



**DUSTON PARISH  
COUNCIL**

Duston Community Centre  
Pendle Road, Duston  
NORTHAMPTON NN5 6DT  
Tel: 01604 583626

Email: [office@duston-pc.gov.uk](mailto:office@duston-pc.gov.uk) Website: [www.duston-pc.gov.uk](http://www.duston-pc.gov.uk)

29<sup>th</sup> March 2018

**NOTICE OF A MEETING OF THE  
PARISH COUNCIL**

**A Meeting of the Finance and General Purposes Committee will  
be held at**

**Duston Community Centre,  
Pendle Road, Duston  
Thursday 5<sup>th</sup> April 2018 at 7.00pm**

Members of the Public and Press are invited to address the Committee at its  
Public session from 7.00pm to 7.15pm

**SPEAKING AT  
COMMITTEE MEETINGS**

Persons (other than Members) wishing to address the Committee may register their  
intention to do so at the above address by telephone or email by 12 noon on the day of  
the meeting and may speak for a maximum of 3 minutes.

Finance & General Purposes Committee Members:

Cllr Alan Bottwood (Chair)  
Cllr Paul Anderson  
Cllr John Caswell  
Cllr David Huffadine-Smith  
Cllr Mike Ingram

**1. APOLOGIES FOR ABSENCE**

To receive Apologies for Absence

**2. DECLARATIONS OF INTEREST**

To receive declarations of interest

**3. MINUTES**

**NCALC Council of the Year 2013**

CHAIRMAN JOHN CASWELL

VICE CHAIRMAN MIKE INGRAM

To approve the minutes of the meeting on Monday 20th March 2017 – **Appendix A**

To approve the minutes of the last meeting – **Appendix B**

**4. PUBLIC SESSION**

**5. REVIEW INVOICE PAYMENTS**

To review payments – **Appendix C**

**6. FINANCIAL REGULATIONS**

To review Duston Parish Council's Financial Regulations and approve for recommendation to Full Council – **Appendix D**

**7. GRANT APPLICATIONS**

To nominate two councillors to check grant applications in consultation with the Parish Clerk.

**8. FINANCIAL RISK ASSESSMENT**

To approve the Risk Assessment document – **Appendix E**

**9. ST LUKES CAR PARKING**

To discuss car parking capacity at St Luke's Centre

**THE NEXT MEETING OF FULL COUNCIL WILL TAKE PLACE ON 10<sup>th</sup> MAY 2018**



**Minutes of the Finance and General Purposes Committee  
held on Thursday 08 March 2018  
Duston Community Centre at 7pm**

**Present:**

Cllr Alan Bottwood (Chair)  
Cllr Mike Ingram  
Cllr John Caswell  
Cllr David Huffadine-Smith

**In attendance:**

Justin Gleich – Parish Clerk  
Gary Youens – Deputy Clerk

**1. APOLOGIES FOR ABSENCE**

Cllr Paul Anderson

**2. DECLARATIONS OF INTEREST**

None

**3. MINUTES**

As yet the previous minutes have not been located. When they are found they will be brought to Committee for approval.

**4. PUBLIC SESSION**

Chairman John Caswell

Vice Chairman Mike Ingram

Signed Chairman .....

Date .....

5/4/18

Cllr Bottwood opened the public session at 7:05pm and there being no members of the public present and no pre-notified questions closed the public session at 7:06pm.

**5. ELECTION OF VICE-CHAIR**

The Committee decided to defer this until a future date.

**6. REVIEW DRAFT TERMS OF REFERENCE FOR PLANNING COMMITTEE**

The draft terms of reference for the Engagement and Environment Committee were circulated with the agenda.

It was **resolved**:

- To recommend to full Council the draft terms of reference

**7. REVIEW INVOICE PAYMENTS**

Cllr Bottwood explained the procedure currently in place. Both Cllr Caswell and Cllr Bottwood authorise the payment of invoices and sign the cheques for payment.

Cllr Huffadine-Smith spoke of the need to link invoice payments to particular budgets and council decisions. Cllr Ingram agreed that it needs to cross-reference.

Cllr Bottwood asked those present that if anybody has any queries or concerns then contact him directly.

It was **resolved**:

- To note the payments since November 2017.

**8. GENERAL DATA PROTECTION REGULATION / COUNCILLOR EMAIL ACCOUNTS**

The report was circulated.

