Horndean Parish Council

NOTICE OF MEETING

A MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE WILL BE HELD ON MONDAY 27 MARCH 2017 AT JUBILEE HALL AT 6.30 P.M.

Members of the Committee (Cllr D Evans (Chairman), Cllr L Evans, Cllr M Burridge, Cllr Mrs D Denston, Cllr A Forbes, Cllr D Alexander, Cllr P Little are summoned to attend.

Carla Baverstock-Jones GCILEx, MILCM
Chief Officer

21 March 2017

AGENDA

1. To receive apologies for absence.
2. To receive any Declarations of interest.
3. To open the meeting to members of the public to enable them to address questions to Parish Councillors. *The period of time which is designated for public participation shall not exceed 20 minutes. Each member of the public is entitled to speak once only in respect of business itemised on the agenda and shall not speak for more than 3 minutes. A question asked by a member of public during public participation session at a meeting shall not require a response or debate.*
4. To approve the Minutes of the Finance and General Purposes Committee meeting held on the 07 November 2016.
5. To receive and consider the revised Financial Regulations - HPC.
6. To receive and consider a revision to the format of the Orders of Payments.
7. To receive and consider the applications in respect of the following Grants:

    - Blendworth Church Centre - £600.
    - The Bereavement Counselling Charity - £1,000.
    - Horndean Community Association – Annual Capital Grant - £3,000.
    - Home-Start Butser - £1,500.
    - Holy Trinity Church Blendworth - £500.
    - Citizens Advice East Hampshire - £2,000.
    - Horndean Walking Netball - £200.

Item 4

HORNDEAN PARISH COUNCIL

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING HELD AT JUBILEE HALL ON MONDAY 7th NOVEMBER 2016 AT 7:30 PM.

PRESENT: Cllr D Evans (Chairman),
Cllr D Alexander, Cllr M Burridge, Cllr Mrs. L Evans, Cllr A Forbes, Cllr P Little

IN ATTENDANCE: Carla Baverstock-Jones, Chief Officer, Sarah Guy, Senior Administrator (Minute Taker), Simon Ritson, Responsible Financial Officer

PUBLIC ATTENDANCE: One member of the press was present.

F&GP 014/16/17 **TO RECEIVE APOLOGIES FOR ABSENCE**

No apologies for absence were received from Councillor Mrs. D Denston.

F&GP 015/16/17 **TO RECEIVE ANY DECLARATIONS OF INTEREST**

No declarations of interest were received.

F&GP 016/16/17 **PUBLIC SESSION**

There were no questions asked in the public session.

F&GP 017/16/17 **TO APPROVE THE MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING HELD ON THE 21 MARCH 2016 AND 23 MAY 2016**

It was **RESOLVED** that the minutes of the Finance and General Purposes Committee meeting held on the 21 March 2016 and 23 May 2016 be duly signed as a true record of the meeting. This was proposed by Cllr Mrs L Evans and seconded by Cllr Burridge.

F&GP 018/16/17 **TO RECEIVE AND CONSIDER A DRAFT OF THE REVISED COMMITTEE TERMS OF REFERENCE**

The revised Terms of Reference were circulated and a discussion took place. It was **RESOLVED** that they be accepted by the Committee and recommended to Council for approval with the following amendments

- 1.1 & 1.2: Replace the word "management" with "oversight".
- 2: Remove the wording "and Chairman of Open Space Committee (consider staff Committee)".
- 6.1.4: Amend the sentence to read as follows "To receive a report on the performance of investments and to approve changes."
- 6.2.3: Amend the sentence to read as follows "To receive and note a report from the RFO concerning changes to the Accounts system."
- 6.2.6: Amend the sentence to read as follows "To receive and note a report from the RFO concerning changes to the IT Systems."
- 6.3.3: Delete the wording "prior to year end".

F&GP 019/16/17 **TO RECEIVE A REPORT AND CONSIDER THE NEW OPEN SPACES DISPOSAL POLICY**

A report by the Chairman was circulated and it was **RESOLVED** that a recommendation be put forward to Council for approval of the Open Spaces Disposal Policy. This was proposed by Cllr Burridge and seconded by Cllr Forbes.

F&GP 020/16/17 **TO RECEIVE AND CONSIDER THE DRAFT BUDGET 2017/2018**

The draft budget for 2017/2018 was circulated, along with a report by the RFO.

It was stated by the Chairman that no decisions were made at the budget workshop, but merely comments.

