



Leigh-on-Sea Town Council



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Chairman: Cllr Richard Herbert
Vice Chairman: Cllr Carole Mulroney
Town Clerk: Paul Beckerson

Notice is hereby given that the next meeting of the **POLICY AND RESOURCES COMMITTEE** of the Leigh-on-Sea Town Council will take place on **Tuesday 1st March 2016** at the Leigh Community Centre, 71-73 Elm Road, Leigh-on-Sea commencing at 7.30pm.

AGENDA

1. CHAIRMAN'S OPENING REMARKS
2. APOLOGIES FOR ABSENCE
3. DECLARATION OF MEMBERS' INTERESTS
4. APPROVAL OF THE MINUTES OF THE MEETING OF 5th January 2016
5. NOTICE OF COUNCILLOR RESIGNATION

Cllr Alistair Hanman has resigned from the Council and a Notice of Vacancy has been duly advertised. The Council will appoint an additional member to the P&R and CFC Committees at the next full Council meeting. The first item of business at the next CFC Committee will be to elect a Vice-Chairman.

POLICY

6. REVIEW OF RISK REGISTER (Appendix 1) – **DECISION ITEM**

It is **RECOMMENDED** that the Committee adopt the amended Risk Register

7. REVIEW OF FINANCIAL REGULATIONS (Appendix 2) – **DECISION ITEM**

It is **RECOMMENDED** that the Committee adopt the amended Financial Regulations

8. CORPORATE GOVERNANCE REPORT (Appendix 3) – **DECISION ITEM**

It is **RECOMMENDED** that the Committee consider and adopt each of the 8 statements of assurance and **RECOMMEND to Council** that the annual governance statement, together with each accounting statement with amendments be approved.

9. AUDIT REPORT (Appendix 4)

The interim report is submitted for **NOTING** following a visit in November 2015.

10. REVIEW OF INTERNAL AUDITOR 2015/16

The internal auditor is appointed to review the accounts and accounting arrangements of the Council and covers the following areas:

Corporate Governance
Purchasing and Payment Procedures
Assessment and Management of Risk

Budgetary Control and Reserves
Review of Income
Petty Cash Account
Salaries and Wages
Asset Registers
Investment and Loans
Statements of Accounts and Annual Return

Two visits a year are made with the Auditor working within the office to check that accounting records are being maintained accurately and that no anomalous entries appear in cashbooks or financial ledgers. The work carried out is to an acceptable level with good service.

REFERENCES FROM P&R GROUPS AND OTHER COMMITTEES

11. VOLUNTEER PROGRAMME PDG

The group met early January and identified key areas for the next stage of the programme:

- Horticultural e.g. planting and maintaining tubs, cultivation spots around Town
- Noticeboards – updating notices in the boards
- Street Scene e.g. litter picking, lighting, potholes, cracked paving, liaising with office to report
- Events – Spring Event
- Planning Applications – helping to print plans
- Friends Newsletter – articles

The Volunteer Co-ordinator met with volunteers on 24th February and will report to the Volunteer Programme PDG in due course.

12. P&R PDG

Three meetings have been held, the context of which has been to move towards development for a 3 year Action Plan Proforma (Appendix 5). Each Committee will complete the proforma, reviewing progress at regular intervals and reporting to Council. The four strategic aims as approved in LTC Strategy Statement will be embedded and all objectives will relate to each of the strategic aims. Each Committee will outline proposed actions, indicate timescales, identify budget requirements and costs and take part in regular reviews/reporting to monitor progress or to identify barriers. This proposal should ensure continuity when Committee Chairman and membership change and will also provide realistic management challenges for collective timescales.

13. P&R TFG – Council Logo

Report submitted by Cllr Jane Ward

Majority of the TFG members favoured basing a new design on the origin of the current logo, which is the stained glass found in the old Council offices at the Police Station. We were fortunate to secure the services of a professional graphic designer at no cost to Council. Three different ideas were proposed with the aim for further development following a vote. Comments were also invited. Both staff and Councillors voted using a preference scheme. 21 voted in total.

Results

Keep the Original – 7

Option A – 2 (so eliminated and second preferred vote carried over)

Option B – 4 (with carry over made 5)

Option C – 8 (with carry over made 9)

Option C will be developed for the final design, taking into account the comments made. This will be referred to the P&R Committee in due course.

14. FINANCIAL REFERENCES

- CFC 2nd February 2016 –
 - Minute 71 COMMUNITY CENTRE REFURBISHMENT PROJECT

The Committee **RESOLVED** to **RECOMMEND** to P&R Committee that a budget of £5,000 be assigned to professional fees at this stage from Capital Projects Reserve to provide a professional feasibility assessment and initial costings

- Minute 77 TO CONSIDER ANY UNDERSPENDS IN 2015/16 BUDGET THAT THE COMMITTEE WISH TO EARMARK AS A RESERVE

The Committee **RESOLVED** that all underspends at the end of the financial year over £500 will be carried forward as earmarked reserves against the budget it relates to.

It is **RECOMMENDED** that the Committee adopt these recommendations with **RECOMMENDATION to Council**.

- E&L 16th February 2016

- Minute 89 TO CONSIDER ANY UNDERSPENDS IN 2015/16 BUDGET THAT THE COMMITTEE WISH TO EARMARK AS A RESERVE

The Committee **RESOLVED** that all underspends at the end of the financial year over £500 (excluding staff costs) will be carried forward as earmarked reserves against the budget it relates to.

It is **RECOMMENDED** that the Committee adopt these recommendations with **RECOMMENDATION to Council**.

- BURSARY – **DECISION ITEM**

Minute 69 II. CFC 2nd February 2016 – to **RECOMMEND** to P&R to offer a 33% bursary of £43 to the Charity Concert.

(To be held at Leigh Community Centre on 12th March 2016 to raise funds for St Luke's Hospice in memory of the applicant's mother.)

It is **RECOMMENDED** that the Committee approve the bursary

RESOURCES

15. VIREMENTS – **DECISION ITEM**

- Two training courses have been identified for 3 members of staff relating to Year End Financial procedures and Health and Safety. It is **RECOMMENDED** to the Committee that £250 be vired from the Councillor Training Budget to Staff Training Budget to allow this training to proceed.
- At the CFC Meeting 1st December 2015 it was **RESOLVED** to refer attic licensing issues to the Art Group and £500 was allocated from the CFC Miscellaneous Budget to assist. In this respect the licence has been reviewed and legal advice taken, with the final licence prepared by solicitors. As a fixed fee legal cost of £450 has been incurred in this matter, it is **RECOMMENDED** that the Committee vire this amount from the Miscellaneous Budget to P&R Legal, Professional fee budget. This is the correct code for a Council cost of this nature as VAT can correctly be claimed back for the expense.

16. QUARTERLY FINANCE CHECK

Cllr Jane Ward checked the finance transactions for the month of January on 18th February and reported all was in order.

