

GODALMING TOWN COUNCIL

Tel: 01483 523575
Fax: 01483 523077
E-Mail: office@godalming-tc.gov.uk
Website: www.godalming-tc.gov.uk

Municipal Buildings
Bridge Street
Godalming
Surrey GU7 1HT

4 March 2016

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 10 MARCH 2016 at 7.30 pm, or at the conclusion of the Planning & Environment Committee meeting, whichever is later.

Louise P Goodfellow
Town Clerk

Committee Members: Councillor Hunter – Chairman
Councillor Walden – Vice Chairman
Councillor Noyce
Councillor Williams
Councillor Pinches

A G E N D A

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 8 October 2015, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

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

The Chairman to allow members of the public to ask questions, or make a statement or present a petition. This forum to be conducted in accordance with Standing Order 4.

4. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY 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.

5. WORK PROGRAMME

Members to consider the Committee's work programme and its attachments.

6. BANK RECONCILIATION

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

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

Members of the Public have the right to attend all meetings of the Town Council and its Committees and are welcome.

7. SMALLER AUTHORITIES' AUDIT APPOINTMENTS

Members to consider the correspondence attached for the information of Members and to decide whether or not to recommend opt out to Full Council.

8. FINANCIAL REGULATIONS

Financial Regulations are attached for the information of Members. Members are asked to review them and recommend them to Full Council for adoption. No amendments are proposed by officers.

9. ELECTRONIC PAYMENTS

Members to consider a report from the Finance Administrator and to make the appropriate recommendations to Policy & Management Committee and Full Council.

10. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 9 May 2016 at 7.00pm in the Council Chamber.

11. ANNOUNCEMENTS

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

WORK PROGRAMME REVIEW LIST – 2014/15

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Asset Control	Nick Williams/RFO	June 2012	Asset registers checked and agreed. To be reviewed March 2015 – review still outstanding (TC to chase)	To be reviewed each year	RFO reported orally at the meeting on 8 October 2015 and it was agreed to defer this item until the 10 March 2016 so that the RFO & the Finance Administrator can review insurance valuations and presentation of the Asset registers
Standing Orders	Nick Williams/TC/RFO	15 January 2015	Completed	Annual review required	Standing Orders to be reviewed 10 March 2016 for recommendation to Full Council on 31 March 2016.
Income Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Payment Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014. BACS payments issues still outstanding. To be reviewed in 12 months.	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Payroll Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Petty Cash	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Proper Book-keeping	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Ongoing Suppliers	Nick Pinches /Facilities Manager/TC	August 2014	Report received from Office Secretary relating to the change of stationery suppliers as a more lucrative supplier has been found. Further suppliers to be reviewed as an ongoing task and reported to next meeting of the Audit Committee by Cllr Thornton. Received updated Gas and Electricity review of charges renegotiated. Utility suppliers switched in August 2014. GTC uses a broker to ensure it is made aware of the best available deal.	Ongoing task.	
VAT Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Bank Reconciliation	David Hunter/RFO	Ongoing	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Financial Regulations	Kirsty Walden	New Financial Regulations adopted 15 January 2015	New Financial Regulations adopted 15 January 2015	Annual review required	Review of Financial Regulations on the agenda for this meeting for recommendation to Full Council on 31 March 2016
Procedures	Kirsty Walden	Ongoing	Further review of procedures required in light of learning from prolonged absence/vacancy of key members of staff. Reported on 4 June 2015 and agreed that procedures be drafted by 31 August 2015 and reported to October meeting of the Committee.	List of procedures completed. Procedures for Sales ledger, Purchase ledger, Purchase orders, RBS accounting System, VAT, JBC procedures for Burial 1, 2,3, 4.	Financial procedures as drafted to date attached to this work programme for the information of Members on 8 October 2015.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Budgetary Controls	Kirsty Walden	May 2015	Two recommendations made on 13 November 2014 completed in May 2015 1. An additional user licence to access the RBS finance management system with the associated training is purchased to allow staff to access up to date income and expenditure information. 2. That a full time financial administrator is engaged as a matter of priority.	Completed May 2015	
Risk Management					
Business Continuity	Nick Williams/TC/RFO	February 2015	Reviewed Feb 2014 review in a year's time. – review overdue.	Update review due and follow up	Updated Business Continuity Plan considered & agreed on 8 October 2015 In accordance with decision of P&M Committee Town Clerk has placed order for remote server with GTC's IT support contractor. Installation yet to commence. File storage will therefore be remote with a back-up copy held in GTC's offices. The need to take & send back-ups off site will end. Recent collapse of GTC's website indicates that business continuity plans need to be expanded to address the specific point of back up & continuity of GTC's website. To be address as part of Website item below in June 2016
Environmental	Nick Williams/TC/RFO	February 2014	To be reviewed annually	Review outstanding but TC/RFO does not deem it high priority because of duplication elsewhere.	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Legal	Nick Williams/TC/RFO	31/03/2013	Reviewed 7/03/2013	Review current	Town Clerk reported orally that Penningtons would be retained for all ongoing work but that new solicitors would be considered for new work – e.g. employments issues – noting that urgency sometimes made it expedient to instruct the usual solicitors on new matters.
Physical/Security	TC/RFO/David Hunter	24/01/2013	Reviewed and presented to meeting 24 January 2013.	Review outstanding	To be reported 10 March 2016 but deferred by the Town Clerk as part of strategic management of workload
Reputation	Julie Noyce/TC/RFO	17/03/2014	No outstanding issues. To be reviewed in Feb 2015	Review outstanding	Attached to the work programme for consideration at this meeting
Website	Kirsty Walden		New website planned as project for 2016		
Health & Safety	David Hunter/TC/RFO	June 2015	Health & Safety Risk assessments reviewed. TC to ensure announcements at meetings to ensure adequate 'In case of fire' information is given to the public (also to cover recording of meetings). 2015 February Appraisals identified additional training needs in particular Manual Handling training for new staff and refresher training for existing staff. Fire Risk Assessment for BWP deferred to be completed alongside Fire Safety Plan for the newly refurbished WNCC – to be reported 10 March 2016	On going	.
Financial Risks	Kirsty Walden /TC/RFO	4 June 2015	Report received 4 June 2015	Review June 2016	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Insurance	Town Clerk	4 June 2015	Review complete 4 June 2015. TC reported orally at the meeting. New group Personal Accident cover policy to cover staff	On going	Town Clerk to report orally on 10 March 2016
Management of Debt (particularly Bad Debt)	RFO	N/A	To bring draft procedures to October meeting of Committee		Draft Credit Control Policy considered & agreed on 8 October 2015. Adopted by Full Council 19 November 2015. First judgement obtained in GTC's favour February 2016