A discussion took place and the recommendation as per the report was considered. It was **RESOLVED** that the draft budget 2017/2018 be accepted by the Committee and recommended to Council for approval with the following amendments

- The Tree Maintenance budget is to be left at 4k.
- Reduce the PRP inflation on the salaries budget for non NJC contracted staff by reducing the % to 2.75%. This was proposed by Cllr Mrs L Evans and seconded by Cllr Forbes.
- Reduce the Football Pitch maintenance budget to 2k to be in line with the income received and recent historical expenditure. Saving = 1k.
- The Countryside Sites budget is to be left at 6k.
- Reduce Playground Equipment budget by 1k.

The committee further resolved to recommend to Council a 0% rise in the precept for 2017/18.

F&GP 021/16/17 **TO RECEIVE AND CONSIDER THE DRAFT LGPS EMPLOYERS DISCRETIONS POLICY**

The draft Local Government pension Scheme (LGPS) Employers Discretions Policy was circulated.

The Chief Officer said that the Internal Auditor had highlighted that HPC did not have a policy, therefore ahead of the Council meeting, had prepared a draft policy on the assumption that Council will ask for the Auditor's recommendation to be implemented.

It was **RESOLVED** to recommend the policy to Council for approval. This was proposed by The Chairman and seconded by Cllr Mrs L Evans.

F&GP 022/16/17 **TO CONSIDER THE WAY FORWARD IN RESPECT OF PROMOTING THE AUDIO/PROJECTOR FACILITY AT JUBILEE HALL**

The Chairman explained to Committee that the audio and projector facilities at Jubilee hall is rarely hired out and said he felt that HPC should try and generate more interest in hiring the equipment by way of promoting its use.

A discussion took place and it was thought that there wasn't really a lot that could be done to help promote the use of this equipment. This was mainly down to the fact that the hall is used by regular hirers such as sewing groups, dog training and exercise classes, so unless the hall is to be hired out for a meeting or training, there isn't really a need for hirers to use this type of equipment.

A suggestion was made for the audio and projector facilities to be promoted/advertised on the HPC website.

F&GP 023/16/17 **TO CONSIDER THE PROMOTION OF AVAILABLE GRANT FUNDING BY THE FORMAL PRESENTATION OF PUBLICITY CHEQUES**

A discussion took place and the general consensus was that the presentation of publicity cheques for the promotion of grant funding was a great idea. It was suggested by Cllr Burridge for the receiver of the grant to give a short explanation of what they would be using the funds for.

F&GP 024/16/17 **TO RECEIVE AND CONSIDER THE APPLICATIONS IN RESPECT OF THE FOLLOWING**

- All Saints Church, Catherington - £1,000.
- Horndean Technology College Luncheon Club - £300.

ALL SAINTS CHURCH, CATHERINGTON
It was agreed to recommend to Council that the grant application request of £1,000 be awarded.

HORNDEAN TECHNOLOGY COLLEGE LUNCHEON CLUB
It was agreed to recommend to Council that the grant application request of £300 be awarded.

The meeting closed at 9:30pm

.....
Chairman

.....
Dated

Item 5

HORNDEAN PARISH COUNCIL

FINANCE AND GP MEETING: 27-03-2017

SUBJECT OF REPORT: Financial Regulations Revision

The financial regulations were last adopted at the Horndean Parish Council AGM on 16th May 2016.

Subsequently, there was a revised set of Financial Regulations released by the National Association of Local Councils (NALC).

The Executive Officer, the RFO and the Chairman of the F&GP committee have reviewed the new NALC regulations and have amended the Horndean Parish Council Regulations with any changes that they see fit.

Any changes to our current Financial Regulations are shown in red or blue in the attached document.

Wording needs to be agreed for section 8 re delegated power for the Executive Officer to replace staff.

Report Prepared by Simon Ritson, Responsible Finance Officer

HORNDEAN PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at the Meetings held on 22 April 2013, 18 May 2015 17 August 2015 and 16 May 2016.

Record of subsequent changes:

Issue	Date	Adopted at: (ref)	Details of changes
1	22 April 2013	hpc 7748	First Issue
2	19 May 2014	hpc 011/14	Addition to 6.6 and re-word of 5.2. Re-number paragraph 11 correctly
3	15 December 2014	hpc FC 014	Increase in Clerks spending limit
4	17 August 2015	Hpc FC	Update in accordance with HALC.
5	16 May 2016	HPC FC	AGM

Introduction

These Regulations are based on the Model Financial Regulations ~~Model 2~~ (England) dated January 201~~6~~04 issued by the National Association of Local Councils which have been amended where necessary to clarify or to codify practices adopted by the Council.