17. BANK RECONCILIATION CHECK

Cllr Ron Owen has undertaken a bank reconciliation check for the last quarter.

18. COMMITTEE AND COUNCIL BUDGETS

- P&R Budget Reports as at 19th February 2016 (Appendix 7)
- Leigh Town Council Main Budget Report as at 19th February 2016 (Appendix 8)

19. TO CONSIDER ANY UNDERSPENDS IN 2015/16 BUDGET THAT THE COMMITTEE WISH TO EARMARK AS A RESERVE – **DECISION ITEM**

20. TO NOTE INCOME AND APPROVE EXPENDITURE SINCE THE LAST MEETING – **DECISION ITEM**

See report 2587/I&E (Appendix 9) The Committee is asked to note the income and **RECOMMEND the expenditure to Council.**

21. BANK ACCOUNT BALANCES as at 24th February 2016

CCLA a/c	£222,388.89
HSBC BMM a/c	£147,204.66
HSBC Current a/c	£ 6,526.44
HSBC Payroll a/c	£ 22,785.25
HSBC Imprest a/c	£ 1,337.53

OTHER P&R MATTERS

22. MOTION TO EXCLUDE PUBLIC – THE PUBLIC BODIES (Admission to Meetings) Act 1960

That in view of the confidential nature of the business to be transacted the public and press be excluded and instructed to withdraw (SO. 3(d) and 24 – Contractual and Staffing)

23. MINUTES OF THE PERSONNEL SUB-COMMITTEE HELD ON THURSDAY 11TH FEBRUARY 2016 (Appendix 6)

24. STAFFING – **DECISION ITEM**

- To **RECOMMEND** to Council the approval of annual staff incremental changes as per Confidential Appendix 1, following annual appraisals
- It is **RECOMMENDED** that the Committee note the successful completion of probation and to approve permanent positions of employment for the following staff:

Community Centre Administrator, Community Centre Janitor & Financial Assistant

25. DEBTOR POLICY ISSUES (Confidential Appendix 2) – **DECISION ITEM**



Helen Symmons
Acting Town Clerk
25th February 2016

Please Note: Any member who is unable to attend the meeting should send their apologies before the meeting.

Table: Risk Register - Level and Control (L = Likelihood, I = Impact, R = Risk – Low (1-2) Medium (3-4) High (6-9))

Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
A. Assets	A.1. Failure to protect physical assets	L:1	Building and Property: Assets register in place. Items insured, with value increased in line with RPI annually. Skate Park: Funds set aside annually towards capital replacement costs.	A.1.1. Asset Register: Document to be updated annually each March. Also on each occasion that any changes are made to the Council's asset base. A.1.2. Insurances: Insurance levels reviewed bi-annually. Cover obtained for new items, as necessary during the year. A.1.3. Skate Park Equipment: Funding for repairs and replacement to be provided in budget and covered by insurance.	Clerk/P&RC
		I: 3			Clerk/P&RC
		R: Medium (3)			Clerk/P&RC
	A.2. Inadequate security of buildings & safe custody of equipment etc.	L:1	Leigh Community Centre The Centre operates a 24hr CCTV surveillance system, and alarm system when building not in use, to protect against unauthorised access Allotment Buildings Secure Lock Xmas Lights Stored in third party warehouse and fully insured by contractor	A.2.1. Leigh Community Centre: Review security arrangements – at least annually. A.2.2. Other Buildings: Designated key holders. Buildings not alarmed – limit risk by only using for low value storage. A.2.3. Xmas Lights: Stored in third party warehouse and fully insured by contractor	CF Cttee
		I: 2			E&L Cttee
		R: Low (2)			E&L Cttee

	A.3. Failure to maintain buildings etc.	L:1 I: 3 R: Medium (3)	Assets generally maintained on an ad hoc basis. LCC liability limited by Lease conditions. General maintenance programme to be put in place.	A.3.1. Maintenance Programme: A prepared maintenance programme is being established for each site. LCC Maintenance budget allocation regularly reviewed and monitored by Committee. Programme is reviewed in the autumn	CF Cttee
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Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
B. Finance	B.1. Failure to bank and care for funds	L: 1 I: 1	Funds not required immediately held on deposit CCLA & HSBC.	B.1.1. Funds: Funds deposited in interest bearing accounts. Level of deposit reviewed two monthly, prior to P&RC meeting. B.1.2. Financial Regulations: Financial Regulations – (updated in February 2015). Regulations to be reviewed annually each February/March.	Clerk/P&RC
		R: Low (2)	Financial Regulations updated annually		Clerk/P&RC
	B.2. Loss of cash through theft or dishonesty	L:1 I: 2 R:Low (2)	Cash held overnight in safe. Petty Cash reimbursed by Senior Administrator on presentation of documentary evidence of expenditure. Petty Cash Account reconciled in accordance with Financial Regulations. Petty cash drawings limited to £100 - £150 Other income banked regularly	B.2.1. Petty Cash: Chairman or Vice Chairman of P&RC carries out random checks on petty cash transactions, monthly reconciliations and balances quarterly. Internal Audit checks on income.	Senior Administrator/ Chairman or Vice Chairman P&RC

	B.3. Failure to protect expenditure	L:1	Cheque payments and electronic transfers approved and signed by 2 Councillors and approved two monthly by Council. Payment procedures compliant with Financial Regulations.	B.3.1. Payments: Chairman or Vice Chairman of P&RC selects at random four months per year and verifies that two Councillors have evidenced their approval for each item of expenditure Internal Audit checks on occurrence, valuation and regularity of payments.	Senior Administrator/Clerk/P&RC
		I: 2			
		R:Low (2)			
	B.4. Failure to protect income	L:1	A receipt or an invoice supports each item of income received. Monthly reconciliation of each bank or petty cash account. Debtors monitored in accordance with Debtor Policy & if required reported for action to Council	B.4.1. Income: Internal Audit checks for completeness of income brought to account and that all income is banked promptly. Internal Audit review of bank reconciliations. Debtor reports produced to action if required and deposits taken.	Senior Administrator
		I: 2			
		R:Low (2)			

Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
	B.5. Failure to comply with HMRC (VAT) Regulations	L:1	VAT claims prepared biannually by Senior Administrator. In conjunction with HMRC Guidelines VAT Partial Exemption calculated by Accountants.	B.5.1. VAT Claims: Periodic inspection of claims by HMRC and response to queries. Claims subject to check by Internal Auditor.	Senior Administrator
		I: 1			
		R:Low(1)			

