INTERNAL CONTROL

- 2.1. **The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- 2.2. The Clerk shall prepare, for approval by [the council], a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.
- 2.3. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the council.
- 2.4. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 2.5. **The accounting control systems determined by the RFO must include measures to:**
- **ensure that risk is appropriately managed;**
 - **ensure the prompt, accurate recording of financial transactions;**
 - **prevent and detect inaccuracy or fraud; and**
 - **allow the reconstitution of any lost records;**
 - **identify the duties of officers dealing with transactions and**
 - **ensure division of responsibilities.**
- 2.6. At least once in each quarter, and at each financial year end, a member other than a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Audit Committee.
- 2.7. Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

3. ACCOUNTS AND AUDIT

- 3.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**

- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
 - **a record of the assets and liabilities of the council.**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.4. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.6. **Any officer or member of the council must make available such documents and records as the internal or external auditor consider 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.
- 3.7. The internal auditor shall be appointed by the council and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the council;
 - reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
 - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - has no involvement in the management or control of the council.
- 3.9. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions;
 - provide financial, legal or other advice including in relation to any future 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.
- 3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.
- 3.11. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. BUDGET AND PRECEPT

- 4.1. **Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 4.2. Budgets for salaries and wages, including employer contributions shall be reviewed at least annually in the third quarter for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Clerk and the Chair of the Staffing Committee.
- 4.3. No later than the end of December each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year along with a forecast for the following three financial year], taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the full council.
- 4.5. Each committee shall review its draft budget and submit any proposed amendments to the RFO not later than the end of November each year.
- 4.6. The draft budget and three-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Policy & Management Committee and a recommendation made to the council.
- 4.7. Having considered the proposed budget and [three-year] forecast, the council shall determine its council tax requirement by setting a budget. The council shall set a precept for this amount no later than the end of January for the ensuing financial year.
- 4.8. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

5. PROCUREMENT

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3. Every contract shall comply with these the council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.

- 5.4. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
- 5.5. Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 6.12) obtain prices as below.
- 5.6. For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council. Tenders shall be invited in accordance with Appendix 1.
- 5.7. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- 5.8. For contracts greater than £5,000 excluding VAT the Clerk or RFO shall seek at least three fixed-price quotes.
- 5.9. Where the value is between £2,000 and £5,000 excluding VAT, the Clerk or RFO shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers.
- 5.10. For smaller purchases, officers shall seek to achieve value for money.
- 5.11. **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.12. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:
- i. specialist services, such as legal professionals acting in disputes;
 - ii. repairs to, or parts for, existing machinery or equipment;
 - iii. works, goods or services that constitute an extension of an existing contract;
 - iv. goods or services that are only available from one supplier or are sold at a fixed price.
- 5.13. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council or Policy & Management Committee. Avoidance of competition is not a valid reason.
- 5.14. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by officers in accordance within the approved Scheme of Delegation.
- 5.16. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the council or make any contract on behalf of the council.
- 5.17. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council {or a duly delegated committee acting within its Terms of Reference} except in an emergency.
- 5.18. In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure of up to £4,500 excluding VAT on repair,

¹ The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. Before doing so, the Clerk will agree expenditure with the Chair or Vice Chair of the appropriate Committee and shall report the action taken and costs incurred to the same Committee as soon as practicable thereafter.

5.19. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

5.20. An official order or letter may 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, along with evidence of receipt of goods.

5.21. Any ordering system can be misused and access to them shall be controlled by the RFO.

6. BANKING AND PAYMENTS

6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements shall not be delegated to a committee. The council has resolved to bank with HSBC Bank. The arrangements shall be reviewed annually for security and efficiency.

6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.

6.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the RFO. Where the certification of invoices is done as a batch, this shall include a statement by the RFO that all invoices listed have been 'examined, verified and certified' by the RFO.

6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.

6.5. All payments shall be made by online banking. Unless the council resolves to use a different payment method. In exceptional circumstances the RFO may elect to make a payment by cheque.

6.6. The Clerk and RFO shall have delegated authority to authorise payments in accordance with the approved Scheme of Delegation and:

- i. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 {or to comply with contractual terms}, where the due date for payment is before the next scheduled meeting of [the council], where the [Clerk and RFO] certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council {or Policy & Management Committee}.
- ii. Fund transfers within the councils banking arrangements up to the sum of £250,000, provided that a list of such payments shall be submitted to the next appropriate meeting (of Council or Policy & Management Committee).