Terms used in these Regulations are defined in Appendix A.

Contents

1. GENERAL 2
2. ANNUAL ESTIMATES (BUDGET) 2
3. BUDGETARY CONTROL ..... 3~~2~~
4. ACCOUNTING AND AUDIT ..... 4~~3~~
5. BANKING ARRANGEMENTS AND CHEQUES ..... 5~~4~~
6. PAYMENT OF ACCOUNTS ..... 5~~4~~
7. PAYMENT OF SALARIES ..... 6~~5~~
9. INCOME ..... 6~~5~~
10. ORDERS FOR WORK, GOODS AND SERVICES ..... 7~~6~~
11. CONTRACTS ..... 7~~6~~
12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS ..... 8~~7~~
13. STORES AND EQUIPMENT ..... 8~~7~~
14. ASSETS, PROPERTIES AND ESTATES ..... 8~~7~~
15. INSURANCE ..... 9~~8~~
16. CHARITIES ..... 9~~8~~
17. RISK MANAGEMENT ..... 9~~8~~
18. REVISION OF FINANCIAL REGULATIONS ..... 9~~8~~

Appendix A: Definition of Terms ..... 10~~9~~

Appendix B: Financial Information Required by the Council ..... 11~~10~~

Appendix C: Annual Budget and Precept setting Process ..... 12~~11~~

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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. 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 financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.

1.2 The Responsible Financial Officer ('RFO') is a statutory office and shall be appointed by the Council. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.

1.3 The RFO shall produce financial management information as required by the Council. Details of these requirements are set out in Appendix B

1.4 At least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices by a Working Party of three Councillors.

1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of section 27 of the Audit Commission Act 1998 and then in force.

1.6 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability in local Councils in England and Wales – a Practitioners' Guide which is published jointly by NALC and SLCC and updated from time to time.

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 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 recommendatios in any report from the internal or external auditors.

~~1.6~~• shall be a matter for full council only.

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2. ANNUAL ESTIMATES (BUDGET)

2.1 Each Committee shall formulate and submit proposals to the Council in respect of revenue and capital including the use of reserves and sources of funding for the following financial year not later than the end of November each year. The process by which the Council will create its Budget and calculate its Precept is outlined in Appendix C.

2.2 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council. The RFO shall identify the nature of expenditure, in particular, whether it is an overhead, a legal obligation of the Council, or a discretionary item. Budget estimates should be as accurate as possible and contingency reserves should be included if required.

2.3 The Council shall review the budget not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

2.4 The annual budget shall form the basis of financial control for the ensuing year.

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2.5 The Council shall consider the need for and shall have regard to a three year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual Budget. The budget must consider the effects of the three year plan and of the need to replace capital assets from time to time and should seek to build and maintain earmarked reserves specifically for these purposes.

2.6 The Council may not set a deficit budget but may draw on reserves for one-off purchases or non-recurring expenditure.

2.7 The Council should not set a budget that could, at any point in the year, result in Council funds falling below an amount equal to three months expenditure.

3. BUDGETARY CONTROL and AUTHORITY TO SPEND

3.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. Items that have been identified, costed and itemised in the Budget are thereby duly authorised. This authority is to be determined by:

- the Council for all items over £5,000;
- a duly delegated Committee of the Council for items over £750; or
- the Clerk for any items below £750.

Such authority is to be evidenced by a Minute of an appropriate meeting or by a written Order signed by the Clerk. Contracts may not be disaggregated to avoid controls imposed by these regulations.

3.2 ~~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).~~No expenditure should be authorised that will exceed the amount provided in the revenue budget for an individual cost centre by more than 5% or £2,000 (whichever is lower), after adjusting for transfers from earmarked reserves, 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 between cost centres or to an earmarked reserve as appropriate (virement).

3.2

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3.3 The RFO shall provide the Council, at the end of each quarter of the municipal year, with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to date against that planned in the budget, and providing explanations of any actual or expected significant variances.

3.4 In cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure subject to a limit of £2,000. The Clerk shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.

3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council.

3.6 No expenditure shall be incurred 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, or the requisite borrowing approval has been obtained.