	<p>B.5. Failure to determine an Annual Budget</p>	<p>L:1</p> <p>I: 1</p> <p>R:Low (1)</p>	<p>Having regard to planned levels of expenditure, anticipated income and balances needed to be carried forward for contingencies and future levels of expenditure. Policy & Resources oversees budget compilation, during the autumn.</p> <p>Detailed two monthly reports of income and expenditure against budget.</p> <p>System of approved delegated limits of expenditure</p> <p>A submission for all new projects costing in excess of £5000 to be considered and approved by the appropriate Committee</p>	<p>B.5.1. Annual Budget: Budget preparation to commence each autumn. Detailed Committee budgets, with breakdown to be submitted by November. Precept figure considered in November, confirmed by December at the latest January as soon as possible after confirmation of grant funding and tax base from the Primary Authority but no later than the end of February.</p> <p>B.5.2. Monthly Reporting: Bi - monthly review of reports to Committees and Council of outturn against budget.</p> <p>B.5.3. Compliance Checks: By Internal Auditor and Chairman or Vice Chairman of P&RC.</p> <p>The findings to be reported to P&RC, three times per annum.</p>	<p>Clerk/P&RC</p>
	<p>B.6. Failure to ensure Business Continuity</p>	<p>L:1</p> <p>I: 3</p> <p>R:Medium (3)</p>	<p>Ensure Council evaluates risks and minimises occurrences of interruption by Budget planning and robust legal agreements</p> <p>Robust Business Continuity Plan is in progress being produced</p>	<p>B.6.1. Business Continuity: Two Monthly review of budgets and changes to business plan reviewed and evaluated by appropriate Committee at least annually.</p> <p>B.6.2. Sufficient Reserves Reserves maintained at a level to allow for fluctuations in income and expenditure.</p>	<p>Clerk/Appropriate Committee/P&RC</p>

Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
C. General Liabilities	C.1. Failure to comply with Legal Requirements	L:2	Expertise and Training of Town Clerk with external guidance. Reference to Council Solicitor, SBC Solicitor or Administrators.	C.1.1. Legal Advice: Town Clerk – Continuing Professional Development and Networking	Clerk/P&RC
		I: 2	Regular updates from EALC, SLCC	C.1.2. External Review: Prior to change of Council at an election to review policies required by law.	
		R:Medium (4)	Guidance and briefings to Councillors. Induction Training for Councillors and Staff. Specific training as required.	C.1.3. Members of Professional Bodies Town Clerk and Council members of appropriate bodies.	

	C.2. Failure to protect Third Parties, Property, or Individuals	L:2	Insurances in place. Regular inspection of spaces subject to Council ownership /control, as scheduled in the Asset Register. Health and Safety Policy in place and detailed individual risk assessments completed as required. Risk assessments prepared for each event in order to identify and minimise risk. Training provided for staff and volunteers.	C.2.1. Third Party Risks: Insurance cover in place – reviewed annually, or as needed. Record of inspections maintained and review of follow-up work undertaken following inspection report. Visual Inspection and Health and Safety Training undertaken by Cllrs and Staff. Maintenance programmes instituted on all Council property/equipment. Risk assessment produced for each event along with an Event Management Plan updated annually by Events Officer and reviewed by Events Sub Committee..	Clerk/Staff/P&RC E&LC/CFC Events Officer / ESC
		I: 2			
	Events	R:Medium (4)			
Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
	C.3. Failure to comply with legal responsibilities as a consequence of asset ownership (e.g. Skate Park)	L:1	Insurances in place. Inspection regime in place.	C.3.1. Insurances: Regime of inspection required for Skate Park area, to insure insurance cover is retained.	Senior Administrator/E&LC
		I: 3			
		R:Medium (3)			

D. Employer Liability	D.1. Compliance with Employment Law	L:2	Regular Information updates – EALC, SLCC etc. H&SE and Working Method policies	D.1.1. Employment Legislation: Receive regular information and update from EALC, SLCC etc. H&SE Policies reviewed annually or as events require.	Clerk/P&RC
		I: 2			
		R:Medium (4)			
	D.2. Failure to comply with HMRC PAYE requirements	L:1	Salary Administration contracted out to competent contractor.	D.2.1. HMRC: Changes and updates implemented by competent contractor. Internal Audit checks on payroll.	Senior Administrator/Acumen
		I: 2			
		R:Low (2)			

Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
	D.3. Failure to have sufficient resources for unexpected staff absences	L:1 I: 3 R:Medium (3)	Identified sources of staff-cover for senior staff absence. Specific operational tasks to be are being documented. Operational Manuals for specialist systems kept up to date. Reserves kept at a level to enable acting staff to be engaged. Succession Planning and additional staff training to provide absence cover.	D.3.1. Support Staff: Review staff training through the appraisal system. General Reserves maintained at correct levels.	Clerk/P&RC
E. Legal Liability	E.1. Failure to ensure activities are within legal constraints	L:1 I: 1 R:Low (2)	Expertise and training of Town Clerk Clerk to clarify any legal issue raised, seeking legal advice as necessary. Elected members kept up-to-date with legislation	E.1.1. Legal Requirements: Clerk to clarify any legal points raised, after seeking legal advice as necessary. Clerk circulates appropriate training courses and monitors attendance.	Clerk/P&RC

	E.2. Failure to keep proper and Timely Reporting via the Minutes	L:1 I: 1 R:Low (1)	All minutes published in draft form as soon as they are produced and published on website. Minutes altered as a consequence of any amendments immediately after signing. Minutes also made available to Press and Public	E.2.1. Minutes: Minutes published on web site as well as being made available to the Press and Public.	Clerk
Area:	Risk:	Level:	Control System:	Monitoring and Review Method:	Responsibility:
	E.3. Failure to keep proper control of documents	L:1 I: 2 R:Low (2)	Legal documents kept in office along with legal documents in 'fire proof' cabinet. All computer documents backed up daily and weekly copy kept off site. Financial records held on remote server as well as reports backed up locally with copy kept off-site.	E.3.1. Documents: Originals of leases and legal documents held in Council Office in fire-proof cabinet. Town Clerk undertakes test restores on a weekly basis, to test integrity of back-up. With Full restore undertaken bi-annually. I.T. support contractor provides a back-up test service Accounts provider bound by Service Level Agreement reviewed as appropriate by Policy & Resources Committee	Clerk/Staff P&RC / Clerk
F. Councillor Propriety	F.1. Failure to register of interests & Gifts / Hospitality	L:2 I: 2 R:Medium (4)	Register of Interest completed & published on Web-Site. Declarations of interest called at each meeting	F.1.1. Register of Interests: All Cllrs required to complete a declaration of interest – updated as necessary. Declarations called at each meeting Register of Interest published on website and subject to public scrutiny.	Cllrs

	F.2. Failure to have a Code of Conduct	L:1	Council / Cllrs adopted Code of Conduct – 2013	F.2.1. Code of Conduct: Council adopted SBC Code of Conduct Code of Conduct reviewed and updated if legislation changes	Clerk/Cllrs
	I: 1				
	R:Low (1)				

**LEIGH-ON-SEA TOWN COUNCIL
FINANCIAL REGULATIONS**

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These Financial Regulations were adopted by the Council at its Meeting held on 10th September 2014.

