

**MEETING OF THE FINANCE & ADMINISTRATION COMMITTEE
TO BE HELD ON THURSDAY 15th JUNE 2023 AT 7.30pm**

CLERK'S REPORT

To be considered in conjunction with the Agenda for this meeting. Numbers relate to the item numbers on the Agenda.

3. Public Forum.

The Public Forum will last for a period of up to 15 minutes during which members of the public may put questions to the Council or draw attention to relevant matters relating to the business on the Agenda. Each speaker is limited to 3 minutes. The business of the meeting will start immediately following the public forum or at 7.45pm whichever is the earlier.

6. Declarations of Interest.

Members are advised to consider the Agenda for the meeting and determine in advance if they may have a **Personal, Disclosable Pecuniary or Other Registrable Interest** in any of the Agenda items. If a Member decides they do have a declarable interest, they are reminded that the interest and the nature of the interest must be declared at the commencement of the consideration of the Agenda item; or when the interest becomes apparent to them. Details of the interest will be minuted.

If the interest is a **Disclosable Pecuniary Interest**, Members are reminded that they must take no part in the discussions of the item at all; or participate in any voting; and must withdraw from the meeting chamber, unless they have received a dispensation.

Where you have an **Other Registrable Interest** (which is not a Disclosable Pecuniary Interest), Members are reminded that they must withdraw from the meeting chamber after making representations or asking questions.

7. Chairman's Announcements.

Following approval at the Annual Meeting of the Council on 18th May, the AGAR and all supporting documentation was submitted to the External Auditors on 23rd May. Furthermore, the Notice of Public Rights (including the summary of rights) was published on the website and posted on all nine parish noticeboards on Friday 2nd June 2023.

HDC have confirmed that the Parish Environment Cleansing Grant for 2023/24 will be £11,745.13, a 10% increase on the previous year's figure of £10,677.39. This will be received in two tranches: the first in May and the second in September.

Finally, the Friendship Group have asked for their thanks to the Committee be recorded for the two recent grants. It has been decided to have a trip to Kew Gardens which means the full grant awarded for transport costs will now be utilised.

8. Review of Finances to 31st May 2023

i. Finance Report to show income, expenditure and reserves to 31st May 2023

Funding at 31st May 2023

Precept (half year)	182,673
Environmental Grant	5,873
Total	188,546

Income to 31st May 2023

Cost Centre	Actual income	Annual Budget	Estimated income to 31 st May 2023*
Admin	3,169	200	33
Allotments**	965	995	995
North Heath Hall	9,916	71,000	11,834
Holbrook Tythe Barn	6,187	38,000	6,333
Multi Court Lettings	4,081	26,600	4,433
Roffey Millennium Hall	11,932	45,000	7,500
Total	36,250	181,795	31,128

Expenditure to 31st May 2023

Cost Centre	Actual Expenditure	Annual Budget	Estimated expenditure to 31 st May 2023*
Admin***	18,656	54,570	20,345
Grants	1,830	10,000	1,667
Burial****	0	7,460	1,242
Personnel	52,021	349,650	58,275
Planning, Env, Trans	0	1,500	250
Allotments	65	1,560	260
Amenity Rec & Open Spaces	7,382	56,485	9,414
North Heath Hall	5,520	30,778	5,130
Holbrook Tythe Barn	3,127	28,095	4,683
Roffey Millennium Hall	6,184	42,840	7,140
Total	94,785	582,938	108,406

* Total cost centre budget for 2023/4 divided by 2/12th.

** Allotment invoices are sent out annually. The full income is expected by the end of April.

*** Includes in Actual Expenditure Annual Insurance Premium of £13,884 paid May 2023 and includes in Estimated Expenditure Full Year Budget for Insurance of £13,500

**** Paid quarterly in Months 2,5,8 & 11

Supporting Finance documents including the Income and Expenditure and Reserves reports as at 31st May 2023, are attached in **Appendix 1 and 1a respectively**.

Income

At the end of Month 2 of the 2023/24-year, income is slightly higher than the anticipated by approx. 16% - an increase on the 11% difference at the end of month 1.