3.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

Officers shall ensure that all requests for quotation and contract negotiations consider the each of the items below, and that contracts include, where necessary, terms to cover at least, but not only:

a) What is to be delivered in sufficient detail that neither party shall be in any doubt about what is to be supplied, when it is to be supplied, for what price and by whom.
b) The timescale for delivery, including start and finish dates that are compatible with Council objectives, weather and other considerations such as Council's contracts with Hall hirers. If time is of the essence, this must be clearly understood by both parties and written into the contract.
c) The coordination of contractors, Council staff and other stakeholders such as statutory undertakers, community associations and local people in the planning and execution of works shall be considered and noted in a contract when appropriate.
d) If, as part of a contract to supply public works, a contractor agrees to carry out any necessary public consultations, then the details should be agreed by the Council and other stakeholders such as EHDC and written into the contract.

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e) The need for stage payments, the triggers for payment, the amounts, the evidence needed to support an invoice for a stage payment and the means of making funds available.

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f) Disclose and discuss with suppliers all information and history around a project to ensure that a supplier cannot subsequently maintain that any part of the contract is unreasonable due to a misrepresentation or withholding of information on the part of the council.

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g) A clause in every contract for work to be done to the effect that "It is the responsibly of the supplier to ensure that they are fully aware of all factors that may affect the delivery of the agreed supply, including their:

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i) full skills and expertise to carry out the work to the agreed quality

ii) ability to provide any equipment needed

iii) understanding of the site where work is to be undertaken including taking account of sub-surface and overhead services that might affect the work,

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The contractor, having satisfied themselves that they fully understand the contract and all aspects of the supply for goods and/or services contained therein, shall verify that they are aware that the council will accept no responsibility, and will be liable for no payments if the contractor subsequently decides that are not able to complete a contract for whatever reason.

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3.8

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~~3.9~~3.8 Projects using more than £750 of materials and/or 1 man-week of HPC labour should be discussed with both the Chairman of the Council and the Chairman of the Open Spaces committee to determine whether Council should review a particular project. This will ensure that major projects that consume significant amounts of materials and/or HPC labour (usually the Countryside team) should be authorised by Council in advance so that Councillors can review both the nature and cost of the project before it is carried out.

~~3.10~~3.9 The salary budgets are to be reviewed at least annually during the preparation of the Budgets for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant Committee. The RFO will inform Committees of any changes impacting on their budget requirement for the coming year in good time.

~~3.11~~3.10 Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

4.2 The RFO shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year, but, in any event, no later than May 31st, and shall submit them and written report thereon to the Council.

4.3 The RFO shall complete the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.

~~4.3~~4.4 On a regular basis, at least once in each quarter and at each financial year end, a member other than the Chairman (or a cheque signatory) shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

~~4.4~~4.5 The RFO shall ensure that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.6 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person if required by the Council, at the end of each quarter (or as agreed in advance between the Council and the Internal Auditor) and will provide an annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council. In order that the Council can demonstrate the independence of the Internal Auditor, the same individual or company should hold the post for no more than eight years.

4.7 Internal or external auditors may not under any circumstances:

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- 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.

4.5•

4.64.8 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for the display or publication of any Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations.

4.74.9 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be reviewed annually by the Council for efficiency and security. To enable this review, the RFO will produce a report covering bank charges paid and interest rates together with any other details as requested by the Council.

5.2 A schedule of the payments, forming part of the agenda for the meeting, shall be prepared by the RFO and, together with relevant invoices, be presented to Council or a duly delegated committee. Policy and Resources is the duly delegated committee. If the schedule is in order it shall be authorised by a resolution of the Council or duly delegated committee and shall be initialled by the Chairman of the Meeting. If more appropriate the details may be shown in the Minutes of the Meeting.

5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Council, and countersigned by the Clerk.

5.4 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. PAYMENT OF ACCOUNTS

6.1 All payments shall be effected by BACS, debit card, cheque or other order drawn on the Council's bankers, except for utility supplies (energy, telephone and water) which may be made by variable Direct Debit provided that the instructions are signed in accordance with the Bank Mandate and 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 every year. Payments under the Clerk's delegated £750 (excluding VAT) authorisation limit will be paid on receipt and will be included on the Order of Payments under the 'invoices paid' section for information.

6.16.2 Cheques or orders for payment shall not normally be presented for signature other than at a council meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meetinging..