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders¹ and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. All staff must take care to operate within these regulations. Breaches could lead to the Council's actions being called into question by auditors or members of the public and to challenges concerning the legality of those actions. Wilful breaches which seriously damage the Council's reputation, or lead to financial gain for the officer concerned could be construed as gross misconduct. Other breaches may result in disciplinary action.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Clerk has been appointed as RFO for this council and these regulations will apply accordingly.
- 1.9. The RFO;
 - acts under the policy direction of the council;
 - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - 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;

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

- 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 Regulations².
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure ~~or receipts and payments~~ account relate;
 - a record of the assets and liabilities of the council; and
 - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are ~~not~~ submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (Council Tax Requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the general power of competence; and
 - addressing recommendations in any report from the internal or external auditors,
- shall be a matter for the full council only.
- 1.14. In addition the council must:
- determine and keep under regular review the bank mandate for all council bank accounts;
 - approve any grant or a single commitment in excess of £5,000; and

² Accounts and Audit (England) Regulations 2011/817-2015

- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by ~~Finance and General Purposes~~ **Policy and Resources** 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).

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 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’s ~~Finance and General Purposes~~ **Policy and Resources** 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 December, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the [relevant 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 (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year ~~not later than by the end of January each year~~ **as soon as possible following confirmation from the Principal Authority of the tax base and grant monies and not later than the end of February**. 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 as approved by Council.
- 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 standing committee. During the budget year and with the approval of council and ~~Finance and General Purposes~~ **Policy and Resources** Committee or if so delegated a standing committee having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the 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 £500. 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 receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £500 or 20% of the budget.
- 4.9. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO/~~Delegated Officer~~ shall prepare a schedule of payments ~~made during the reporting period,~~ requiring authorisation, forming part of the Agenda for the Meeting (~~invoices are available for viewing if requested~~) and, ~~together with the relevant invoices,~~ present the schedule to council [or P&R committee]. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise ~~retrospective~~ payment by a resolution of the council [or P&R committee]. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be examined, verified and certified by the RFO/~~Delegated officer~~ 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 ~~Finance and General Purposes~~ ~~Policy and Resources~~ 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 Finance and General Purposes 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 ~~Finance and General Purposes~~ ~~Policy and Resources~~ Committee; or
 - c) fund transfers within the councils banking arrangements up to the sum of £100,000, provided that a list of such payments shall be submitted to the next appropriate meeting of ~~Finance and General Purposes~~ ~~Policy and Resources~~ 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 P&R 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 £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the 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 members of council in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction 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 be reported to the ~~Finance and General Purposes~~ **Policy and Resources** Committee at the next convenient meeting.
- 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 (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.

- 6.9. 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.
- 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 Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.12. 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 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 members. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any Debit Card issued for use will be specifically restricted to the RFO or delegated officer and will also be restricted to a single transaction maximum value of £1000 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 ~~Finance and General Purposes~~ **Policy and Resources** Committee. Transactions and purchases made will be reported to the ~~Finance and General Purposes~~ **Policy and Resources** Committee and authority for topping-up shall be at the discretion of the ~~Finance and General Purposes~~ **Policy and Resources** Committee.
- 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO or delegated officer 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 to~~ **incur Council expenses without prior written authorisation from the RFO and shall be only used for payment of pre-authorised Council expenditure up to a limit of £100.**

- 6.21. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO shall maintain a petty cash float of £140 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the ~~Finance and General Purposes~~ **Policy and Resources** Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.8. Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be 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. The council will arrange with the council's Banks and Investment providers for the sending of a copy of each statement of account to the Chairman ~~Finance and General Purposes~~ **Policy and Resources Committee** at the same time as one is issued to the RFO.
- 8.4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.
- 8.5. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.6. All investments of money under the control of the council shall be in the name of the council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO or delegated officer.
- 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/**Delegated Officer** 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 in excess of £250 for 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 it is intended to enter into a contract exceeding ~~£30,000~~ £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 shall invite tenders and must ensure the requirements of Public Contracts Regulations 2015 are satisfied including use the Contracts Finder website and advertising the contract opportunity.

- c. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- d. Such invitation to tender shall state the general nature of the intended contract and the 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.
- e. 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.
- f. If less than three tenders are received for contracts above ~~£30,000~~ £25,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Order 19, and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than ~~£30,000~~ £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 £1,000 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.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations ~~2006~~ 2015 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the council or delegated standing committee 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 or Delegated Officer 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 asset 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 asset 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. 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 16), the RFO or delegated officer 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 or appropriate delegated standing committee 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 RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.
- 16.2. When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 17.1. It shall be the duty of the council to review the Financial Regulations of the council annually. 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. Such resolution must be passed by 2/3 of those present at the Council meeting.

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CORPORATE GOVERNANCE REPORT FOR THE POLICY AND RESOURCES COMMITTEE

Introduction

Corporate governance is defined as "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby mitigating agency risks which may stem from the misdeeds of corporate officers"

Corporate governance is about doing the right things in the right way. It's about demonstrating accountability and transparency in our actions and decisions. It affects us all.

The Audit Commission has defined corporate governance in the public services as *"the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions and lead and control their functions, to achieve their objectives". It therefore requires "robust systems and processes, effective leadership and high standards of behaviour, a culture based on openness and honesty and an external focus on the needs of service users and the public".*

Responsibility for Financial Management

The Council is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once a year of the effectiveness of its system of internal control. This review must be considered by the Council and they must approve an annual governance statement prepared in accordance with proper practices in relation to internal control and accompanied by the Accounting Statements.

Governance and Accountability

It is the responsibility of small bodies (the Council) to put in place proper arrangements to ensure the proper conduct of their financial affairs, and to monitor the adequacy and effectiveness of those arrangements in practice. Small bodies are required to maintain proper accounting records and control systems and to maintain an adequate system of internal audit of those accounting records and control systems.

Small bodies meet their responsibilities by preparing and publishing, and providing the auditor with, the accounts prepared for the financial year, together with such additional information and explanation as is necessary to provide sufficient evidence that they have maintained adequate systems of internal control and internal audit throughout the financial year. With the relaxation of the two signature rule, such proper arrangements to ensure proper conduct of financial affairs is even more crucial.

The Council maintains and regularly reviews its Corporate Governance, Financial and Physical Risk Assessment, Standing Orders and Financial Regulations.

The Annual Return

The Council must submit an Annual Return in accordance with proper accounting practices. The Annual Return:

- Reports the annual statement of accounts as approved by the Council
- Certifies that the Council has discharged its statutory duties in relation to its financial affairs
- Records that the external auditor has fulfilled their statutory responsibility
- Informs the local taxpayer and elector about how their council has operated during the last financial year
- Informs government and other stakeholders about the activity of local councils

Annual Governance Statement and Financial Risk Register

Leigh-on-Sea Town Council has the responsibility to adhere to the guidelines. Specifically the Town Council has to consider the 8 statements below and to consider how it manages them (see the tables supporting each statement).