Chairman John Caswell

Vice Chairman Mike Ingram

Signed Chairman  .....

Date  .....

Cllr Bottwood noted the introduction of GDPR and how it would specifically impact on Parish Councils.

It was **resolved**:

- To note the report
- Continue to proceed and set up Duston Parish Councillor email accounts.

#### **9. INTERNAL AUDITOR**

Cllr Bottwood said he would like to speak the Internal Auditor and have a dialogue going forward. Cllr Bottwood noted that internal audits and there as a protection for both Councillors and staff.

#### **10. GRANT APPLICATIONS**

It was agreed to defer this until a future meeting.

#### **11. CLERK / RESPONSIBLE FINANCE OFFICER UPDATE**

- Duston Library. Negotiations with Northamptonshire County Council continue. However, with uncertainty surrounding the County Council at present the precise way forward is unclear.
- ICT Upgrade. The Clerk said he needed to progress with the purchase of new photocopying equipment as the one in the office is now 10 years old.
- Facilities charges. Room hire charges have not been revised now for some years including the terms and conditions.

It was **resolved**:

- To review room hire charges whilst keeping the differing community and commercial changes.
- St Lukes Leases. The Clerk updated the Committee on current negotiations with tenants.
- Recovery of Locum fees. Due to the circumstances it is not possible to recovery the fees due to clauses in the insurances policy.

Chairman John Caswell

Vice Chairman Mike Ingram

Signed Chairman .....

Date 5/11/18

Cllr Bottwood said if Committee members want an item on the agenda then please let him and the Clerk know.

The next meeting of the Finance and General Purposes Committee will take place on 5<sup>th</sup> April 2018.

Unsigned

Chairman John Caswell

Vice Chairman Mike Ingram

Signed Chairman .....

Date .....



DUSTON PARISH COUNCIL

Duston Community Centre, Pendle Road, Duston, Northampton NN5 6DT

Email: office@duston-pc.gov.uk www.duston-pc.gov.uk

MINUTES OF THE FINANCE and FACILITIES COMMITTEE MEETING ON Monday 20<sup>th</sup> March 2017 at 7pm

Present: Cllr A Bottwood (Chairman) Cllr P Anderson
Cllr J Caswell Cllr D Huffadine-Smith
Cllr F Jones Cllr S Patel

In attendance: Philippa Page – Deputy Clerk (DC)
Jane Davidson – Administration Officer (AO)

1. Apologies for Absence

None

Table with 2 columns: Resolution text and Reference. Row 1: RESOLVED to accept the apologies received from Councillors not in attendance R/16-17/260 WITHDRAWN

2. Declarations of Interest

None

3. Public Session

Cllr Bottwood opened the public session of the meeting at 7.01pm and there being no members of the public present and no pre-notified questions closed the public session at 7.02pm

4. Minutes 13<sup>th</sup> February 2017

The minutes of the meeting held on 13<sup>th</sup> February 2017 were signed by the Chair.

Table with 2 columns: Resolution text and Reference. Row 1: RESOLVED to sign the minutes of the meeting held on 13<sup>th</sup> February 2017 R/16-17/261

5. Action Points from the Finance & Facilities Meetings

- 17<sup>th</sup> October 2016: Committee to review bank accounts yearly at the start of the financial year C/F Agreed to get advice from Financial Advisor. DC to contact company from conference Action DC
12<sup>th</sup> February 2017: PEO to complete the Fidelity Insurance Form which as much information as possible to be agreed at Full Council 2 March 17 (Action PEO) Deferred – DC to attempt completion Action DC
PEO to write to resident regarding Psychic Fair complaint (Action PEO) Completed
PEO to establish how much other nurseries charge for their childcare provision (Action PEO) Completed and daily rate agreed
Trophy Cabinets to be deferred to next Finance & Facilities Committee Meeting on 13<sup>th</sup> March (Action PEO) See agenda item 16

Making Duston a Great Place to Live, Work and Play
NCALC Council of the Year 2013

East Midlands In Bloom Bronze & Judges Award 2016 and Northampton In Bloom Gold Award 2016

Chairman Frances Jones

Vice Chairman John Caswell

Signed Chairman: [Signature]