Major Risk Area: Reputation					
Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
Failure in some area of the Council's activity – by act of negligence or omission – that generates negative publicity	H	Numerous scenarios which could include failure to dig a grave; double booking of a community building;	L	<ul style="list-style-type: none"> • Competent staff • Good recruitment processes • Appraisal system • Induction & training of staff • Good office systems and clarity about who is responsible for what • Effective press strategy • Disciplinary procedures • Good contract management 	Town Clerk & Deputy Town Clerk – on-going
Inaccurate information generates the perception that the Council has failed in circumstances that generates negative publicity	M	<p>Numerous scenarios which could include a failure by a third party e.g Go Godalming or the Chamber of Commerce where public perception cannot distinguish between the third party & the Town Council</p> <p>Particular risk associated with social media</p>	M	<ul style="list-style-type: none"> • Clarify relationships & partnership working • Good press strategy • Good working relationship with local journalists • Monitoring of social media & new IT Code of Conduct 	<p>Live with some risk as part of the nature of our loose affiliations with partner organisations?</p> <p>Town Clerk to monitor social media.</p>

Major Risk Area: Reputation					
Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
An individual Councillor presumes to act or speak for the Council in contravention of Council policy and says something controversial	M	Numerous scenarios ranging from an unguarded remark by a Councillor to a malicious attempt to bring the Council into disrepute.	L	<ul style="list-style-type: none"> • Clarity of Members understanding of respective roles and management processes • Induction & training of Members • Effective press strategy • Code of Conduct • Monitoring Officer • 2015 Guidance on the role of the Council's representatives on external bodies 	Town Clerk responsible for Members' training and induction
A member of staff while acting or speaking for the Council does so in contravention of Council policy and says something controversial	M	Numerous scenarios ranging from an unguarded remark by a member of staff to a malicious attempt to bring the Council into disrepute. Use of social increases the risk	L	<ul style="list-style-type: none"> • Competent staff • Good recruitment processes • Appraisal system • Induction & training of staff • Good office systems and clarity about who is responsible for what • Effective press strategy • Disciplinary procedures • IT Code of Conduct 	Town Clerk to develop an IT Code of Conduct

Dear Colleague.