1. The Council approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices with the specific control measures outlined below.

Risk Area	Further Definition	Action Taken	Further Actions Required
Legal	HMRC regulations	Followed Real Time Information requirements throughout year and at year end Salary Provision outsourced to External Expert Provider.	
	Pensions DWP regulations for	Council is a Member of LGPS administered by ECC.	Dispensation Polices approved in September 2014
	Incurring expenditure without legal authority	Financial Regulations reviewed in September 2014 February 2015	All payments made in accordance with Financial Regulations and Standing Orders
	Failure to use funds under appropriate powers	Hold General Power of Competence	
	Laws, regulations and codes of practice	Training on Code of Conduct undertaken by clerk.	Keep up to date with any changes in law – responsibility of Clerk to advise Councillors, but also for Councillors to keep abreast of changes.

2. The Council has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness with the specific control measures outlined below.

Risk Area	Further Definition	Action Taken	Further Actions Required
Budget	Over/Under budgeting	Variance Spreadsheets as currently prepared.	Two Monthly report to Committees and Council, Reviewed by Councillors

		Budgets prepared in accordance with Financial Regulations.	Must now budget for at least 3 years forecast ahead as per new Financial Regs. All Committees to consider 3 year forecast when considering budget cycle.
		Project Budgeting	Continue to assess and review Committees projects on an annual basis together with forecasts of major expenditure and income over next 3 years.

Fraud, theft, loss	Internal Audit review	Internal Audit	Assess internal audit findings and take action to ensure they are addressed. Council reviews scope of Internal Audit on an annual basis.
	Stock Control Of Materials in LCC & LTC	We have introduced stock control. Head Caretaker responsible for stock control of LCC and Senior Administrator in respect of LTC stock	Regular checks made and recorded, then checked on a regular basis at least monthly.
	Procurement	Procurement undertaken in accordance with Financial Regulations and Schemes of Delegation under preparation.	Council reviews outturn against Budget Heads. Extension of Scheme of Delegation to non-discretionary budgets.
	Cheques and other payment methods	Most payments continue to be made by cheque with two signatures. Where BACS or direct debit introduced, the mandate or payment approval schedule is signed by two Councillors.	Council to review and approve Direct Debit mandates on a yearly basis. Council to review and monitor future phasing out of cheque payments. N.B. above deleted as not being implemented by Govt as yet
	Payment authorisations	Clerk has authority to make payments of up to £1000 within budget, Senior Administrator makes payment, not Clerk to ensure appropriate checks and balances.	Review cash amounts annually at time of insurance renewal to ensure adequate cover.

Handling and Holding	Cash	Reviewed cash holding/handling and discussed with internal audit. Value of cash holdings for banking in a single transaction are adequately covered on insurance policy	
	Receipts	All cash into the office is receipted.	
	Bad Debts	Policy written	Bad debts are submitted to P&RC for write off.
	Bank recon	Undertaken monthly by Senior Administrator	Councillor other than the Chairman or Vice Chairman of P&RC appointed to undertake quarterly reconciliation.
	Officer's decisions	New Legislation requires Officer's decisions to be published	Published as required and reported to relevant Committee.

3. The Council took all reasonable steps to assure itself that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the Council to conduct its business or on its finances.

See legal risks as above.

4. The Council provided proper opportunity during the year for the exercise of elector's rights in accordance with the requirements of the Accounts and Audit Regulations.

Risk Area	Further Definition	Action Taken	Further Actions Required
Legal	Accounts and Audit Regulations	Advertise as per Regulations and publish accounts on the website including two monthly payment schedules for all items.	To continue to publish all payment information on the website, specifically up to date budget vs actuals. Transparency

5. The Council have carried out an assessment of the risks facing the Council and have taken appropriate steps to manage these risks, including the introduction of internal controls and/or external insurance where required. Internal controls listed below.

Risk Area	Further Definition	Action Taken	Further Actions Required
Financial		Financial Risk Assessment Register – Reviewed February 2016	To be updated regularly at least annually.
Physical		Physical Risk Assessment Programme	To be assessed regularly by Town Clerk or delegated officer in all areas of activity.
Review of risks.		Risk Assessment Policy adopted by Council and reviewed annually.	Risk Assessment reviewed on an annual basis
Insurance	Risks physical and financial.	All assets valued over last year. Annual review.	Value of cash insured (<i>as in 2</i>).

6. The Council maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems. Controls listed below.

Risk Area	Further Definition	Action Taken	Further Actions Required
Auditing	Internal Audit	<p>Chair or Vice Chair of P&RC checks cash books, payments to suppliers, authorisations, VAT returns and petty cash and reports to P&RC.</p> <p>Quarterly reconciliation by appointed Councillor.</p> <p>Two monthly report to each committee. Variance reports assists.</p> <p>Arranged three visits from Internal Auditor per year</p>	<p>To continue to be done quarterly.</p> <p>To ensure P&RC review variance monitoring by committees.</p> <p>To continue to ensure committees review their own budgets two monthly and that members have undertaken the appropriate budget and financial training.</p> <p>Annual review of effectiveness of internal auditor required carried out.</p>

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7. The Council took appropriate action on all matters raised in reports from internal and external audit.

Risk Area	Further Definition	Action Taken	Further Actions Required
Audit	Internal Audit	Internal audit reports are considered at P&RC and appropriate actions taken and reported and discussed at Council.	RFO to ensure the matters raised by internal auditors are addressed.
	External Audit	Matters raised by external audit are reported to Council	To ensure the matters raised by auditors are addressed.

8. The Council have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year end, have a financial impact on the council and where appropriate have included them in the accounting statements.

Risk Area	Further Definition	Action Taken	Further Actions Required
Accounts	Accounts are correct for the current year (RFO Auditors Accountants)	Suitable accounting policies are used that are applied consistently. Accruals are taken into account. Year-end accounts produced in accordance with regulations.	To maintain the standards required to produce the year end accounts efficiently.

The internal audit

The internal audit plan demonstrates how the audit work will provide assurance for the Council's Annual Governance Statement. Internal audit maintains awareness of the Council's corporate governance arrangement

Conclusion

The Council has updated its budget procedure to enable it to have more control and awareness of spending. Other risks are controlled through review of insurances, training, internal audit and review of this, and consideration of assets and reserves.

Leigh-On-Sea Town Council

Internal Audit Report 2015-16 (Interim)

Prepared by Nigel Archer

Stuart J Pollard

Director
Auditing Solutions Limited

Background and Scope

The Accounts and Audit Regulations introduced from 1st April 2001 require all Town and Parish Councils to implement an independent internal audit examination of their Accounts and accounting processes annually. The Council complied accordingly, in terms of independence from the Council decision making process, appointing a local practice to provide the service for the Council. However, subsequent to the retirement of the previous Clerk and the recruitment of the present incumbent we, at Auditing Solutions Limited, were appointed for 2010-11 and beyond.