Date: 21/3/17 Finance & Facilities 26/16-17

- PEO requested clarification from the Committee on exactly the information required, i.e. what do you want analyzing (Bookings – Action Committee)  
*Completed – use previous format*
- PEO to liaise with Health & Safety Officer, Gary Deer for his advice on the Security Report from Brenda Hart, Crime Prevention Officer on Lone working  
*See agenda item 18*
- Councillor Caswell to provide minutes where it is recorded that the Vice Chairman of the Committee would chair the meeting  
*Completed – action in these circumstances is specified in the Standing Orders. Chairman will always take precedence*

**6. Finance**

<b>RESOLVED to approve the invoices received in February (received since last meeting on 13th February 2017) previously circulated and March 2017 invoices received to date circulated at the meeting</b>	<b>R/16-17/262</b>
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**7. Budget Detail by Centre**

Budget document was discussed and no comment was made

**8. Bank Reconciliations**

<b>RESOLVED to approve the bank reconciliations for the month of February 2017 previously circulated at the meeting for the two bank accounts, petty cash, youth, hospitality and community float</b>	<b>R/16-17/263</b>
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**9. Bank Transfer**

<b>RESOLVED to approve a transfer from Business Saver*58 to Community Account *80 of £50,000</b>	<b>R/16-17/264</b>
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**10. To discuss the quote from Garrod & Co Ltd**

It was agreed that the EPOS system rental would be cancelled

<b>RESOLVED to purchase SAM4s till with Platinum Service</b>	<b>R/16-17/265</b>
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**11. Grant Applications**

The grant application from Duston Eldean School was discussed and the following agreed:

<b>RESOLVED to approve the following grant applications: Duston Eldean School - £1000</b>	<b>R/16-17/266</b>
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**12. Review of the current grant criteria**

It was agreed that this would be deferred until staff were in place to support a working party

**13. To discuss the scope of our Living Wage to include staff directly employed by our contractors and service providers for recommendation to Full Council**

The proposal was not accepted by the Committee

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Chairman Frances Jones Vice Chairman John Caswell

**Signed Chairman:** .....

**Date:**.....

Finance & Facilities 27/16-17



**14. To discuss current Insurance cover**

It was agreed to ask the insurance company to confirm the extent to which the council policy covers councillors against actions or claims made against them whilst they are carrying out their duties in good faith. A corollary if the cover is provided is to clarify what actions of councillors, if any, are not covered by the policy. **Action DC**

**15. Facilities - St Luke's Centre**

The following updates were received from the DC on the Parish facilities:

- To discuss storage on site and agreed action plan  
*It was agreed that the area behind the offices could be used for storage, using the shed that is already available*
- To discuss the quotations received regarding the replacement of the roof at St Luke's (main hall area)

<b>RESOLVED to accept the quote from Alderman Roofing for £11652 funds not identified</b>	<b>R/16-17/267</b>
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- To discuss the purchase of a garden blower

<b>RESOLVED to purchase a petrol blower (Garden Machines) Mountfield includes collector MBL260H £189</b>	<b>R/16-17/267a</b>
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- To discuss purchasing a temporary green house for the Youth Club

<b>RESOLVED to purchase a Gardman Wooden Growhouse £99.99</b>	<b>R/16-17/267b</b>
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**16. Facilities - Duston Community Centre**

The following updates were received from the DC on the Parish facilities:

- To discuss the quotes received for the Trophy Cabinets

<b>RESOLVED to purchase 2 display cabinets form Trophy Sense for Duston Community Centre £346.80 (inc VAT)</b>	<b>R/16-17/268</b>
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- To discuss the purchase of a hose pipe

<b>RESOLVED to purchase a hose pipe</b>	<b>R/16-17/268a</b>
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- To discuss additional outside signage

<b>RESOLVED to accept the quotation from Arnold Sign &amp; Graphics for additional outside signage at Duston Community Centre</b>	<b>R/16-17/268b</b>
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- To discuss the improvements to the carpark

*The quote from Phoenix Surfacing was accepted. Lighting in the car park area is also to be reviewed.*

<b>RESOLVED to accept Phoenix Surfacing quotation for resurfacing the car park at Duston Community Centre £16431 (funds not identified)</b>	<b>R/16-17/268c</b>
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**17. Water runoff into Timken Way North**

A discussion took place and it was noted that NLT have a meeting arranged with Bellway.