EXTERNAL AUDIT FOR SMALLER AUTHORITIES

Further to my letter of 18 December 2015, I am writing to give you some more detailed information to help your authority to decide whether or not to opt out of the external audit arrangements that Smaller Authorities' Audit Appointments Limited (SAAA) is putting in place. These arrangements will take effect from 1 April 2017.

As stated in my earlier letter, the deadline for making a decision to opt out is 31 March 2016.

Background

Under the Local Audit (Smaller Authorities) Regulations 2015 ('the Regulations') (http://www.legislation.gov.uk/ukdsi/2015/9780111126103/pdfs/ukdsi_9780111126103_en.pdf), SAAA is required to make audit arrangements for all smaller authorities other than those that have given notice that they wish to make their own arrangements. The SAAA scheme will therefore cover all authorities that have not formally decided to opt out. Authorities covered by the SAAA scheme are referred to as 'opted-in' authorities.

By law, every authority will still have to complete and publish an annual financial return irrespective of whether it is opted-in or opted-out. This requirement has not changed.

If you are considering opting out, you must hold a properly constituted meeting and decide whether or not you wish to do so. This decision must be recorded.

If you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

If notification of your decision to opt out is not received by 31 March 2016, your authority will be regarded as opted-in for the five-year period beginning on 1 April 2017 and ending on 31 March 2022 and you will not have another opportunity to opt out before the end of that period.

How do the Regulations affect different types of authority?

The effect of the Regulations is to divide smaller authorities into five groups, depending on their financial turnover and on whether or not they decide to opt out of the SAAA scheme. Please see Appendix 2 for a flowchart of this process.

- Group 1 Opted-in authorities (those that have not formally decided to opt out) with income or expenditure exceeding £25k;
- Group 2 Opted-out authorities with income or expenditure exceeding £25k;
- Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k;
- Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k; and
- Group 5 Financially inactive authorities.

Group 1 Opted-in authorities with income or expenditure exceeding £25k

Arrangements for 2017/18 and subsequent years will be the same as they are now. The only difference will be that your auditor will be appointed by SAAA. After completing your annual return, you should submit it by the due date to the auditor appointed by SAAA, who will undertake the limited assurance audit review.

Group 2 Opted-out authorities with income or expenditure exceeding £25k

If you have opted out of the SAAA scheme you will need to appoint an independent audit panel. Guidance on appointing an audit panel is available from CIPFA and can be found at <http://www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf>.

The audit panel will consider which auditor to appoint and will make a recommendation to the authority, which will have to ratify the audit panel's decision. Only accounting firms that meet certain licensing criteria can be appointed to undertake limited assurance audit reviews. Firms that do not meet those criteria cannot be considered for appointment. DCLG is working with the professional accountancy bodies to establish appropriate criteria, and we will inform all opted-out authorities as soon as we have more information about the firms that you can appoint.

You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor you have appointed.

You will be required to complete an annual certification form (which SAAA will provide) and to submit this to SAAA by an agreed date. The certification form will include:

- details of the firm that you have appointed as your auditor;
- confirmation that the limited assurance audit review has been undertaken by the set date; and
- confirmation that you have complied with the Regulations.

SAAA will carry out independent checks to ensure that the information provided in the certification form is correct.

If you fail to appoint an auditor, the Secretary of State will make the appointment. You will be responsible for paying the auditor's fees and for any administrative costs.

Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k

With effect from 2017/18 very few of these authorities will be required to undergo a limited assurance audit review or to pay any audit fee. The circumstances in which a limited assurance audit review may be necessary are set out in Clauses 9(1)(b) and 9(3) of the Regulations (attached as Appendix 1).

All authorities will, however, need to complete and publish an annual return in accordance with the Transparency Code for Smaller Authorities ([https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency Code for Smaller Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf)). You will also need to complete an annual exemption form (which SAAA will provide) and submit this to SAAA or an auditor specified by SAAA by an agreed date. By completing this form you certify that, under the Regulations, there is no requirement for a limited assurance audit review for the financial year in question.