This report sets out those areas examined during the course of our interim visit to the Council, which took place on 23rd and 24th November 2015, and will be further updated following the final visit to the Council on a date yet to be arranged following the conclusion of the “close-down” exercise for the year in April / May 2016.

Internal Audit Approach

In commencing our review for 2015-16, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts, employing a range of selective sampling techniques (or 100% substantive testing if appropriate) across a range of the Council’s activities in accord with our previously circulated Programme of Work.

Overall Conclusion

We are pleased to report that no significant issues have been identified in our review for the year to date that warrant formal recommendation: any minor matters arising having been discussed and agreed with the Clerk and officers during the course of our visit. Consequently, no appended Action Plan is considered necessary.

Detailed Report

Review of Accounts and Accounting Arrangements

Our objective has been to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have to date: -

- Ensured that an appropriate nominal ledger coding structure remains in place, noting that this has again been further updated in accord with current Committee structures to further assist the budget monitoring and reporting process;
- Checked and agreed transactions on the Current, Payroll and Imprest bank accounts, as recorded on the Edge accounting system software, with the entries on the relevant HSBC bank statements for the sample months of May and October 2015;
- Similarly, checked and agreed transactions on the other two HSBC Reserve and CCLA Public Sector deposit accounts for the quarter ended 30th September; and
- Verified that regular, monthly bank reconciliations continue to be undertaken on all accounts, noting that appropriate hard copies are retained on file: we have checked and agreed those as at 31st October 2015 on the three principal accounts and as at 30th September 2015 on the two supplementary reserve accounts.

Conclusions

No issues requiring formal recommendation have arisen in this area with no long-standing, unrepresented items of any note. We shall test a further sample of cashbook transactions at our final visit, also ensuring the accurate disclosure of year-end balances in the Accounts and Annual Return.

Review of Corporate Governance

Our objective here is to ensure that the Council has robust Corporate Governance documentation in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Examined the minutes of meetings of the Full Council and its Standing Committees (except Planning) held throughout the current financial year to date to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist, also that no other issues are in existence whereby the Council may potentially be considering or have taken decisions that might result in ultra vires expenditure being incurred. No such issues were identified and we note the conclusion of the exercise to re-organise the Council's Committee structures and responsibilities with a streamlined approach to periodic meetings in place for 2015-16 and beyond;
- We have previously noted that the Council properly adopted the General Power of Competence at the Full Council meeting in May 2013: subsequently, we note that

this was formally re-adopted in May 2015, as required by extant legislation, following the new Council elections;

- We also previously noted that both Standing Orders and Financial Regulations had been reviewed during 2014-15, both documents being revised in part for legislative changes such as the introduction of filming / recording of meetings and in part for updated NALC recommendations: we now note that both documents were re-affirmed in May 2015, subject to minor typographical revisions to reflect the current Committee / Task & Finish Group structures; and
- Formal tender limits have been established at £30,000, which we previously considered to be sound for a Council of this size. However, there has recently been revisions to Regulations in relation to contracting and tendering, including the need to formally advertise contractual works in excess of £25,000 on the Government's "Contract Finder" website and we are advised that the Clerk is aware of the development and will present appropriate revisions to the Council's extant documentation at such time as the next model Financial Regulations have been issued by NALC.

Conclusions

No issues requiring formal recommendation have arisen in this area to date.

Review of Purchasing and Payment Procedures

We have selected a sample of supplier payments made during the financial year to 31st October 2015, examining all those individually in excess of £1,500 together with a more random sample of every 25th payment, irrespective of value. Our test sample comprises 29 payments, totalling just under £34,000 and representing 50% of all non-pay related items processed to that date. Our testing strategy aims to ensure compliance with the following criteria to ensure that each payment is:

- Supported by a trade invoice or other appropriate form of supporting documentation;
- Supported by an official order, where appropriate;
- Supported by proper quotations and / or a formal tender process, where applicable under the terms of the Council's Financial Regulations;
- Posted accurately to the Edge software nominal ledger expenditure headings;
- Authorised as seen by members during the course of the cheque approval process and subsequently summarised for adoption by Full Council; and
- That the calculation and recording of VAT to the VAT control account for subsequent recovery has been actioned appropriately.

Conclusions

We are pleased to report that no issues have been identified among our test sample with all the above criteria duly met.

We have previously noted that external contract accountants (DCK Beavers Ltd) have undertaken an exercise to confirm the Council's partial exemption position with regard to VAT recoverable on Community Centre expenditure and payments arising in relation to 2015-16 have accordingly been adjusted within Edge to ensure that previous over-recovery levels will not be repeated.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. We have: -

- Previously noted that an appropriate review of the risk assessment register for all principal areas of the Council's activities was undertaken and that a formal "strategy" was adopted by the Full Council at its meeting in March 2013;
- Subsequently noted, as part of last year's final review, that the risk registers were re-adopted by the previous Finance & General Purposes Committee and, by approval of minutes, Full Council in March 2015; and
- Examined the current year's insurance policy schedules (to August 2016), cover continuing to be provided by Aviva, noting that both Employer's and Public Liability remain at £10 million; that Fidelity Guarantee cover has been increased to £450,000 and that Loss of Revenue cover has been increased to £240,000.

Conclusions

No issues have been identified warranting formal comment or recommendation in this area at present: we shall further consider the risk assessment process at our final visit, also ensuring compliance with the now mandatory requirement for annual review and formal adoption of risk registers, as detailed in the Governance and Accountability Manual.

Budgetary Control and Reserves

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the amount to be precepted on the local Unitary Authority, that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans. To meet this objective:

- We note that early deliberations have been undertaken in relation to Revenue budgets for 2016-17, with any formal conclusions deferred until January 2016, by which time it is expected that Southend BC will have determined their approach to the "support grant";
- We are pleased to record that members continue to be provided with sound, periodic and comprehensive management accounting information in order to provide an appropriate means for monitoring budgetary performance during the current year; and
- We noted in the Statement of Accounts for 2014-15 that several specific Earmarked Reserves were established with subsequent minutes indicating occasional virement and will consider the extent of any adjustments to those balances in 2015-16 as part of our final audit review in due course.

Conclusions

No matters arise currently to warrant formal comment in this area of the audit process.