Expenditure

Overall, expenditure is approx. 13% lower than would be expected at the end of the month, a widening from the gap of 10.5% at the end of month 1.

Reserves

As at 31st May 2023 remaining funds, including the 1st half year precept payment received and General Reserves, stood at £353,620.

In addition, there are additional Earmarked Reserves of £274,772 a reduction of £2,309 from the balance at the end of month 1, due to expenditure of £50 on replacement water jugs, £957 for a repair to the electrical installation for the MUGA floodlights, £582 for plans of NHH regarding the washroom refurb, £160 for playground maintenance and £560 for tree surgery.

Summary

As mentioned above, there is £5,122 more revenue income than budgeted for at the end of month 2 together with £13,621 less revenue expenditure than anticipated.

ii. Bank Reconciliations

A copy of the bank reconciliations and statements for the Lloyds Bank Accounts and CCLA Public Sector Deposit Fund as at 30th April and 31st May 2023 have been emailed separately.

iii. Direct Hall Expenditure

The usual breakdown comparing the cost of running the halls with the income is shown below.

	EXPENDITURE			TOTAL INCOME up to 31.03.23
	Maintenance, running costs etc up to 31.03.23	Direct Staff costs up to 31.03.23 (caretakers)	TOTAL DIRECT EXP	
NHH	27,235	32,165	59,400	64,492
HTB+MC	23,165	19,936	43,101	58,761
RMH	34,025	42,590	76,615	55,093
TOTAL	84,425	94,690	179,115	178,346

However, at the meeting last year Members asked for an additional breakdown including assumptions for the administration time associated with the use of the halls. Whilst reviewing the files a spreadsheet was identified where work was done some years ago to try and make assumptions on this, and using this allocation an updated schedule has been produced as follows :

	EXPENDITURE			TOTAL INCOME up to 31.03.23
	Maintenance, running costs etc up to 31.03.23	Staff costs up to 31.03.23 (caretakers and Admin)	TOTAL EXP	
NHH	27,235	43,174	70,409	64,492
HTB+MC	23,165	30,945	54,110	58,761
RMH	34,025	53,600	87,625	55,093
TOTAL	84,425	127,719	212,144	178,346

Decisions:

1. To consider the Financial Report to 31st May 2023 including reserve balances
2. To confirm, with counter signature by the Chairman, and minute to evidence the bank reconciliations (against the cashbooks) for the Lloyds Bank Accounts and CCLA Public Sector Deposit Fund as at 30th April and 31st May 2023
3. To note the total direct expenditure for running the halls and multi courts for 2022/23 was £179,115 against income of £178,346 with expenditure costs increasing to £212,144 when assumptions are made to include an estimate of indirect Administration costs.

9. Litter Warden direct costs 2022/23

Horsham District Council provides an annual Environmental Cleaning Grant to cover the cost of litter picking in North Horsham. As was noted in the Chairman's Announcements, the grant is paid in two instalments and for 2022/23 was £10,677.39

2022/23 LITTER WARDEN DIRECT COSTS ONGOING

Litter Wardens - salary cost inc. NI and pension	£10,647.53
Black sacks (approx.)	£200.00
PPE (approx.)	£100.00
TOTAL	£10,947.53

Decision : To note that the expenditure on Litter Wardens for 2022/23 was £10,947.53 and that this is offset by an Environmental Grant from Horsham District Council

10. Financial Regulations

Members are invited to receive the reviewed document (attached as **Appendix 2**) and consider recommending the document to Council.

As can be see amendments or areas requiring consideration have been highlighted in red, after being identified by the Internal Auditor namely :

- i. Financial Regulations, Governance and Payments - The council may wish to consider increasing the Clerk authorisation level based on the size of the council and the Clerk's experience level.
- ii. Bank and Cash - I recommend the council aligns its process to the relevant Financial Regulation, either by altering its process or by amending the Financial Regulation to reflect the current process.

Decision: To agree a reviewed document to be recommended to Council

11. Grant Applications

There is £8,170 in the Grant Awarding budget. The application(s) have been circulated to the Committee by e-mail.

Victim Support - £500 requested

This is the 16th application from Victim Support and is to recruit and train new volunteers in Sussex including core and advance training i.e. Domestic Abuse, Hate Crime, homicide etc.