- 6.7. The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council (Policy & Management Committee). The council (or Policy & Management Committee) shall review the schedule for compliance and shall confirm by resolution that the payments were appropriate. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that 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.

7. ELECTRONIC PAYMENTS

- 7.1. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Clerk and the RFO may be authorised signatories, but no signatory should be involved in approving any payment to themselves.
- 7.2. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.
- 7.3. A list of payments for approval, shall be sent by email to all authorisers approved by Council. The Service Administrator shall supply copies of any relevant invoice on request. Upon receipt of authorisation by email from two authorisers the Service Administrator shall set up all items due for payment online. The Clerk (or in the Clerk's absence, the Support Services Executive) shall certify that the payments set up online match those in the list of payments and the online payments will subsequently be confirmed.
- 7.4. In the prolonged absence of the Service Administrator the Clerk shall set up any payments due before the return of the Service Administrator.
- 7.5. Evidence shall be retained showing which members approved the list of online payment (and a printout of the transactions confirming that the payments have been made shall be retained for audit purposes).
- 7.6. A full list of all payments made since the last meeting shall be provided to the next Policy & Management Committee meeting and appended to the minutes.
- 7.7. With the approval of the council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the Policy & Management Committee at least every two years.
- 7.8. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved by two authorised members, evidence is retained and payments are reported to the Policy & Management Committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 7.9. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed by two authorised members, evidence of this is retained and payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by the Policy & Management Committee at least every two years.

7.10. Where the account details confirmation is not available with online banking, account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers regularly.

7.11. Members and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

7.12. Remembered password facilities other than secure password stores requiring separate identity verification, should not be used on any computer used for council banking.

8. CHEQUE PAYMENTS

8.1. Only in exceptional circumstances shall cheques be issued. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two members.

8.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

8.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

9. PAYMENT CARDS

9.1. Any Debit Card issued for use will be specifically restricted to the officers authorised by Council and will also be restricted to a single transaction maximum value as authorised by council or Policy & Management Committee.

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

9.3. Any corporate credit card or trade card account opened by the council will be specifically restricted to use officers specifically and separately authorised by Council and any balance shall be paid in full each month by direct debit.

9.4. Use of personal credit or debit cards of members or staff is discouraged.

10. PETTY CASH

10.1. The council will not routinely maintain a cash float.

10.2. The RFO may create a cash float for a one-off community event. All cash received must be banked intact.

11. PAYMENT OF SALARIES AND ALLOWANCES

11.1. As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.

11.2. Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.

- 11.3. Salary rates shall be agreed by the council, or duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the council (or relevant committee).
- 11.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
- 11.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 11.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. 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.
- 11.7. Any termination payments shall be supported by a report to the council, setting out a clear business case. Termination payments shall only be authorised by the full council.
- 11.8. Before employing interim staff, the council must consider a full business case.

12. LOANS AND INVESTMENTS

- 12.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.
- 12.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Policy & Management Committee or (if the cumulative total is greater than the sum specified in the Scheme of Delegation) the Council, following a written report on the value for money of the proposed transaction.
- 12.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 12.4. All investment of money under the control of the council shall be in the name of the council.
- 12.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 12.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

13. INCOME

- 13.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

- 13.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The RFO shall be responsible for the collection of all amounts due to the council.
- 13.3. Any sums found to be irrecoverable and any bad debts shall be reported to the Policy & Management Committee by the RFO and shall be written off in the year. The committee's approval shall be shown in the accounting records.
- 13.4. All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 13.5. Personal cheques shall not be cashed out of money held on behalf of the council.
- 13.6. The RFO shall ensure that VAT is correctly recorded in the council's accounting software and that any VAT Return required is submitted from the software by the due date.
- 13.7. Where significant sums of cash are received by the council, more than one person is to be present when the cash is counted in the first instance, the RFO shall ensure that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

14. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 14.1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
- 14.2. Any variation of, addition to or omission from a contract must be authorised by the Clerk to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

15. STORES AND EQUIPMENT

- 15.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 15.2. Delivery notes should 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.
- 15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4. The RFO shall be responsible for periodic checks of stocks and stores, at least annually.