If you wish to have a limited assurance audit review, despite not being required to do so, you will need to inform SAAA by the end of the financial year in question. SAAA will then appoint an auditor to undertake the review, for which a fee of £200 will be payable.

Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k

Unless required to submit their accounts for review in the circumstances set out in Appendix 1, these bodies will only need to complete and publish an annual return and to complete and submit to SAAA or an auditor specified by SAAA an annual exemption form in the same way as Group 3 authorities.

If you wish to have a limited assurance audit review, you will need to appoint an audit panel, consider the panel's recommendations and appoint an auditor in the same way as a Group 2 authority. You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor that you have appointed.

Group 5 Financially inactive authorities

If your authority has no income or expenditure you should continue to provide an 'inactive' certificate to the auditor appointed by SAAA.

Electors' rights

If an elector wishes, within the prescribed time period, to ask a question about, or make an objection to an authority's accounts, he or she may need to contact the appointed auditor. For opted-in authorities (Groups 1 and 3) the auditor will be (in the case of Group 1 authorities, will already have been) appointed by SAAA. Fees for any additional audit or investigatory work will be charged in accordance with scales set by SAAA.

Questions about and objections to the accounts of authorities in Group 2 and those in Group 4 that have appointed an auditor will be considered by the appointed auditor, who will report the outcome to the authority. If a Group 4 authority needs to appoint an auditor, it should follow the procedure described above, appointing an audit panel and taking a decision based on that panel's recommendations.

If an auditor issues a public interest report in relation to a Group 3 or Group 4 authority, DCLG will require that authority either to commission a limited assurance audit review in the following year (on terms to be agreed between the authority and the auditor) or to opt in to the SAAA scheme for the remainder of the contract period (until 31 March 2022).

Full audit

Any smaller authority can still choose to be treated as a full audit authority, as defined in the Local Audit and Accountability Act 2014, and to commission a full audit either from an auditor appointed by SAAA or (for authorities in Groups 2 and 4) from a licensed auditor appointed through proper processes, following a recommendation from a duly constituted audit panel.

Conclusion

The decisions that are available to smaller authorities are set out in the flowchart at Appendix 2. We will in due course be publishing questions and answers on our website, but in the meantime I or any of my colleagues at SAAA would be happy to answer any questions that you might have.