Review of Income

In this area of our review work, we aim to ensure that income due to the Council is identified, invoiced (where applicable) and recovered at the appropriate rate and within a reasonable time scale: also ensuring that it is banked promptly in accordance with the Council's Financial Regulations. In addition to the precept, the Council's principal source of income is clearly the Community Centre, supplemented by allotment rentals, monthly farmers' market pitch fees, community transport ticket sales and ad-hoc activities such as Xmas Lights and other events. Consequently:-

- We note that the schedules of Council's fees and charges continue to be reviewed and adopted annually, those for the Centre for 2015-16 having been formally considered by the re-vamped Community Facilities Committee at their meeting in February 2015;
- We have, as noted earlier in this report, verified all receipt transactions from Edge ledgers to relevant bank statements for two sample months;
- We note that the bookings and receipting processes for the Community Centre, utilising bespoke Edge software for this purpose, remain largely unchanged compared with the detail previously tested and agreed during 2013-14. We are also pleased to note the levels of segregation in place despite the limited numbers of administrative personnel;
- We have again tested examples of the Finance Officer's banking control sheets to cashbook postings and bank statement entries, noting the timely and accurate manner (at least twice weekly) in which funds are deposited with the bank; and
- We have tested a sample of sales ledger invoices for Community Centre bookings by reference to a sample of the bookings diary (1st to 8th September 2015) to ensure that every entry had been invoiced, that the fees charged were in accord with the times of day and length of each activity and that payments had been received in a timely manner.

Conclusions

No issues have arisen from work completed in this area to date to warrant formal recommendation: we shall undertake further testing as considered necessary for the purposes of the Annual Return verification at the final visit.

Petty Cash Account and Debit Card Usage

A relatively limited petty cash account is operated in the Council's office on a straightforward "top-up as required" basis: at the time of this interim visit just 4 reimbursement cheques of £100 each had been required.

Payment transactions are entered into the Edge Expenditure reports in the same manner as other supplier cheque and direct debit payments with full details of the payee and goods with VAT separately recorded for periodic recovery where applicable.

We have tested a sample of payment transactions (September 2015) with all properly supported by till receipts / supplier invoices and correctly entered in the ledgers.

In addition, an HSBC Imprest bank account is in use with a debit card available for urgent goods / services and internet purchases to obtain best value pricing. Again this is utilised in a very limited manner (just 8 transactions totalling £232 in the sample month tested of October 2015) with all payments appropriately supported by supplier invoices and correctly entered in the ledgers.

Conclusions

There are no issues arising in this area to warrant any formal recommendation.

Salaries and Wages

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as further amended with effect from 1st April 2015 as regards employee contribution bandings. To meet that objective, we have:

- Ensured that the Council reviews and approves pay scales for staff annually;
- Noted previously that a payroll bureau provider (Acumen) was engaged to provide the service and this remains the case in 2015-16;
- Agreed the amounts paid to employees by reference to the approved pay scale on the NJC annual schedule of rates payable, or those approved "in house" where applicable, examining a sample of all those salary payments made in October 2015;
- Ensured that Tax and National Insurance deductions for all employees have been made applying the appropriate PAYE code and NI Table;
- Checked that the correct superannuation percentage deductions, as amended from 1st April 2015, are being applied where applicable;
- Checked and agreed the net payments to staff from copy payslips to the Bacs summary reports and resultant cashbook entries; and
- Similarly checked and agreed the payment over of deductions to HMRC and Essex County Council from copy payroll reports to cashbooks and have, as part of the supplier payments testing noted earlier, summarised the month by month total payments with explanations obtained for any variances arising therein.

Conclusions

We are pleased to report that no errors or omissions of significance to warrant formal recommendation have been identified in this area of our review process.

Asset Registers

The Accounts and Audit Regulations 1996 (as amended from time to time) require that all Councils establish and maintain inventories/asset registers of buildings, land, plant and equipment, etc. owned by them.

Conclusions

We have noted previously that an appropriate register is maintained, the Clerk having updated detail to reflect acquisitions and disposals in 2014-15, and no further testing work has been undertaken in this area to date.

Investments and Loans

Our objectives here are to ensure that the Council is “investing” surplus funds, be they held temporarily or on a longer term basis in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with appropriate loan agreements.

As noted earlier in this report, the Council holds no specific “investments”, any savings funds being held in HSBC and Public Sector instant access bank accounts detail of which we have checked and agreed as detailed earlier in this report.

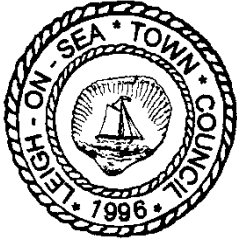
The Council has, in the previous financial year, made a small loan (£1,700) to the Community Interest Company formed to manage the Centre’s Café and we are pleased to note this had been repaid in full prior to the recent changes in the management of the Company.

Conclusions

There are no issues arising in this area to warrant any formal recommendation.

Committee.....

Strategic Aim	Objective	Action	Timescale	Budget	Review
Take part in an open dialogue with the community to better understand their needs, and intern explain how we will address these needs within the resources and powers available to the town council					
Provide high standard, value for money services to help to meet the needs and wishes of the community.					
Assist and encourage other bodies to provide high standard, value for money services to help meet the needs and wishes of the residents.					
Promote the best interests of the town for the benefit of the local community.					



Leigh-on-Sea Town Council

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council@leighonseatowncouncil.gov.uk www.leighonseatowncouncil.gov.uk



Chairman: Cllr Richard Herbert
Vice Chairman: Cllr Carole Mulroney
Town Clerk: Paul Beckerson

MINUTES OF THE MEETING OF THE PERSONNEL SUB-COMMITTEE HELD ON THURSDAY 11TH FEBRUARY 2016 AT LEIGH COMMUNITY CENTRE, 71-73 ELM ROAD, LEIGH-ON-SEA

Present: Cllrs: Carole Mulroney (Chairman), Donald Fraser, Richard Herbert, Fr. Clive Hillman, Ron Owen and Jane Ward

In attendance: No other person

The meeting opened at 7.03pm

27. APOLOGIES FOR ABSENCE

None

28. DECLARATION OF MEMBERS' INTERESTS

There were none.

29. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of 4th December 2015 were agreed as a correct record and signed by the Chairman.

30. MOTION TO EXCLUDE PUBLIC – The Public Bodies (Admission to Meetings) Act 1960

RESOLVED; That in view of the confidential nature of the business to be transacted the public and press be excluded and instructed to withdraw (SOs. 3(d) and 24(a) - (staffing))

Start of confidential business

The following item was considered in accordance with SO 13(c)

31. GRIEVANCE

The Sub-Committee **RESOLVED** to appoint the Chairman and Vice Chairman of the sub-committee supported by the Acting Town Clerk to hear and adjudicate upon a grievance which has been lodged and that Councillors Ward, Fraser, plus one other Councillor be appointed to hear any appeal resulting from the initial hearing.