16. ASSETS, PROPERTIES AND ESTATES

- 16.1. The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.
- 16.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their 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.
- 16.3. 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.

16.4. No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a written report 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 where required by law).

No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, except where the estimated value of any one item does not exceed £2,000. In each case a written report shall be provided to council with a full business case.

17. INSURANCE

17.1. The RFO shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.

17.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council or the Policy & Management Committee at the next available meeting. The RFO shall negotiate all claims on the council's insurers (in consultation with the Clerk).

17.4. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

18.1. The council shall review these Financial Regulations annually. The Clerk and the RFO shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

18.2. The council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.

18.3. The council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

APPENDIX 1 - TENDER PROCESS

1. Any 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.
2. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
3. Where a postal process is used, each tendering firm shall be supplied with specific instructions for the marking of the envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by an authorised officer in the presence of at least one member of council.
4. Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
5. Any invitation to tender issued under this regulation shall refer to the terms of the Bribery Act 2010.
6. Where 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, 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.

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Date of Adoption:

AMENDMENTS TO NALC MODEL TO MAKE THEM SPECIFIC TO GODALMING TOWN COUNCIL

Regulation Number	Option Selected or Variation from NALC Model
1.5	Option that reflects appointment of separate RFO selected (and throughout).
1.7	Figure of £50,000 inserted into second bullet point – reflects GTC’s existing regulations.
2.2 & 2.3	[with the RFO] deleted from both paragraphs – to match existing regulations and leave responsibility for risk management with the Clerk.
2.5	Frequency of at least once a quarter selected. Edited to ensure that the Member checking is not a bank signatory. Option of activity being reported to Audit Committee selected – to reflect existing Financial Regulations.
3.3 & 3.4	Annual Governance and Accountability Return written in full in each paragraph because this is England.
4.1	Reference to Wales deleted.
4.2	Timescale given as “third quarter” and salaries’ budget to be counter-signed by the Chair of Staffing Committee.
4.3	December selected as the relevant month “income & expenditure” selected rather than “receipts & payments” to reflect the basis on which GTC’s accounts are prepared. Previous regs said “receipts & payments” assume previous NALC model did not give a choice.
4.5	Any committee budget requests to be submitted to the RFO.
4.7	Reference to Wales deleted.
4.11	Words “or relevant committee” deleted from the end of the sentence.
5.6	Words “OR [advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation].” deleted from the paragraph. £60,000, as suggested by NALC has been selected as the lower threshold for seeking three tenders – the current regulations suggest £25,000.
5.8	“less than £25,000 and greater than £5,000” selected as threshold in accordance with existing regulations.
5.9	Between “£2,000 and £5,000” selected as the thresholds.
5.10	“Officers” inserted to replace “Clerk” to reflect the fact that in a larger council (and at smaller values) other officers make purchasing decisions.
5.15	Monetary thresholds cross-referenced to the Council’s approved Scheme of Delegation – to be consistent with existing regs and other documentation and so that when these thresholds are updated only one document needs to be amended.
5.18	Final sentence deleted and with final sentence in FR4.5 of the existing regulations.