Please remember if you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

Mike Attenborough-Cox

Chairman - Smaller Authorities' Audit Appointments Limited

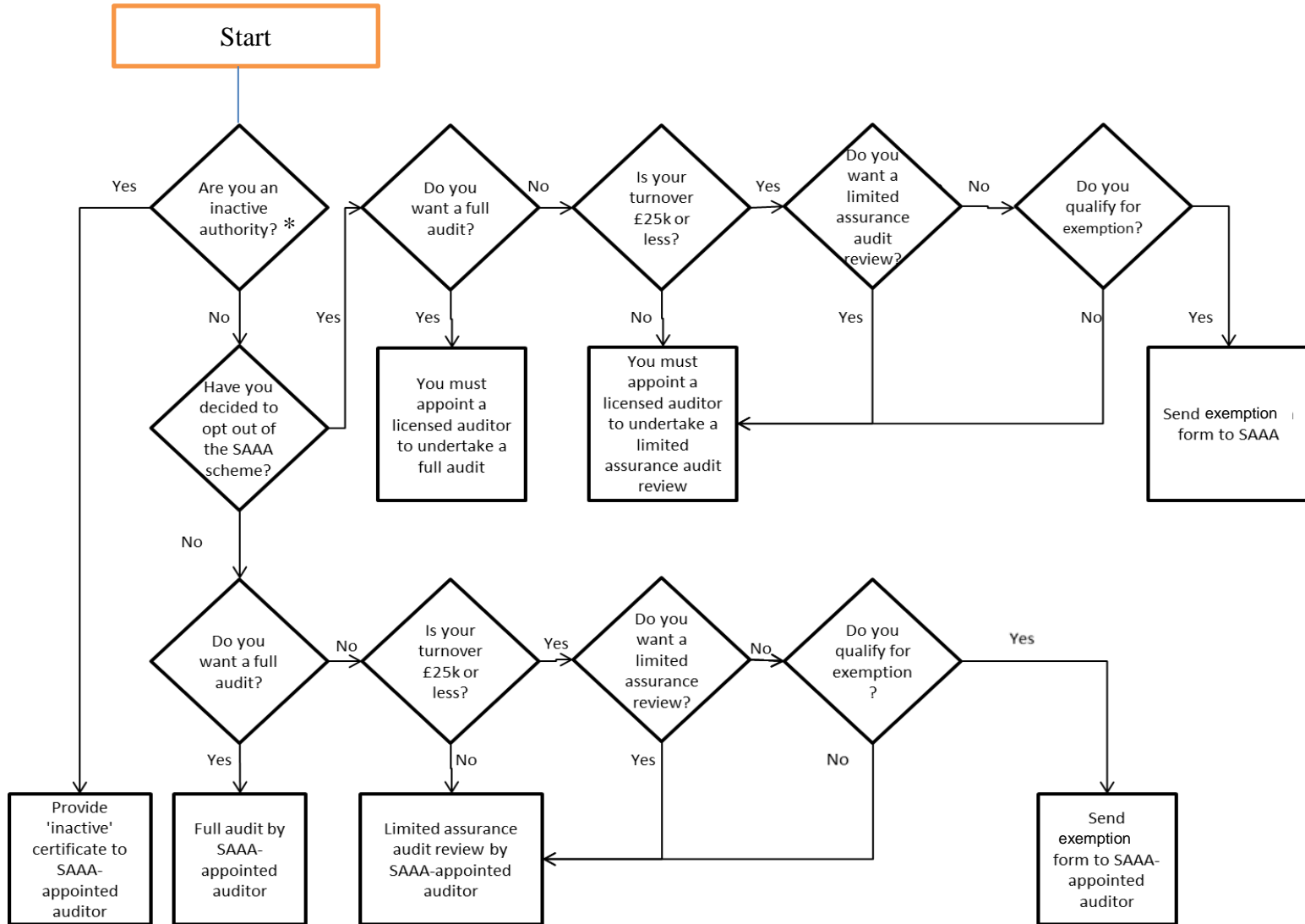
Appendix 1

Extract from the Local Audit (Smaller Authorities) Regulations 2015

Exempt authorities

- 9.—(1) A smaller authority may certify itself as an exempt authority for a financial year if—
- (a) the qualifying condition for that authority and that financial year in paragraph (2) is met; (b) the financial year is not one of the first three years of the authority's existence; and
 - (c) none of the relevant circumstances in paragraph (3) apply in relation to the keeping of the accounts for the preceding financial year or to the audit of those accounts.
- (2) The qualifying condition is met for an authority and a financial year if—
- (a) the higher of the authority's gross income for the year and its gross expenditure for the year does not exceed £25,000, or
 - (b) the higher of the authority's gross receipts and gross payments for the year does not exceed £25,000.
- (3) The relevant circumstances are—
- (a) the local auditor has made a public interest report(a) in respect of the authority or any entity connected with it;
 - (b) the local auditor has made a recommendation to the authority, relating to the authority or any entity connected with it;
 - (c) the local auditor has issued an advisory notice under paragraph 1(1) of Schedule 8 to the Act, and has not withdrawn the notice;
 - (d) the local auditor has commenced judicial review proceedings under section 31(1) of the Act, and the proceedings have not been withdrawn nor has the court found against the auditor;
 - (e) the local auditor has made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration; or
 - (f) the court has declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

Appendix 2



* An inactive authority is one that has no income or expenditure



GODALMING TOWN COUNCIL

FINANCIAL REGULATIONS

**Adopted by Full Council on
15 January 2015**

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These Financial Regulations are made under Standing Order 140 and were adopted by the Council at its Meeting held on 15 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 Godalming Town Council Standing Orders and any individual financial regulations relating to contracts.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. A breach of these regulations by an employee is gross misconduct.
- 1.7. Members of Council are expected to follow the instructions within these regulations and not to encourage employees to breach them. Failure to follow instructions within these regulations brings the office of Councillor into disrepute.
- 1.8. The Town Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.