6.26.3 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.36.4 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.

6.46.5 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk certify that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

6.56.6 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made must include a receipt and shall be forwarded to the RFO with a claim for reimbursement:

a The RFO shall maintain as petty cash float of £100 £250 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

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b Income received must not be paid into the petty cash float but must be banked and recorded in the accounts, 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 paragraph 5.2 above.

6.6 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.

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 salaries shall be as agreed by Council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified by the next available Council Meeting.

7.28. **Delegated power for EO to replace staff – wording to be agreed Cllr D Evans, Cllr Forbes and EO.**

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8.9. LOANS AND INVESTMENTS

8.19.1 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.

8.29.2 The Council shall consider the need for an Investment Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Policy shall be reviewed at least annually.

8.39.3 All investments of money under the control of the Council shall be in the name of the Council.

8.49.4 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 terms and conditions of borrowings shall be reviewed at least annually. Any borrowing must be authorised by a resolution of the full Council.

8.59.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9.10. INCOME

9.110.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

9.210.2 Charges should be levied to cover the cost of all work done, services rendered or goods supplied by the Council and for the use of Council assets by third parties. The rates, which may differ for profit making hirers and non-profit making hirers and may include a supplement for Public Holidays to cover additional expenses, will be set annually by a resolution of the Council. The RFO shall be responsible for the collection of all amounts due to the Council.

9.310.3 The Council will review all fees and charges annually as part of the budgeting process, following a report of the Clerk. This report shall include the charges levied by the Council over the previous three years, for comparison, together with charges made by local providers of similar services if available.

9.410.4 The Clerk has authority to write off any ~~Any~~ sums considered to be irrecoverable up to £100. Any amount above this should be reported to Council ~~and any potential bad debts shall be reported to the Council~~ for approval to write off.

9.510.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO with such frequency as the RFO considers necessary.

9.610.6 The origin of each receipt shall be entered on the paying-in slip.

9.710.7 Personal cheques shall not be cashed out of money held on behalf of the Council.

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9.810.8 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 quarterly with one claim coinciding with the financial year end.

9.910.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

9.1010.10 The Clerk shall identify and report to Council opportunities to apply for grants or other funds, from other bodies e.g. East Hampshire District Council in respect of Developer Contributions under "Section 106" or CIL. The Clerk will present a report giving details of any proposed application for funds including the uses and amounts to Council for its approval before submitting an application. Where time is of the essence, the Clerk will consult with the Chairman as to the best course of action who may agree to that an application be made and the Council notified as soon as possible.

10.11.ORDERS FOR WORK, GOODS AND SERVICES

10.411.1 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 such as goods purchased from a retailer. Orders shall carry a unique reference number and copies of orders shall be retained.

10.211.2 Order books shall be controlled by the RFO.

10.311.3 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 paragraph 1211.1.

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10.411.4 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.

10.511.5 The Clerk is authorised to place orders for work, goods and services that are included in the budget and do not exceed £750 or for items of expenditure shown in paragraph 11.1.

11.12.CONTRACTS

11.1 The Clerk shall have a delegated authority to enter into contracts for the following goods and services after ensuring that they represent the best value for money:

a The supply of gas, electricity, water, sewerage, telephone and broadband services,

b Specialist services provided by solicitors, accountants, surveyors and planning consultants.

c Repairs to, or replacement parts for, machinery, equipment or plant,

d Materials that constitute an extension to an existing contract.

e Additional work by the Auditor.

f Goods or materials that are proprietary articles and/or are only sold at a fixed price.

11.212.2 Contracts less than £750 shall be covered by Section 10.

11.3 Contracts greater than £750 and less than £3,000 require the following:

a The Clerk shall strive to obtain three estimates from suppliers setting out details of the work required, the price and a delivery or completion date as appropriate.

b For contracts that require approval by Council, the Clerk shall prepare a report with an evaluation and recommendation which shall be sent to Councillors one week before the meeting at which it will presented for consideration and approval so that any requests for further details can be dealt with before the meeting.

c The Clerk shall enter into the contract selected and approved by the Council in accordance with its instructions.

11.4 Contracts over £3,000 and below the upper contract price limit as currently specified in Standing Order Section 30b requires, in addition to the provisions of 11.3 b, c, the following:

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(a) The Clerk shall obtain at least 3 quotations (priced descriptions of the goods and/or service to be supplied.