Previous Awards

July 2006	£500	Ongoing work	June 2016	£500	Ongoing work
July 2009	£500	Ongoing work	April 2017	£500	Ongoing work
July 2010	£500	Ongoing work	April 2018	£500	Ongoing work
June 2012	£500	Ongoing work	June 2019	£500	Ongoing work
June 2013	£500	Ongoing work	July 2020	£500	Ongoing work
July 2014	£500	Ongoing work	July 2021	£500	Ongoing work
Oct 2014	£500	Ongoing work	June 2022	£500	Ongoing work
June 2015	£500	Ongoing work			

Decision: To consider a grant application from Victim Support.

06/06/2023

North Horsham Parish Council

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Detailed Income & Expenditure by Budget Heading 31/05/2023

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
101 Administration								
1008 Miscellaneous Income	23,072	0	0	0			0.0%	
1175 CIL Payment	11,805	0	0	0			0.0%	
1176 Precept	349,011	182,673	365,346	182,673			50.0%	
1196 Interest Received	1,860	3,169	200	(2,969)			1584.5%	
Administration :- Income	385,747	185,842	365,546	179,704			50.8%	0
4007 Councillors Training	65	33	1,000	967		967	3.3%	
4008 Councillors Expenses	6,347	1,542	7,000	5,458		5,458	22.0%	
4021 Telephone/Fax/Internet	3,406	464	3,200	2,736		2,736	14.5%	
4022 Postage	723	0	1,200	1,200		1,200	0.0%	
4023 Stationery and Printing	1,733	383	1,600	1,217		1,217	24.0%	
4024 Subscriptions	3,171	0	3,400	3,400		3,400	0.0%	
4025 Insurance	13,979	13,884	13,500	(384)		(384)	102.8%	
4028 IT Costs	2,527	1,498	2,800	1,302		1,302	53.5%	
4029 Website Maintenance	154	0	170	170		170	0.0%	
4032 Publicity/Marketing	0	0	500	500		500	0.0%	
4033 Newsletter	762	132	850	718		718	15.5%	
4038 Office Equipment Maint.	458	0	950	950		950	0.0%	
4051 Bank Charges	72	0	100	100		100	0.0%	
4053 PWLB Loan Charges	11,217	0	11,000	11,000		11,000	0.0%	
4057 External Audit Fees	1,300	(1,300)	1,400	2,700		2,700	(92.9%)	
4058 Professional Services	3,575	1,910	3,350	1,440		1,440	57.0%	
4059 Internal Audit Fees	349	(165)	450	615		615	(36.7%)	
4100 Chairman's Allowance	335	0	400	400		400	0.0%	
4120 Roffey Hall Equipment	674	275	700	425		425	39.3%	
4122 Office Equipment	493	0	1,000	1,000		1,000	0.0%	
Administration :- Indirect Expenditure	51,341	18,656	54,570	35,914	0	35,914	34.2%	0
Net Income over Expenditure	334,406	167,186	310,976	143,790				
6001 less Transfer to EMR	11,805	0						
Movement to/(from) Gen Reserve	322,601	167,186						
103 Grants								
4155 Other Grants and Donations	5,780	1,830	10,000	8,170		8,170	18.3%	
Grants :- Indirect Expenditure	5,780	1,830	10,000	8,170	0	8,170	18.3%	0
Net Expenditure	(5,780)	(1,830)	(10,000)	(8,170)				

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Detailed Income & Expenditure by Budget Heading 31/05/2023