- 1.9. The RFO;
- acts under the policy direction of the Council;
 - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the Council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Council up to date in accordance with proper practices;
 - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations¹.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the Council; and
 - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;

¹ Accounts and Audit (England) Regulations 2011/817

- 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 £50,000; 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 Town 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, an officer other than the RFO shall be required to produce bank reconciliations (for all accounts). The RFO 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 Audit Committee, evidenced by the signature of the Committee Chairman upon the reconciliations.
- 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 annually by the Council and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices. The appointment will be reviewed every seven years.
- 2.6. The internal auditor shall:
 - be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
 - perform any operational duties for the Council;
 - initiate or approve accounting transactions; or

- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. Annual Estimates (Budget) and Forward Planning

- 3.1. The RFO must each year, by no later than December, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Policy & Management Committee and the Council.
- 3.2. 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.
- 3.3. The Council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.4. The approved annual budget shall form the basis of financial control for the ensuing year.

4. Budgetary Control and Authority to Spend

- 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- the Council for all items over £50,000;
 - a duly delegated committee of the Council for items over £2,000; or
 - the Town Clerk, for any items below £2,000.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk.

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

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town 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.
- 4.5. In cases of extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council which in the Town Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The Town Clerk shall report such action to the Chairman of the Policy & Management Committee as soon as possible and to the Policy & Management Committee as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual and projected

annual expenditure against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose “material” shall be in excess of 15% of the budget or 2% of the precept.

- 4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. Banking Arrangements and Authorisation of Payments

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for security and efficiency.
- 5.2. The RFO shall cause to be prepared a schedule of payments requiring authorisation made and, together with the relevant invoices, present the schedule to the Policy & Management Committee. The Committee shall review the schedule for compliance and, having satisfied itself, shall confirm by a resolution of the Committee that the payments made were appropriate. The approved schedule shall be signed by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be verified and certified by the officer procuring the good/services to confirm that the work, goods or services to which each invoice relates has been received or carried out. All invoices for payment shall be checked by the officer arranging payment to confirm that the invoice represents expenditure previously approved by the Council and has not previously been paid.
- 5.4. The RFO shall ensure that all invoices are examined for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all properly verified and certified invoices submitted.

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. The Town Clerk/RFO shall give instruction that each payment authorised in accordance with Regulation 5 above 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 or committee shall be signed by two members of Council. No Councillor should be a signatory to a transaction in which they have declared a disclosable pecuniary interest or in which they have any other interest.
- 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 and the invoice or other voucher.
- 6.6. 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 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.
- 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.
- 6.8. 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 Policy & Management Committee as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the of the Policy & Management Committee at least every two years.
- 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.
- 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.

- 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.
- 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 preferably off site.
- 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.
- 6.14. Where internet banking arrangements are made with any bank, an officer (not the Town Clerk or RFO) shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly who and what approvals are needed for each type of payment.
- 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.
- 6.16. Changes to account details for suppliers, whether used for internet banking or not, may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Town Clerk or in her absence the Deputy Town Clerk. A programme of regular checks of standing data with suppliers will be followed.
- 6.17. The RFO may provide imprests to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
 - a) The RFO shall advance imprests up to a maximum of £500 for the purpose of defraying operational and other expenses to officers named by the Policy & Management Committee.
 - b) The RFO shall maintain a petty cash float of a maximum of £250 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

- c) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- d) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

7. Payment of Salaries

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Policy & Management Committee (or Council if the matter affects the Town Clerk alone).
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any Councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for all staff.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.8. Before employing interim staff the Policy & Management Committee 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 (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. When raising an invoice an officer will deliver the top copy to the debtor, send one of the copies to the RFO and retain the second copy in their own records. If an invoice is voided all three copies should be kept in the officer's own records.
- 9.3. Each invoice pad shall be held securely by the officer to which it is issued and from time to time that officer may be called upon to account for each of the sequentially numbered invoices in the pad.
- 9.4. 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.
- 9.5. The Council will review all fees and charges at least annually, following a report of the Town Clerk.
- 9.6. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.7. 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.
- 9.8. The origin of each receipt shall be entered on the paying-in slip.
- 9.9. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.10. 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.
- 9.11. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. Orders for Work, Goods and Services

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2. Order books shall be controlled by the RFO.
- 10.3. All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the Council.
- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