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Chairman Frances Jones

Vice Chairman John Caswell

Signed Chairman: .....

Date:.....

Finance & Facilities 28/16-17

Councillor Huffadine-Smith advised that the pipe that is flooding is receiving ground water and cannot be put into the sewage system without approval of the water company

**18. Security of Staff and Lone Working**

The DC reported that Gary Deer agreed with the report from Brenda Hart but did not suggest any action be taken at present. It was noted that report concentrated on staff working in the Parish Office. The Services Manager has agreed to compile a risk assessment for the Facilities Team and Office and this will be sent to Gary Deer for comment

<b>RESOLVED for the Services Manager to provide a Risk Assessment for the Facilities Team and office which is to be forwarded to Gary Deer regarding the for a review</b>	<b>R/16-17/269</b>
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**19. Date of Next Meeting**

The date of the next meeting is Monday 24<sup>th</sup> April March 2017 at Duston Community Centre at 7pm

**There being no further business the meeting closed at 8.16pm**

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**Making Duston a Great Place to Live, Work and Play**  
**NCALC Council of the Year 2013**

**East Midlands In Bloom Bronze & Judges Award 2016 and Northampton In Bloom Gold Award 2016**  
Chairman Frances Jones Vice Chairman John Caswell

**Signed Chairman:** .....

**Date:**.....

Note: (-) Net Expenditure means income is greater than Expenditure

S. 18/12/18.

Note :

	Last Year		Current Year					Projected Actual	Next Year Budget
	Budget	Actual	Agreed Budget	Fwd/Rev Budget	Net Virement	Revised Budget	Actual YTD		
<b>101</b>	<u>Duston Community Centre</u>								
	204,512	208,880	220,163	0	0	220,163	200,790	0	0
OverHead Expenditure									
Total Income	203,294	215,929	220,163	0	0	220,163	243,742	0	0
101 Net Expenditure	1,218	-7,048	0	0	0	0	-42,953	0	0
<b>102</b>	<u>St Lukes Community Centre</u>								
	139,462	146,550	140,717	0	0	140,717	140,726	0	0
OverHead Expenditure									
Total Income	115,995	113,780	129,417	0	0	129,417	113,994	0	0
102 Net Expenditure	23,467	32,770	11,300	0	0	11,300	26,732	0	0
<b>103</b>	<u>Duston Sports Centre</u>								
	30,000	26,580	30,000	0	0	30,000	15,094	0	0
OverHead Expenditure									
Total Income	30,000	30,000	30,000	0	0	30,000	30,000	0	0
103 Net Expenditure	0	-3,420	0	0	0	0	-14,906	0	0
<b>201</b>	<u>Administration</u>								
	146,321	160,855	116,960	0	0	116,960	189,417	0	0
OverHead Expenditure									
Total Income	127,997	135,568	116,960	0	0	116,960	116,856	0	0
201 Net Expenditure	18,324	25,287	0	0	0	0	72,561	0	0

Duston Parish Council  
Budget Summary - By Centre

Note: (-) Net Expenditure means Income is greater than Expenditure

Note :

	Last Year		Current Year					Next Year		
	Budget	Actual	Agreed Budget	Fwd/Rev Budget	Net Virement	Revised Budget	Actual YTD	Committed Exp.	Projected Actual	Next Year Budget
<u>202</u> <u>Civic Expenditure</u>										
OverHead Expenditure	8,600	4,975	8,800	0	0	8,800	5,249	0	0	0
Total Income	8,600	8,600	8,800	0	0	8,800	8,800	0	0	0
202 Net Expenditure	0	-3,625	0	0	0	0	-3,551	0	0	0
<u>203</u> <u>Grants</u>										
OverHead Expenditure	20,000	3,899	10,500	0	0	10,500	1,872	0	0	0
Total Income	20,000	20,000	10,500	0	0	10,500	10,500	0	0	0
203 Net Expenditure	0	-16,101	0	0	0	0	-8,628	0	0	0
<u>204</u> <u>Communications</u>										
OverHead Expenditure	13,000	3,489	12,000	0	0	12,000	5,704	0	0	0
Total Income	13,000	11,500	12,000	0	0	12,000	10,750	0	0	0
204 Net Expenditure	0	-8,011	0	0	0	0	-5,046	0	0	0
<u>210</u> <u>Planning</u>										
OverHead Expenditure	1,200	143	700	0	0	700	700	0	0	0
Total Income	1,200	1,200	700	0	0	700	700	0	0	0
210 Net Expenditure	0	-1,057	0	0	0	0	-700	0	0	0