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>104 Burial</u>								
4101 Burial Charges	7,461	0	7,460	7,460		7,460	0.0%	
Burial :- Indirect Expenditure	7,461	0	7,460	7,460	0	7,460	0.0%	0
Net Expenditure	(7,461)	0	(7,460)	(7,460)				
<u>106 Personnel</u>								
4001 Salaries/NI/Pensions	314,844	51,250	343,000	291,750		291,750	14.9%	
4002 Childcare Vouchers	1,282	0	0	0		0	0.0%	
4003 Payroll Admin Charge	870	0	1,400	1,400		1,400	0.0%	
4009 Staff Expenses/Mileage	3,653	684	3,000	2,316		2,316	22.8%	
4010 Staff Training	1,460	0	1,600	1,600		1,600	0.0%	
4030 Recruitment Advertising	291	11	250	239		239	4.3%	
4067 Protective Clothing	381	76	400	324		324	19.1%	
Personnel :- Indirect Expenditure	322,782	52,021	349,650	297,629	0	297,629	14.9%	0
Net Expenditure	(322,782)	(52,021)	(349,650)	(297,629)				
<u>201 Planning, Env & Transport</u>								
4305 Planning Consultant Fees	0	0	1,500	1,500		1,500	0.0%	
Planning, Env & Transport :- Indirect Expenditure	0	0	1,500	1,500	0	1,500	0.0%	0
Net Expenditure	0	0	(1,500)	(1,500)				
<u>301 Allotments</u>								
1050 Allotment Rents	983	965	995	30			97.0%	
Allotments :- Income	983	965	995	30			97.0%	0
4012 Water Rates	71	0	100	100		100	0.0%	
4102 Allotment Rent	275	0	275	275		275	0.0%	
4200 Grass cutting	554	65	765	701		701	8.4%	
4259 Allotment Maintenance	50	0	420	420		420	0.0%	
Allotments :- Indirect Expenditure	950	65	1,560	1,496	0	1,496	4.1%	0
Net Income over Expenditure	33	901	(565)	(1,466)				
<u>302 Amenity, Recs & Open Sp</u>								
1100 Grants Received	10,677	5,873	10,678	4,805			55.0%	
Amenity, Recs & Open Sp :- Income	10,677	5,873	10,678	4,805			55.0%	0
4019 Window Cleaning	738	113	1,000	887		887	11.3%	
4200 Grass cutting	11,293	3,365	21,250	17,885		17,885	15.8%	

Detailed Income & Expenditure by Budget Heading 31/05/2023

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4250 Bus Shelter Repairs	1,286	965	1,850	886		886	52.1%	
4251 Play Area & M Crts Maint	7,251	830	7,875	7,045		7,045	10.5%	
4252 Open Spaces	6,032	0	10,500	10,500		10,500	0.0%	
4253 Litter Warden/Clearance	486	117	945	828		828	12.4%	
4254 Community Services - Dog Bins	2,780	354	2,415	2,061		2,061	14.7%	
4255 Street Lighting - Maint/Supply	2,743	983	5,500	4,517		4,517	17.9%	
4258 Multicourts Maintenance	3,720	620	3,750	3,130		3,130	16.5%	
4260 Workshop	49	0	500	500		500	0.0%	
4302 Notice Board Maintenance	321	34	900	866		866	3.8%	
Amenity, Recs & Open Sp :- Indirect Expenditure	36,698	7,382	56,485	49,103	0	49,103	13.1%	0
Net Income over Expenditure	(26,020)	(1,509)	(45,807)	(44,298)				
6001 less Transfer to EMR	996	0						
Movement to/(from) Gen Reserve	(27,016)	(1,509)						
<u>401 North Heath Hall</u>								
1000 Hall Lettings	64,492	9,916	71,000	61,084			14.0%	
North Heath Hall :- Income	64,492	9,916	71,000	61,084			14.0%	0
4011 NNDR	6,487	973	7,350	6,377		6,377	13.2%	
4012 Water Rates	826	0	975	975		975	0.0%	
4014 Electricity	2,543	378	2,900	2,522		2,522	13.0%	
4015 Gas	5,074	1,366	2,690	1,324		1,324	50.8%	
4016 Cleaning Materials	860	203	1,470	1,267		1,267	13.8%	
4017 Refuse Bin Clearance	973	150	882	732		732	17.0%	
4018 Sanitary Waste	118	37	336	299		299	10.9%	
4019 Window Cleaning	590	91	735	644		644	12.3%	
4034 Maintenance - Electrical	2,100	208	1,575	1,367		1,367	13.2%	
4035 Maintenance - Elect Eqp Insp	600	430	580	150		150	74.1%	
4036 Maintenance - General	2,245	527	2,100	1,573		1,573	25.1%	
4037 Maintenance - Fire Alarm Syst	420	0	615	615		615	0.0%	
4039 Maint - Intruder Alarm	1,070	375	1,000	625		625	37.5%	
4041 Maintenance - Fire Extg Insp	47	0	170	170		170	0.0%	
4042 Maintenance - Gas Boiler etc	274	310	685	375		375	45.2%	
4044 Maintenance - Partition Wall	348	348	840	493		493	41.4%	
4061 Legionella Testing	525	0	385	385		385	0.0%	
4063 Maintenance - Plumbing	406	95	685	590		590	13.9%	
4065 Fire Prevention Sundries	0	0	105	105		105	0.0%	
4066 Keyholder Services	180	30	200	170		170	15.0%	
4500 Internal Redecorations	0	0	4,500	4,500		4,500	0.0%	
North Heath Hall :- Indirect Expenditure	25,685	5,520	30,778	25,258	0	25,258	17.9%	0
Net Income over Expenditure	38,807	4,396	40,222	35,826				
6001 less Transfer to EMR	1,550	0						