5.20	The word “may” has been substituted for “shall” to reflect the current financial regulations – also the lower limit (of £250) has been deleted.
6.1	Council’s bank named and “annual” review specified.
6.5	First reference to cheque deleted but ability to pay by cheque retained in exceptional circumstance retained.
6.6, 6.7 & 6.8 deleted	These paragraphs specify the circumstances in which certain regular payments (including salaries) may be listed and agreed in advance by Council and paid by Standing Order. This practice happens in some smaller councils but never in Godalming.
6.6 (originally 6.9)	Monetary thresholds cross-referenced to the Council’s approved Scheme of Delegation.
6.7 (originally 6.10)	This regulation re-drafted to match FR5.2 in the current Financial Regulations.
7	The amendments made to regulation 7 Electronic Payments are so substantive that a separate appendix shows the current financial regulations, the new NALC draft and finally the recommended draft. The recommended new regulations on Electronic Payments reflect existing practice at GTC.
8.1	Words “Only in exceptional circumstances shall cheques be issued” added.
8.4 (deleted)	Deleted reference to cheques being presented for payment at council meetings.
9.1	There are currently no debit cards in use (nor any plans to use them) – the regulation is redrafted to permit the possibility (if agreed by Policy & Management Committee) of using debit cards in the future and reminds the Council of what (the Officer and the transaction limit) needs to be agreed in advance.
9.2	Policy & Management Committee specified.
9.3	Amended so that the Officers authorised to have corporate credit cards (currently the Clerk and the Youth Manager) are not identified in the regulation – but Council has to authorise them specifically.
9.4	The NALC model offers two choices – full prohibition of the use of personal credit/debit cards or their use for expenses up to a limit – to be set by Council but suggested as £250 by NALC. Your Officers have reworded the regulation so that use of personal cards is discouraged but not prohibited.
10	Petty Cash – this regulation rewritten to reflect current activity at Godalming Town Council.
11.6	This regulation has been replaced with the wording of FR 7.4 in the existing regulations – because the older regulation is clearer and more specific.
12.2	Reference to Welsh Assembly Government deleted. The option of Policy & Management Committee approving financing arrangements where less than £50,000 is spent has been added.
13.6	Option that reflects the fact that GTC is VAT registered has been selected.
13.8 (deleted)	Reference to charitable trust funds deleted – GTC does not manage any.

15.2	The word “should” has been substituted for “shall” because delivery notes are not always made available.
18 (deleted)	Section referring to council being sole managing trustee of a charitable body has been deleted because it is not applicable.
19.1	A reference to Council reviewing these Financial Regulations following any change of Clerk or RFO has been removed because any authorisation which is personal to an individual postholder has also been removed from these regulations – so there should be no need to review the regulations when individuals change. In the second sentence the words “and the RFO” have been added to indicate that that Officer also has a responsibility to monitor legislation and proper practices.
Appendix 1 3)	The NALC draft refers to tendering firms being supplied with a specifically marked envelope. The regulation has been rewritten to reflect the fact that they are given instructions on how to mark their own envelope.
Appendix 1 5)	The expectation of cross-referencing to Standing Orders has been removed – because GTC’s SOs have had the model requirement re tendering removed and replaced with a cross reference to Financial Regulations (that cross-reference at SO138 to be updated if/when these regulations are adopted).

Financial Regulations Relating to Electronic Payments

Comparison between existing Financial Regulations the NALC Model and a Draft reflecting current practice.

Existing Financial Regulations	2024 NALC Model	Draft Financial Regulations
<p>6.6 If thought appropriate by the Council, payment for utility supplies (energy, telephone and water), National Non-Domestic Rates or any other regularly occurring supply may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to the Policy & Management Committee as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Policy & Management Committee at least every two years.</p> <p>6.7. 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 the Policy & Management Committee as made. The approval of the use of a banker's standing order shall be renewed by resolution of the Policy & Management Committee at least every two years.</p> <p>6.8. Payment will be made by BACS or CHAPS methods provided that the instructions for each payment are signed (or otherwise evidenced) by two authorised Members, are retained and any payments are reported to Policy & Management Committee as made.</p> <p>6.9 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.</p>	<p>7. Electronic payments</p> <p>7.1 Where internet banking arrangements are made with any bank, [the RFO] shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify [a number of] councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. {The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.}</p> <p>7.2 All authorised signatories shall have access to view the council's bank accounts online.</p> <p>7.3 No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.</p> <p>7.4 The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent [by email] to [two] authorised signatories.</p> <p>7.5 In the prolonged absence of the Service Administrator [an authorised signatory] shall set up any payments due before the return of the Service Administrator.</p>	<p>7. ELECTRONIC PAYMENTS</p> <p>7.1 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Clerk and the RFO may be authorised signatories, but no signatory should be involved in approving any payment to themselves.</p> <p>7.2 No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.</p> <p>7.3 A list of payments for approval, shall be sent by email to all authorisers approved by Council. The Service Administrator shall supply copies of any relevant invoice on request. Upon receipt of authorisation by email from two authorisers the Service Administrator shall set up all items due for payment online. The Clerk (or in the Clerk's absence, the Support Services Executive) shall certify that the payments set up online match those in the list of payments and the online payments will subsequently be confirmed.</p>