Duston Parish Council  
Budget Summary - By Centre

Note: (-) Net Expenditure means Income is greater than Expenditure

Printed on 20/03/2018

At 13:11

Note :

	Last Year		Current Year					Next Year		
	Budget	Actual	Agreed Budget	Fwd/Rev Budget	Net Virement	Revised Budget	Actual YTD	Committed Exp.	Projected Actual	Next Year Budget
<b>211 Environment</b>										
OverHead Expenditure	106,019	50,433	103,609	0	0	103,609	44,975	0	0	0
Total Income	50,460	48,960	51,510	0	0	51,510	49,510	0	0	0
211 Net Expenditure	55,559	1,473	52,099	0	0	52,099	-4,535	0	0	0
<b>212 Parish Van</b>										
OverHead Expenditure	3,850	3,426	3,600	0	0	3,600	3,284	0	0	0
Total Income	3,600	3,600	3,600	0	0	3,600	3,600	0	0	0
212 Net Expenditure	250	-174	0	0	0	0	-316	0	0	0
<b>213 Youth</b>										
OverHead Expenditure	26,000	25,389	27,590	0	0	27,590	26,027	0	0	0
Total Income	26,000	25,931	27,590	0	0	27,590	27,537	0	0	0
213 Net Expenditure	0	-542	0	0	0	0	-1,510	0	0	0
<b>215 Events</b>										
OverHead Expenditure	4,000	3,515	20,250	0	0	20,250	5,647	0	0	0
Total Income	4,000	4,000	20,250	0	0	20,250	21,071	0	0	0
215 Net Expenditure	0	-485	0	0	0	0	-15,424	0	0	0

Budget Summary - By Centre

Note: (-) Net Expenditure means Income is greater than Expenditure

Note :

	<u>Last Year</u>		<u>Current Year</u>					<u>Next Year</u>		
	Budget	Actual	Agreed Budget	Fwd/Rev Budget	Net Virement	Revised Budget	Actual YTD	Committed Exp.	Projected Actual	Next Year Budget
Total Budget Expenditure	702,964	638,132	694,889	0	0	694,889	638,785	0	0	0
Income	604,146	619,068	631,490	0	0	631,490	637,059	0	0	0
<b>Net Expenditure</b>	<b>98,818</b>	<b>19,065</b>	<b>63,399</b>	<b>0</b>	<b>0</b>	<b>63,399</b>	<b>1,725</b>	<b>0</b>	<b>0</b>	<b>0</b>

Duston Parish Council

Bank reconciliation report for finance committee

2017/18

Current account

Month ended	Opening balance	Money received in	Transfer from savings account	Money paid out supplier etc	Salaries HMRC/Pension	Public works loan	Closing balance	Comments
Apr-17	127,054.50	9,479.19		6,546.95	24,000.54		105,986.20	Only 1 supplier cheques raised, DD only
May-17	105,986.20	10,162.87		55,714.25	19,009.79	8,737.50	32,687.53	
Jun-17	32,687.53	27,909.07	100,000.00	41,901.37	19,824.82	51,726.15	47,144.26	Alderman roofing £11,652.00
Jul-17	47,144.26	15,539.87	100,000.00	5,459.26	58,172.22		99,052.65	No suppliers cheques raised DD only/ salaries incl settlement
Aug-17	99,052.65	17,739.47		48,481.90	19,532.18		48,778.04	
Sep-17	48,778.04	25,890.57	50,000.00	57,322.02	16,414.02		50,932.57	Phoenix Surfacing = £29,883.77
Oct-17	50,932.57	14,214.56	50,000.00	37,899.59	27,748.27		49,499.27	Insurance payment = £12,908.50/Salaries incl settlement
Nov-17	49,499.27	34,798.39	100,000.00	22,166.58	18,570.18	8,673.75	134,887.15	
Dec-17	134,887.15	14,779.35		20,961.83	19,782.94	51,726.15	57,195.58	
Jan-18	57,195.58	31,810.31		10,810.39	20,928.75		57,266.75	
Feb-18								
Mar-18								

*S.P.*  
18/12/18.