Detailed Income & Expenditure by Budget Heading 31/05/2023

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Movement to/(from) Gen Reserve	37,257	4,396						
402 Holbrook Recreation Centre								
1000 Hall Lettings	36,771	6,187	38,000	31,813			16.3%	
1010 Multi Court Lettings	21,991	4,081	26,600	22,519			15.3%	
Holbrook Recreation Centre :- Income	58,761	10,268	64,600	54,332			15.9%	0
4011 NNDR	3,543	583	4,200	3,617		3,617	13.9%	
4012 Water Rates	838	316	1,315	999		999	24.0%	
4014 Electricity	3,792	579	3,415	2,836		2,836	17.0%	
4015 Gas	1,289	219	1,575	1,356		1,356	13.9%	
4016 Cleaning Materials	1,303	148	1,470	1,322		1,322	10.1%	
4017 Refuse Bin Clearance	825	150	885	735		735	17.0%	
4018 Sanitary Waste	118	37	255	218		218	14.4%	
4019 Window Cleaning	258	40	475	435		435	8.4%	
4034 Maintenance - Electrical	339	0	5,155	5,155	2,076	3,079	40.3%	
4035 Maintenance - Elect Eqp Insp	600	80	2,065	1,985		1,985	3.9%	
4036 Maintenance - General	2,101	292	1,995	1,703		1,703	14.6%	
4037 Maintenance - Fire Alarm Syt	747	0	630	630		630	0.0%	
4039 Maint - Intruder Alarm	932	375	1,000	625		625	37.5%	
4041 Maintenance - Fire Extg Insp	64	0	170	170		170	0.0%	
4042 Maintenance - Gas Boiler etc	751	199	525	326		326	37.8%	
4061 Legionella Testing	480	0	370	370		370	0.0%	
4063 Maintenance - Plumbing	455	80	765	685		685	10.5%	
4065 Fire Prevention Sundries	665	0	630	630		630	0.0%	
4066 Keyholder Services	180	30	200	170		170	15.0%	
4500 Internal Redecorations	166	0	1,000	1,000		1,000	0.0%	
Holbrook Recreation Centre :- Indirect Expenditure	19,445	3,127	28,095	24,968	2,076	22,892	18.5%	0
Net Income over Expenditure	39,316	7,141	36,505	29,364				
403 Roffey Millennium Hall								
1000 Hall Lettings	52,770	11,475	45,000	33,525			25.5%	
1004 Equipment Sale/Sundry Income	660	240	0	(240)			0.0%	
1006 Refreshment Sale Income	1,408	217	0	(217)			0.0%	
1008 Miscellaneous Income	256	0	0	0			0.0%	
Roffey Millennium Hall :- Income	55,093	11,932	45,000	33,068			26.5%	0
4011 NNDR	6,737	1,183	7,700	6,517		6,517	15.4%	
4012 Water Rates	1,573	244	1,260	1,016		1,016	19.4%	
4014 Electricity	6,128	976	5,385	4,409		4,409	18.1%	
4015 Gas	3,859	745	6,300	5,555		5,555	11.8%	