<p>6.10. 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 kept securely in the Council's strongroom in a sealed dated & timed envelope signed by two Councillors across the seal. This envelope may not be opened other than in the presence of two 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 or the Policy & Management Committee. This will not be required for a member's personal computer used only for remote authorisation of bank payments.</p> <p>6.11. 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 the Policy & Management Committee.</p> <p>6.12. 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 at a different location from the original data.</p> <p>6.13. 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.</p> <p>6.14. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate</p>	<p>7.6 Two [councillors who are] authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.</p> <p>7.7 Evidence shall be retained showing which members approved the payment online (and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes}.</p> <p>7.8 A full list of all payments made in a month shall be provided to the next [council] meeting (and appended to the minutes}.</p> <p>7.9 With the approval of [the council] in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are [signed/approved online] by [two authorised members]. The approval of the use of each variable direct debit shall be reviewed by [the council] at least every two years.</p> <p>7.10 Payment may be made by BACS or CHAPS by resolution of [the council] provided that each payment is approved online by [two authorised bank signatories], evidence is retained and any payments are reported to [the council] at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.</p> <p>7.11 If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed {or approved online} by [two members], evidence of this is retained and any payments are reported to council when made. The approval of the</p>	<p>7.4 In the prolonged absence of the Service Administrator the Clerk shall set up any payments due before the return of the Service Administrator.</p> <p>7.5 Evidence shall be retained showing which members approved the list of online payment (and a printout of the transactions confirming that the payments have been made shall be retained for audit purposes}.</p> <p>7.6 A full list of all payments made since the last meeting shall be provided to the next Policy & Management Committee meeting and appended to the minutes.</p> <p>7.7 With the approval of the council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the Policy & Management Committee at least every two years.</p> <p>7.8 Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved by two authorised members, evidence is retained and payments are reported to the Policy & Management Committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.</p> <p>7.9 If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed by two authorised members, evidence of this is retained and payments are reported to council when made. The approval of the use of a banker's standing</p>
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<p>will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Administrator with stated number of approvals.</p> <p>6.15. 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.</p> <p>6.16. Changes to account details for suppliers, which are used for internet banking, may only be changed on written hard copy notification by the supplier, verified by a telephone call, and supported by hard copy authority for change signed by the RFO or in their absence the Clerk. A programme of regular checks of standing data with suppliers will be followed.</p>	<p>use of a banker’s standing order shall be reviewed by [the council] at least every two years.</p> <p>7.12 Account details for suppliers may only be changed upon written notification by the supplier verified by [two of] the Clerk and [the RFO] [a member]. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every [two years].</p> <p>7.13 Members and officers shall ensure that any computer used for the council’s financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.</p> <p>7.14 Remembered password facilities {other than secure password stores requiring separate identity verification} should not be used on any computer used for council banking.</p>	<p>order shall be reviewed by the Policy & Management Committee at least every two years.</p> <p>7.10 Where the account details confirmation is not available with online banking, account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers regularly.</p> <p>7.11 Members and officers shall ensure that any computer used for the council’s financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.</p> <p>7.12 Remembered password facilities other than secure password stores requiring separate identity verification, should not be used on any computer used for council banking.</p>
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GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or other registerable interest (non-pecuniary interest) in a matter under consideration at a meeting (S.31 (4) Localism Act 2011 and the adopted Godalming Members' Code of Conduct).

As required by the Localism Act 2011 and the adopted Godalming Members' Code of Conduct, **I HEREBY DISCLOSE**, for the information of the authority that I have [a disclosable pecuniary interest]² [a registerable interest (non-pecuniary interest)]³ in the following matter:-

COMMITTEE: _____

DATE: _____

NAME OF COUNCILLOR: _____

Please use the form below to state in which agenda items you have an interest.

Agenda No.	Subject	Disclosable Pecuniary Interests	Other Registerable Interests (Non-Pecuniary Interests)	Reason

Signed _____

Dated _____

¹ "Member" includes co-opted member, member of a committee, joint committee or sub-committee

² A disclosable pecuniary interest is defined by the Relevant Authorities (Disclosable Pecuniary Interests) regulations 2012/1464 and relate to employment, office, trade, profession or vocation, sponsorship, contracts, beneficial interests in land, licences to occupy land, corporate tenancies and securities

³ A registerable interest (non-pecuniary interest) is defined by Section 9 of the Godalming Members' Code of Conduct.