Duston Parish Council

Bank reconciliation report for finance committee

2017/18

Savings account

Month ended	Opening balance	Precept	Interest	Transfer to current account	Closing balance	Comments
Apr-17	465,643.50	225,859.50			691,503.00	
May-17	691,503.00				691,503.00	
Jun-17	691,503.00			100,000.00	591,503.00	
Jul-17	591,503.00			100,000.00	491,503.00	
Aug-17	491,503.00				491,503.00	
Sep-17	491,503.00			50,000.00	441,503.00	
Oct-17	441,503.00	225,859.50		50,000.00	617,362.50	
Nov-17	617,362.50			100,000.00	517,362.50	
Dec-17	517,362.50		104.96		517,467.46	
Jan-18	517,467.46				517,467.46	
Feb-18						
Mar-18						



Date: 19/03/2018

Duston Parish Council

Page No: 1

Time: 16:45

User: NG

31/1/18

Bank Reconciliation Statement as at: ~~31/12/2018~~ for Cash Book 1 Current A/c 03573680

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Barclays Community A/c 3680	31/01/2018	1	57,922.94
			<u>57,922.94</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
09/11/2017 102824 Haocs		140.00	
21/12/2017 102844 DA Heating Ltd		246.19	
17/01/2018 102870 F S (First Aid) Training Ltd		270.00	
			<u>656.19</u>
			57,266.75
<u>Receipts not Banked/Cleared (Plus)</u>			<u>0.00</u>
			57,266.75
		Balance per Cash Book is :-	57,266.75
		Difference is :-	0.00



## Bank Reconciliation Statement as at: 31/01/2018 for Cash Book 5 Petty Cash

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Petty Cash	31/01/2018	1	94.12
			<u>94.12</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			<u>0.00</u>
			94.12
<u>Receipts not Banked/Cleared (Plus)</u>			
			<u>0.00</u>
			94.12
		Balance per Cash Book is :-	94.12
		Difference is :-	0.00

Date: 20/03/2018

Duston Parish Council

Page No: 1

Time: 12:40

User : NG

**Bank Reconciliation Statement as at: 31/01/2018 for Cash Book 6 Youth Club Float**

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Youth Club Float	31/01/2017	1	50.00
			<u>50.00</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			<u>0.00</u>
			50.00
<u>Receipts not Banked/Cleared (Plus)</u>			
			<u>0.00</u>
			50.00
		Balance per Cash Book is :-	50.00
		Difference is :-	0.00

**Bank Reconciliation Statement as at: 31/01/2018 for Cash Book 8 Facilities float**

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Facilities float	31/01/2018	1	6.43
			<u>6.43</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			<u>0.00</u>
			6.43
<u>Receipts not Banked/Cleared (Plus)</u>			
			<u>0.00</u>
			6.43
		Balance per Cash Book is :-	6.43
		Difference is :-	0.00



# DUSTON PARISH COUNCIL FINANCIAL REGULATIONS

DRAFT

These Financial Regulations were adopted by the Council at its Meeting held on  
1<sup>ST</sup> May 2014 – R/14-15/15  
Reviewed 4th February 2016 : R15-16/141  
Reviewed by Finance & Facilities 17 Oct 16  
Readopted by Full Council 3rd November 2016:R/16-17/136  
Reviewed by Finance and General Purposes Committee 5<sup>th</sup> April 2018

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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 orders<sup>1</sup> 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. This must be minuted
- 1.6. Deliberate or wilful 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 Parish Clerk (Clerk<sup>2</sup>) has been appointed as Responsible Financial Officer (RFO<sup>3</sup>) for this council and these regulations will apply accordingly.]
- 1.9. The Responsible Financial Officer (RFO);
  - acts under the policy direction of the council;

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

<sup>2</sup> Clerk – Parish Clerk

<sup>3</sup> RFO – Responsible Financial Officer



- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the council up to date in accordance with proper practices;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations<sup>4</sup>.

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

<sup>4</sup> In England - Accounts and Audit (England) Regulations 2011/817  
In Wales - Accounts and Audit (Wales) Regulations 2005/368

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 [£10,000]; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils– a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC) or *Governance and Accountability for Local Councils in Wales - A Practitioners' Guide*, available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

## 2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 2.2. On a regular basis, at least once in each quarter, and at each financial year end, 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 [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 [November] each year including any proposals for revising the forecast].
- 3.2. The RFO must each year, by no later than [November], 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 & Facilities committee and 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, 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. This authority is to be determined by:
- the council for all items over £10,000;
  - a duly delegated committee of the council for items over £1000; or
  - the **Clerk**, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £1000.