Detailed Income & Expenditure by Budget Heading 31/05/2023

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4016 Cleaning Materials	1,344	199	1,445	1,246		1,246	13.7%	
4017 Refuse Bin Clearance	1,699	295	1,750	1,455		1,455	16.9%	
4018 Sanitary Waste	118	37	245	208		208	15.0%	
4019 Window Cleaning	812	125	1,040	915		915	12.0%	
4020 Refreshment Sale Cost/Sundries	446	134	315	181		181	42.5%	
4034 Maintenance - Electrical	1,197	358	2,100	1,742		1,742	17.1%	
4035 Maintenance - Elect Eqp Insp	610	80	2,730	2,650		2,650	2.9%	
4036 Maintenance - General	3,330	416	3,460	3,044		3,044	12.0%	
4037 Maintenance - Fire Alarm Syt	420	0	580	580		580	0.0%	
4039 Maint - Intruder Alarm	925	375	1,000	625		625	37.5%	
4040 Maintenance - Elevator	774	154	790	636		636	19.5%	
4041 Maintenance - Fire Extg Insp	86	0	170	170		170	0.0%	
4042 Maintenance - Gas Boiler etc	545	433	945	512		512	45.8%	
4044 Maintenance - Partition Wall	688	0	630	630		630	0.0%	
4061 Legionella Testing	578	0	395	395		395	0.0%	
4062 Air Conditionaig Maintenance	277	0	315	315		315	0.0%	
4063 Maintenance - Plumbing	353	105	1,365	1,260		1,260	7.7%	
4064 Lightning Conductor Works	195	0	315	315		315	0.0%	
4065 Fire Prevention Sundries	153	0	105	105		105	0.0%	
4066 Keyholder Services	180	30	200	170		170	15.0%	
4500 Internal Redecorations	1,000	295	2,300	2,005		2,005	12.8%	
Roffey Millennium Hall :- Indirect Expenditure	34,025	6,184	42,840	36,656	0	36,656	14.4%	0
Net Income over Expenditure	21,068	5,748	2,160	(3,588)				
<u>901 Earmarked Reserves</u>								
4900 Repairs & Renewals Reserve	54,130	6,531	0	(6,531)		(6,531)	0.0%	6,531
Earmarked Reserves :- Indirect Expenditure	54,130	6,531	0	(6,531)	0	(6,531)		6,531
Net Expenditure	(54,130)	(6,531)	0	6,531				
6000 plus Transfer from EMR	54,150	6,531						
6001 less Transfer to EMR	20	0						
Movement to/(from) Gen Reserve	0	0						
Grand Totals:- Income	575,755	224,795	557,819	333,024			40.3%	
Expenditure	558,298	101,316	582,938	481,622	2,076	479,546	17.7%	
Net Income over Expenditure	17,457	123,480	(25,119)	(148,599)				
plus Transfer from EMR	54,150	6,531						
less Transfer to EMR	14,371	0						
Movement to/(from) Gen Reserve	57,236	130,011						