11. Contracts

- 11.1. Procedures as to contracts are laid down as follows:
 - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Town Clerk and RFO shall act after consultation with the Chairman and Vice Chairman the Policy & Management Committee); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

- b. Where it is intended to enter into a contract exceeding £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Town Clerk shall invite tenders from at least three firms to be taken from the 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 Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council.
- f. If less than three tenders are received for contracts above £60,000 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 be subject to Standing Order 142 and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Town Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the Town Clerk or RFO shall obtain 2 estimates. Otherwise, Regulation 10 (3) above shall apply.
- i. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

12. Payments Under Contracts for Building or Other Construction Works

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Town Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. Assets, Properties and Estates

- 13.1. The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 13.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.
- 13.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 13.4. No real property (interests in land) shall be purchased or acquired without the authority of the Full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 13.5. 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.
- 13.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

14. Insurance

- 14.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 14.2. The Town Clerk shall ensure that all new risks, properties or vehicles which require to be insured or any alterations affecting existing insurances is effected immediately.
- 14.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 14.4. 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.
- 14.5. 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.

15. Risk Management

- 15.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall cause to be prepared, 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.
- 15.2. When considering any new activity, the Town Clerk shall cause to be prepared a draft risk assessment including risk management proposals for consideration and adoption by the Council.

16. Suspension and Revision of Financial Regulations

- 16.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.
- 16.2. 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.

9. ELECTRONIC PAYMENTS

As previously considered by the Policy & Management Committee on 7 January 2016 (minute 345/16 refers), it would be preferable to start paying suppliers and staff via internet banking, wherever possible. The following proposed process has been developed in consultation with Councillor Steve Bott and Internal Auditor Mark Mulberry (who has dealings with other Parish and Town Councils who have adopted similar methods).

To maintain adequate control, the following process is proposed:

1. Officers verify that the goods or services have been received, have been correctly charged and allocate a nominal code, then sign off the invoice.
2. Finance Administrator enters invoice into General Ledger and on a regular basis compiles a schedule of supplier invoices to be paid.
3. Two cheque signatories sign off the schedule of supplier invoices to be paid after verifying the amount, bank account details and payee are correct and that the expenditure is lawful (i.e. within budget). The signatories initial both the schedule and the invoice to evidence this check has been performed.
4. Scheduled payments are then uploaded as an instruction to pay to the bank account (preferably through a file transfer to avoid potential for keying errors) and authorised for payment at the same time by a single cheque signatory who is present when the instruction is submitted.

The Financial Administrator (FA) will continue to have read only access to the bank account, which enables the recording of receipts and payments made directly into the bank account on a daily basis. Read only access will also continue to allow the FA to transfer funds between accounts to maximise Interest Received.

It is recommended that there be one bank fob card that has the ability to make actual payments from the Council's bank accounts. This fob card will be stored in the Council's alarmed Strongroom and will not leave Council premises. All authorised account signatories would be given the passcode for this fob card but must not make it known to Officers. The Chairman of the Audit Sub Committee would be the contact person for all signatories should they forget the passcode. This option carries no additional bank fees (currently £5.50 per month plus transaction fees).

Alternatively, every signatory could have an individual bank fob card. However, this carries a considerably higher cost in bank fees (a one-off £350 implementation fee, monthly account fee of £52.50 plus transaction fees). The 2016/17 budget would be insufficient should this option be preferred and would thus require additional funding to be found. The considerable additional cost comes without any discernible benefit and therefore this option is not recommended for that reason.

The bank advises that a daily limit of between £0 and £100,000 can be set. Officers recommend a limit be put in place and that it be at the level of £50,000 as currently all payment runs are contained within this limit. If a single payment over £50,000 needs to be made, the bank advises it can do so upon the authorisation of two signatories (but in that case, writing a cheque would be more time efficient).

We would still use cheques for payments to suppliers for whom we did not have bank account details. However, we would expect at least 90% of payments to be made electronically.

Members are asked to indicate which option, if any, they wish to support.

Further, should they agree to proceed with the movement to electronic payments, they are asked to indicate at what level the daily limit should be set.

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or a 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 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 Interest	Non-Pecuniary Interest	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 non-pecuniary interest is defined by Section 5 (4) of the Godalming Members' Code of Conduct.