(b) In respect of Contracts greater than £10,000, the Clerk shall present a Statement of Requirements to Council for approval before obtaining quotations from suppliers.

~~11.5~~12.5 Where a contract is expected to exceed the upper contract price limit specified in Standing Order Section 30b and in addition to the provisions of 11.4, a formal tendering process is required as specified in Standing Order Section 30c, d and e.

~~11.6~~12.6 The Council shall not be obliged to accept the lowest of any tender, quote or estimate.

~~11.7~~12.7 When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition, or when fewer than 3 quotations or estimates have been obtained, the reason shall be embodied in a recommendation to the Council.

~~12.~~13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

~~12.1~~13.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

~~12.2~~13.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.

~~12.3~~13.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

~~13.~~14. STORES AND EQUIPMENT

~~13.1~~14.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

~~13.2~~14.2 Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.

~~13.3~~14.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

~~13.4~~14.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually, for the year-end accounts on the 1st April or as close to that date as possible. These checks will confirm the quantities of material held, their value and hence the total value of material in stock. General stationery stocks should be examined for relevance, but, unless of high value, need not be counted. Any stock that has been held and not used for more than 12 months should be reviewed for possible disposal.

~~14.~~15. ASSETS, PROPERTIES AND ESTATES

~~14.1~~15.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned 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~~15.2 No property, asset or estate shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.

~~14.3~~15.3 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.

~~14.4~~15.4 Each Asset will be assigned a unique reference number and the following information will be recorded where relevant and available (see Governance Rules 2010 3.66):

a Date of Acquisition

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b Description of Asset

c Cost of Acquisition

d Location

e Responsibility (Custodian)

f Present Use & Capacity

g Current Value

h Charges for use

i Expected remaining life

j Expected cost of replacement if remaining expected life is less than 3 years.

15.16. INSURANCE

15.116.1 Following the annual risk assessment shown in paragraph 1817, the RFO shall effect all insurances and negotiate all claims on the Council's insurers

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15.216.2 The Clerk shall identify all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances and shall promptly notify the Council's insurers and effect any changes to policies that are required.

15.316.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it. The RFO shall present a report to Council detailing the review, its result and any recommendations arising.

15.416.4 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.

15.516.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16.17. CHARITIES

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

17.18. RISK MANAGEMENT

17.118.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk 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 during March each year.

17.218.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18.19. REVISION OF FINANCIAL REGULATIONS

18.119.1 It shall be the duty of the Council to review the Financial Regulations of the Council at least once every 12 months. The 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.

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Appendix A: Definition of Terms

Term	Definition
Internal Auditor	Independent Internal Auditor appointed by the Council "to review whether the systems of financial and other controls over a Council's activities and operating procedures are effective" (NALC Governance rules 2010 para 2.59)
Contract	An agreement between the Council and a supplier that sets out the terms for the procurement of goods or services.
Orders	A single and individual purchase of goods or services. • Goods may be supplied by retailers, wholesalers or distributors and the key characteristic is that they are standard off-the-shelf items that are offered at a published and essentially non-negotiable price. • Services cover one-off procurement such as vehicle servicing or painting a fence.
Project	A programme of work with a defined purpose and start and finish dates. It shall have a clear and agreed purpose and will generally be a new or one-off task.
Class of expenditure	Budget line item, generally a single nominal code item.
Fixed Asset	An asset intended to be used for more than one year costing at least £100.
Capital expenditure	Purchase of a fixed asset

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Appendix B: Financial Information Required by the Council

The objectives of these requirements are to provide members with:

A. A clear and complete explanation of the financial aspects of each part of the Council's operations so that decisions may be made in full knowledge of their financial effects.

B. A clear means of monitoring the progress of the Council's finances against the Budget at all points during the year so that any trends that show a deviation from budget can be identified in time for remedial action to be taken.

The Budget will be entered into the Omega accounts system (or otherwise) as a phased or profiled budget showing the quarterly, six monthly and annual or other significant seasonal or project-related receipts and payments in the month that they will occur. Other receipts and payments that occur monthly, such as salaries, or general running costs will be spread equally across the year.