NORTH HORSHAM PARISH COUNCIL
RESERVE BALANCES - 31st May 2023

	BALANCE	TRANSFER	EXPENDITURE		INCOME		FROM Reserve		TO Reserve		FROM Reserve		TO Reserve		NOTE
			ACTUAL	ACTUAL	BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE	NOTE	
	31.03.2021	01.04.2021	31.03.2022	31.03.2022	31.03.2022	01.04.2022	31.03.2023	31.03.2023	31.03.2023	01.04.2023	31.05.2023	31.05.2023	31.05.2023		
310/0 GENERAL RESERVES	216901	-8500	461137	503109	250373	-37546	504167	563950	272610	-49000	94785	224795	353620		
EARMARKED RESERVES					0				0				0		
320/0 REVENUE - VAT CONTINGENCY	7955				7955				7955				7955		
321/0 REPAIRS & RENEWALS (R&R)	100693	3500	8059		96134		27546		68589		2819		65770	3	
322/0 ELECTION	19950				19950				19950				19950		
323/0 TREE MANAGEMENT WORK	3825				3825	5000	7860		965	4000	860		4105	6	
327/0 ROFFEY YOUTH CLUB	5621				5621				5621				5621	1	
328/0 PLANNING	8035				8035				8035				8035		
330/0 EMR - MARCH 2023	0				0	2546			2546		2270		276		
331/0 RMH BOILER	20000	5000			25000	5000			30000	5000			35000		
332/0 PLAYGROUND UPGRADE	25000				25000	25000			50000	25000			75000		
333/0 NHH WASHROOM REFURBISHMENT	0				0				0	15000	582		14418		
335/0 CAPITAL RECEIPT	25000				25000				25000				25000	2	
337/0 NORTH HORSHAM COMMUNITY LAND TRUST	3				3				3				3		
336/0 COMMUNITY INFRASTRUCTURE LEVY - 2019/2020	8551		8551		0				0				0		
338/0 COMMUNITY INFRASTRUCTURE LEVY 2020/2021	2395		2394.55		0				0				0		
339/0 COMMUNITY INFRASTRUCTURE LEVY 2021/2022	0		5603.76	26163	20559		18725		1835				1835	4	
340/0 COMMUNITY INFRASTRUCTURE LEVY 2022/2023	0				0			11805	11805				11805	5	
	443928	0	485745	529272	487455	0	558297	575755	504913	0	101316	224795	628392		

1 Roffey Youth Club - money left from when the Youth Club Committee folded but agreed at Council Meeting 13th Jan 2022 (Min. FC/662/22) for £5,000 to go to HDC Youth work - request for payment of funds still awaited.

2 Capital Receipt - money from the sale of land.

3 R & R - ongoing repairs agreed by the Property Committee

Servcom - Boiler Repairs	£562.96
Servcom - Boiler Repairs	£1,248.75
EMBH - Water Jogs	£49.99
H New - MC Floodlights	£957.23

£2,818.93

4 CIL 2021/2022

£0.00

5 NHH - Washroom Referbishment

£582.00

£582.00

6 Tree Management Works

Forest View - Tree Management £860.00

£860.00

7 EMR - March 2023

TCM - Build. Maintenance	£1,550.00
TCM - Playground Maintenance	£160.00
FVTS - Tree Sergent	£560.00

£2,270.00



NORTH HORSHAM PARISH COUNCIL

FINANCIAL REGULATIONS

Based on NALC Model Financial Regulations 2019.

Adopted by the Parish Council 29th July 2021
Review by the Finance and Administration Committee
??? June 2023 ratified by Council ??? July 2023
Next Review July 2024

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1. GENERAL

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

¹ Model standing orders for councils are available in Local Councils Explained © 2018 National Association of Local Councils

- determines on behalf of the council its accounting records and accounting control systems.
 - ensures the accounting control systems are observed.
 - maintains the accounting records of the council up to date in accordance with proper practices.
 - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.
- 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.
 - 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 £5,000 and
 - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in the *Accountability and Governance Practitioners' Guide* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. On a regular basis, at least once in each quarter, and **usually at the meetings of the Finance and Administration Committee** ~~at each financial year end, a member other than the Chairman of the Finance & Administration Committee Meeting at which the reconciliations are received~~ Council shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity

shall on conclusion be reported, including any exceptions, to and noted by the Finance Committee.

- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 2.6. The internal auditor shall:
 - be competent and independent of the financial operations of the council.
 - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year.
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the council.
- 2.7. Internal or external auditors may not under any circumstances:
 - perform any operational duties for the council.
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of December each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than 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 Finance and Administration Committee for recommendation to the Council.
- 3.3. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The 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.
- 3.5. 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. The authority ~~to amend an approved budget~~ is to be determined by:
 - the council for all items over £5,000.
 - the Finance and Administration Committee for items between £2,000 and £5,000.
 - a duly delegated committee of the council for items up to £2,000.
 - The Clerk, in conjunction with the Chairman of the Council or Chairman of the appropriate committee for items below £500. *It is this figure that the Internal Auditor suggests should be reviewed.*

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

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

The Property Committee has the responsibility for the Property Repairs and

Renewals Fund. A rolling 'Repairs and Maintenance Plan' will be reviewed by the Property Committee and Finance and Administration Committee as part of the annual budget process, in order to determine the annual funding requirement. The Repairs and Renewals Fund will have a base level of £10,000 and will not be used for the funding of new Capital projects.