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

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

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. 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 for the following financial year and such review shall be evidenced by a hard copy schedule signed by the **Clerk** and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. 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 [£2000]. The **Clerk** 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 Income and Expenditure to date under each head of the budgets, comparing actual expenditure

to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget.

- 4.9. 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. [The council shall seek credit references in respect of members or employees who act as signatories].
- 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 [or finance committee]. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council [or finance committee]. 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 [or Finance Committee] Meeting.
- 5.5. The **Clerk** and 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 **Clerk** and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee];

- 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 finance committee]; or
  - c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].
- 5.6. For each financial year the **Clerk** and 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 [,or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council [or Finance Committee].
- 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 £10,000 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 **Clerk** or RFO shall give instruction that a payment shall be made.

- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council [or duly delegated Committee].
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two member[s] of council 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. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council [or Finance Committee] at the next convenient meeting and highlighted accordingly on the payment schedule.
- 6.7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
- 6.8. If thought appropriate by the council, payment for certain items may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.
- 6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment, such as LGPS and HMRC, refunding of deposits and bonds paid on bookings where it has been confirmed that these monies have been paid and cleared through the bank.
- 6.11. 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 Clerk 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.

- 6.12. 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.
- 6.13. 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.
- 6.14. 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.
- 6.15. Where internet banking arrangements are made with any bank, the Clerk [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.
- 6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.17. 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 [two of] the Clerk and Deputy Clerk (DC)<sup>5</sup> [the RFO][. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any Debit/Credit Card issued for use will be specifically restricted to the Clerk and DC [and the RFO] and will also be restricted to a single transaction maximum value of [£2000] unless authorised by council or finance committee in writing before any order is placed.
- 6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council [finance committee]. Transactions and purchases made will be reported to the [council] [relevant committee] and authority for topping-up shall be at the discretion of the [council] [relevant committee].

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<sup>5</sup> DC – Deputy Clerk

- 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk and DC [and RFO] 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.
- 6.21. [The RFO may provide petty cash/hospitality float/youth clubfloat/community float 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 as petty cash float of [£200], hospitality float [£50], youth club float [£50] and community float [£20] 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 may only be paid into the petty cash float having been entered as income into the Council's accounting system and the transfer to being recorded as such.
  - c) Impress payments to maintain the petty cash float shall be authorised separately by two authorised signatories in line with existing bank arrangements.

## 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 per employment contract.
- 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 separate confidential records produced by payroll provider. 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 effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.
- 8.4. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5. All investments of money under the control of the council shall be in the name of the council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in

accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## **9. INCOME**

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council will review all fees and charges at least annually, following a report of the **Clerk**.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting(see also Regulation 16 below) ].

## **10. 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 (I) 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 solicitors, accountants, surveyors and planning consultants;
    - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
    - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
    - v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
    - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
  - b. Where 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 Regulations<sup>6</sup>.

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<sup>6</sup> 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

- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)<sup>7</sup>.
- 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 Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed 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 Clerk in the presence of at least one member of council.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders[18d],<sup>8</sup> and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below [£3,000] and above [£100] the Clerk or 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

<sup>7</sup> Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

<sup>8</sup> 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**

- 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 **Clerk** 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.

## **14. ASSETS, PROPERTIES AND ESTATES**

- 14.1. The **Clerk** shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed [£250].

- 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 Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council with a full business case.
- 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 Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 15.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.3. 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.
- 15.4. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.

## 16. RISK MANAGEMENT

- 16.1. The council is responsible for putting in place arrangements for the management of risk. The **Clerk** [with 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 Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.
- 16.3 Due diligence should be undertaken prior to signing a contract, evaluating the risk in doing business with an entity prior to establishing a relationship and assess the risk at the point of time.

## 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 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.
- 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.