Costs associated specifically with one aspect of the Council's operations are to be reported within that area. For example:

1. Open Spaces Financial Report shall include:
   a) Material and other direct costs
   b) Labour costs of all permanent and temporary staff engaged on Open Spaces work
   c) Storage costs such as the rent of premises
   d) Mobile phones or other indirect costs
2. Property Management Financial Report shall include:
   a) General running costs of Council operated Halls
   b) Caretaker's labour costs
3. Finance and General Purpose Report
   a) General administration
   b) Labour costs of admin staff
   c) Rent and other occupancy costs of the Council offices

Costs that are both significant and can be readily apportioned (such as the insurance relating to outside work of an inherently risky nature) should also be allocated to the appropriate area..

Expenditure directly associated with revenue must be reported separately and not netted off against each other.

The Council's Financial Recording Systems are determined by the RFO (see 4.1 above) who should determine whether the recording systems can be aligned with the requirements stated in this Appendix or if the reports created by the accounts system need to be adapted to comply with these reporting requirements before being presented to Members.

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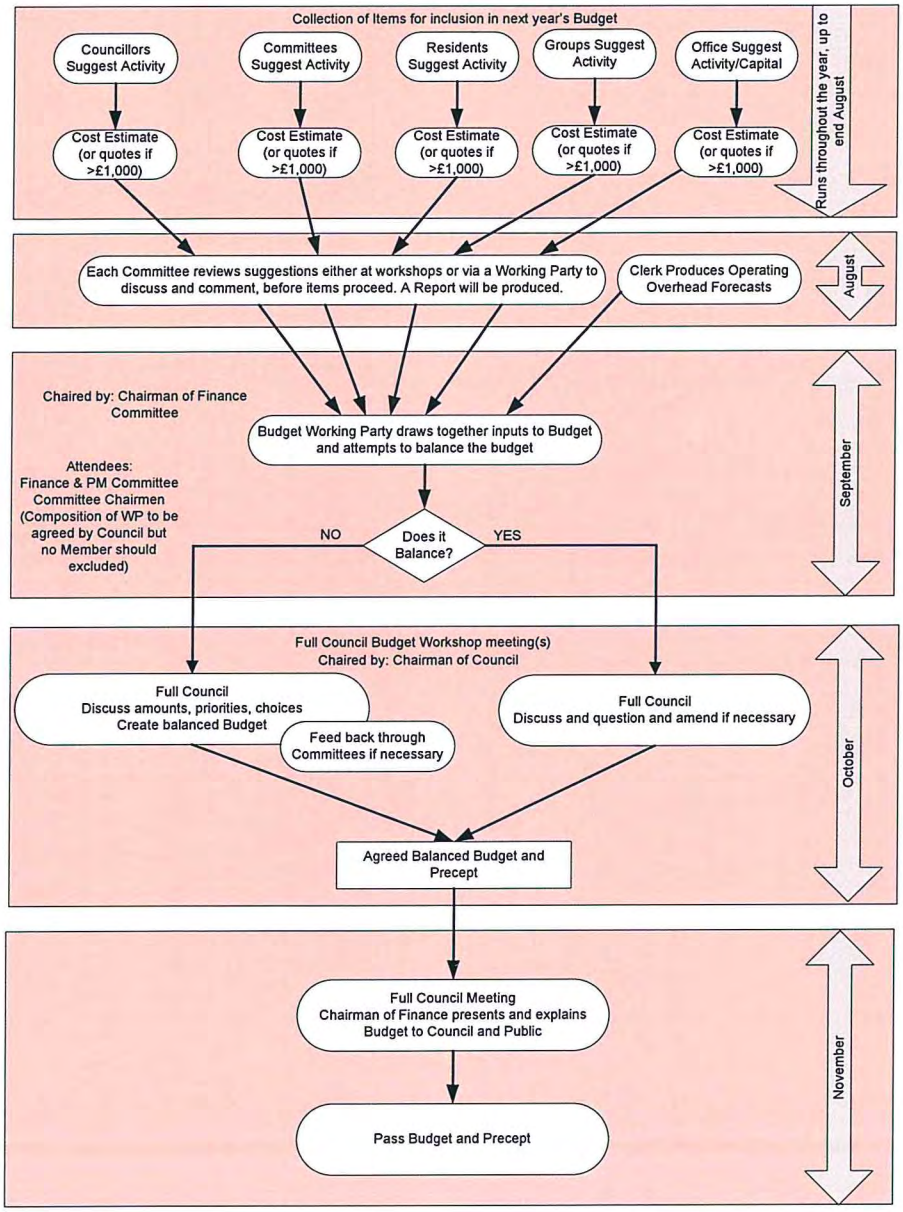
Appendix C: Annual Budget and Precept setting Process