- 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 request for Supplementary Budget. Supplementary Budgets will only be validated by resolution of the Finance and Administration Committee for all amounts over £2,000. Requests for a Supplementary Budget of over £5,000 must also be approved by resolution of the Council. 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').

Virements between Revenue and Capital projects must be approved as follows:-

Up to £2,000 by the responsible Committee.

Over £2,000 by the Finance and Administration Committee.

Over £5,000 by the Finance and Administration Committee and the Council.

- 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 RFO 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 RFO may authorise revenue expenditure on behalf of the council which in the RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £10,000. The RFO shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the 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 expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations

of material variances. For this purpose, “material” shall be in excess of 15% of the budget.

- 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 safety and efficiency.
- 5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be initialed by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
- 5.5. The RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the 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;
 - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council; or
 - c) fund transfers within the councils banking arrangements up to the sum of £25,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.6. For each financial year the RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular

maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

- 5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be affected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two members of council and countersigned by the RFO or Deputy Clerk in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit

provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

- 6.7. 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 council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
- 6.8. 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 council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.9. 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 handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.11. 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 a duly delegated 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, 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 will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

- 6.15. 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. The Council's preference will be for a two-stage authentication process.
- 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 and supported by hard copy authority for change signed by the RFO and a member. A programme of regular checks of standing data with suppliers will be followed.
- 6.17. Any Debit Card issued for use will be specifically restricted to the RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council or finance committee in writing before any order is placed.
- 6.18. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council. Transactions and purchases made will be reported to the council and authority for topping-up shall be at the discretion of the council.
- 6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO and Deputy Clerk and shall have a maximum limit of £750 and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.20. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO shall maintain a petty cash float of £150 - Reduce petty cash to reflect having a credit card for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

- 7.2. 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 council.
- 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 the senior officers.
- 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 council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the RFO.

- 8.4. 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.
- 8.5. 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.
- 8.6. All investments of money under the control of the council shall be in the name of the council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Finance and Administration Committee, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The Finance and Administration Committee will review all fees and charges at least annually, following a report of the RFO.
- 9.4. Any sums found to be irrecoverable, and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORK, GOODS 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, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down as follows:
 - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services.
 - ii. for specialist services such as are provided by legal professionals acting in disputes.
 - 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 RFO shall act after consultation with the Chairman and Vice Chairman of council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
 - b. Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with

the relevant requirements of the Regulations². A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds referred to in Standing Order 18(f) and (c) below, is subject to the “light Touch” arrangement under Regulations 109-114 of the Public Contracts Regulations 2015 unless it proposes to use an existing list of approved suppliers (framework agreement).

- c. Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time, the Council must consider whether the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2016 apply to the contract and, if either of those Regulations apply, the Council must comply with procurement rules. NALC’s procurement guidance (LTN 87 Updated March 2022) contains further details.
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- e. Such invitation to tender shall state the general nature of the intended contract and the RFO 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 RFO in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one member of council.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Order 18,³ 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 RFO shall usually obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,500 and above £1,000 the RFO shall strive to obtain 3 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.

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts.

³ Based on NALC’s model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)

- 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 RFO to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

- 13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually and for maintaining appropriate inventories.
- 13.5. No equipment shall be leased, sold or otherwise disposed of without the authority of the appropriate Committee, save where the estimated value of one item does not exceed £500 or a transaction value of £1,000.

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. The RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the appropriate Committee, together with any other consents required by law, save where the estimated value of

any one item of tangible movable property does not exceed £500 or a transaction value of £1,000.

- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.5. Subject only to the limit set in Regulation 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.
- 14.6. 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.

15. INSURANCE

- 15.1. Following the annual risk assessment (per Regulation 17), the RFO shall affect all insurances and negotiate all claims on the council's insurers.
- 15.2. The RFO shall give prompt notification to the Council's insurers of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to council at the next available meeting.
- 15.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council.

16. RISK MANAGEMENT

- 16.1. The council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and

consequential risk management arrangements shall be reviewed by the council at least annually.

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

17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 17.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.
- 17.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.