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**Duston Parish Council Financial Risk Assessment March 2018**

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks. The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable Duston Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

**FINANCIAL AND MANAGEMENT**

Subject	Risk(s) indentified	H/M/L	Management/control of Risk	Review/Assess/Revise
Precept	Adequacy of precept in order for the Council to carry out its Statutory duties	L	To determine the precept amount required, the Council regularly receives budget update information monthly. At the precept meeting Council receives a budget report, including actual position and projected position to the end of year and indicative figures or costings obtained by the Clerk. With this information the Council determines the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be demanded from Northampton Borough Council.	Existing procedure adequate.
Financial Records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which sets out the requirements.	Existing procedure adequate Review the Financial regulations when necessary

Loss of Clerk/RFO	Inability to process transactions	L	Council retain the services of an external accountant as well as a Deputy Clerk and Assistant Clerk who are able to undertake most tasks in the event of the loss of a Clerk/RFO	Existing procedure adequate
Bank and banking	Inadequate checks Banks mistakes	L	The Council has Financial Regulations which set out banking requirements including electronic banking procedures	Existing procedure adequate Existing procedure adequate
		L	Quarterly Bank Statement reconciliation by Councillors	
Reporting and auditing (internal and external)	Information communication	L	Up to date Budget Analysis is provided to each meeting of the Finance Committee. Copies of all bank statements are reviewed by the Clerk when received and reconciled quarterly by Councillors	Existing procedures adequate.
			External Auditor appointed nationally – new auditor in place this year; training may need to be undertaken by Clerk/RFO to ensure up to date knowledge	
			Internal Auditor appointment, scope and effectiveness reviewed annually by Council. Scope of audit extended this year to ensure robust internal controls.	
Grants	Receipt of grant	L	Parish Council does not presently receive any regular grants but has been the recipient of ad-hoc grant funding for specific projects and Special Expenses from Northampton Borough Council	Procedure would be formed, if required
Charges-rents	Payment of rents	L	Parish Council has formal lease arrangements in	Procedure recently revised

receivable			place with all tenants and although historically has not taken adequate deposits from tenants, any lease renewal in future will require advance payment and a security deposit	
Grants and support payable	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minuted and listed on accounts payable schedule.	Existing procedure adequate.
Best value accountability	Work awarded incorrectly. Overspend on services.	L M	Normal Parish Council practice would be to seek 3 quotations for any substantial work to be undertaken. For major work competitive tenders would be sought. If problems encountered with a contract the Clerk would investigate the situation and report to the Council.	Existing procedure adequate. Include when reviewing Financial regulations.
Salaries and assoc. costs	Salary paid incorrectly. Unpaid Tax to Inland Revenue.	L L	Payroll services outsourced, and all taxations liabilities are paid through them. Clerk checks to ensure payment of tax is made.	Existing procedure adequate
Employees	Fraud by staff Health and safety	L L	Requirements of Fidelity Guarantee insurance adhered to with regards to fraud. All employees to be provided adequate direction and safety equipment needed to undertake their roles	Existing procedures adequate. Monitor health and safety requirements and insurance annually.
VAT	Reclaiming/charging	L	VAT is reclaimed annually	Existing procedures adequate
Year End accounts and Annual Governance	Approve year end accounts and submit annual governance statement	L	Year End account and Annual Governance Statement is completed and submitted online within the prescribed time frame by the Clerk.	Existing procedures adequate.

Statement	within statutory time limits		
Reserves	Inadequate level of reserves	L	Existing procedures adequate
Treasury Management	Not achieving best returns on investments, risk of loss of investments	L	Existing procedures adequate
Legal Powers	Illegal activity or payments	L	Existing procedures adequate
Minutes/agendas/ Notices Statutory Documents	Accuracy and legality  Business conduct	L  L	Existing procedures adequate.  Members adhere to Code of Conduct
Members interests	Conflict of interests  Register of members interests	L M	Existing procedures adequate.  Members take responsibility

				regularly.	to update register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken of all insurance arrangements. Employers and Employee liabilities a necessity and within policies. Ensure compliance measures are in place. Fidelity checks in place.	Existing procedure adequate. Insurance reviewed annually.	
Data protection	Policy provision	L	The Parish Council is registered with the Information Commissioners Office – currently reviewing processes to ensure compliance with new GDPR regulations	Ensure annual renewal of registration. Review underway to ensure compliance with GDPR	
Freedom of Information	Policy Provision	L	The Council has a Model Publication scheme in place.	Monitor any requests made under FOI.	