End of confidential business

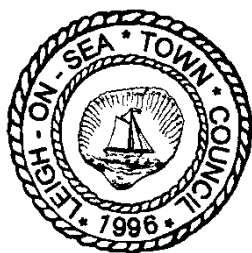
The meeting closed at 7.15pm

POLICY & RESOURCES DETAILED BUDGET					2015/16					
INCOME	Budget 2015/16	Income Received	Balance	% Received	EXPENDITURE	Earmarked Reserves	Budget 2015/16	Expenditure	Balance	% Spent
Precept	£ 361,694.00	£ 361,694.00	£ -	100.00%	Crime Prevention		£ -	£ -	£ -	
Council Tax Support Grant	£ 19,750.00	£ 19,750.00	£ -	100.00%	Bursary Fund LCC	£ 333.18	£ 1,400.00	£ 686.00	£ 1,047.18	39.58%
Bank Interest	£ 500.00	£ 982.28	-£ 482.28	196.46%	Furniture & Equipment		£ 500.00	£ 16.66	£ 483.34	3.33%
Other Income*		£ 42.84	-£ 42.84		Elections	£ 15,265.59	£ 7,000.00	£ -	£ 22,265.59	0.00%
Sale of Waste Sacks*		£ 1,393.00	-£ 1,393.00		Legal Costs	£ -	£ -	£ 450.00	-£ 450.00	
VAT Refund*		£ 3,460.64	-£ 3,460.64		Annual Town Meeting		£ 500.00	£ 250.00	£ 250.00	50.00%
					Community Engagement		£ 10,000.00	£ 10,154.54	-£ 154.54	101.55%
					Volunteer Programme		£ 7,500.00	£ 1,738.84	£ 5,761.16	23.18%
					Website		£ 850.00		£ 850.00	0.00%
					Civic		£ 200.00	£ 145.00	£ 55.00	72.50%
					Renewals Fund	£ 7,837.69	£ 8,000.00	£ 1,251.67	£ 14,586.02	7.90%
					Capital Fund	£ 42,357.02	£ 45,000.00	£ -	£ 87,357.02	0.00%
					Localism Act		£ 300.00	£ 6.00	£ 294.00	2.00%
					Intern	£ 1,663.00	£ 4,000.00	£ 2,400.50	£ 3,262.50	42.39%
					GP Janitorial		£ 3,441.08	£ -	£ 3,441.08	0.00%
TOTAL INCOME	£ 381,944.00	£ 387,322.76	-£ 5,378.76	101.41%	TOTAL EXPENDITURE	£ 67,456.48	£ 88,691.08	£ 17,099.21	£ 139,048.35	10.95%

OFFICE ADMIN DETAILED BUDGET				2015/16
EXPENDITURE	Budget 2015/16	Expenditure	Balance	% Spent
Premises				
Office Rental	£ 3,500.00	£ -	£ 3,500.00	0.00%
LCC Premises Use Grant	£ 25,000.00	£ 25,000.00	£ -	100.00%
	£ 28,500.00	£ 25,000.00	£ 3,500.00	87.72%
Administration				
Stationery	£ 1,400.00	£ 1,707.68	-£ 307.68	121.98%
Insurance	£ 5,500.00	£ 6,001.87	-£ 501.87	109.12%
Library	£ 300.00	£ 49.99	£ 250.01	16.66%
Communication	£ 2,000.00	£ 1,636.72	£ 363.28	81.84%
Photocopying	£ 2,700.00	£ 2,097.43	£ 602.57	77.68%
Subscriptions	£ 2,300.00	£ 2,155.14	£ 144.86	93.70%
Postage	£ 1,700.00	£ 1,084.39	£ 615.61	63.79%
Entertaining	£ 250.00	£ -	£ 250.00	0.00%
Licences	£ 500.00	£ 505.00	-£ 5.00	101.00%
Bank Charges	£ 1,200.00	£ 967.56	£ 232.44	80.63%
Miscellaneous	£ 500.00	£ -	£ 500.00	0.00%
Professional Advice	£ 2,000.00	£ 1,042.50	£ 957.50	52.13%
Audit	£ 2,000.00	£ 2,640.00	-£ 640.00	132.00%
IT	£ 2,000.00	£ 2,948.66	-£ 948.66	147.43%
Waste Sacks	£ 1,000.00	£ 1,217.20	-£ 217.20	121.72%
Training - Staff	£ 3,500.00	£ 3,528.00	-£ 28.00	100.80%
Expenses/Travel Costs - Cllrs	£ 600.00	£ 42.76	£ 557.24	7.13%
Training - Cllrs	£ 2,000.00	£ 1,056.80	£ 943.20	52.84%
Mileage & Expenses - Staff	£ 550.00	£ 601.82	-£ 51.82	109.42%
	£ 32,000.00	£ 29,283.52	£ 2,716.48	91.51%
	£ 60,500.00	£ 54,283.52	£ 6,216.48	89.72%

Policy and Resources 1st March 2016 – Appendix 8

Leigh Town Council Main Budget Report					2015/16				
INCOME	Budget 2015/16	Income Received	Balance	% Received	EXPENDITURE	Budget 2015/16	Expenditure	Balance	% Spent
Balances B/F		£ 303,691.84							
Policy & Resources					Policy & Resources				
Precept	£ 361,694.00	£ 361,694.00	£ -	100.00%	P & R Expenditure	£ 85,250.00	£ 17,099.21	£ 68,150.79	20.06%
Local Council Tax Support Grant	£ 19,750.00	£ 19,750.00	£ -	100.00%	Office & Admin	£ 60,500.00	£ 54,283.52	£ 6,216.48	89.72%
Interest	£ 500.00	£ 982.28	-£ 482.28	196.46%	Staffing	£ 82,989.06	£ 66,550.16	£ 16,438.90	80.19%
Other Income		£ 4,896.48	-£ 4,896.48						
	£ 381,944.00	£ 387,322.76	-£ 5,378.76	101.41%		£ 228,739.06	£ 137,932.89	£ 90,806.17	60.30%
Community Facilities					Community Facilities				
LCC Hire Income	£ 94,000.00	£ 96,838.58	-£ 2,838.58	103.02%	LCC Expenditure	£ 70,426.49	£ 58,808.04	£ 11,618.45	83.50%
LTC Contribution	£ 25,000.00	£ 25,000.00	£ -	100.00%	LCC Staffing	£ 124,661.17	£ 92,711.52	£ 31,949.65	74.37%
Other Income	£ 3,694.35	£ 2,917.65	£ 776.70	78.98%	Highways Expenditure	£ 8,050.00	£ 2,095.50	£ 5,954.50	26.03%
LCC Fund-Raising		£ 814.55	-£ 814.55		Highways Staffing	£ -	£ -	£ -	
					Skate Park Expenditure	£ 4,400.00	£ 2,327.61	£ 2,072.39	52.90%
					Skate Park Staffing	£ 3,767.27	£ 2,970.36	£ 796.91	78.85%
	£ 122,694.35	£ 125,570.78	-£ 2,876.43	102.34%		£ 211,304.93	£ 158,913.03	£ 52,391.90	75.21%
Environment & Leisure					Environment & Leisure				
Allotments Income	£ 12,875.00	£ 11,957.94	£ 917.06	92.88%	Allotments Expenditure	£ 14,086.00	£ 8,357.83	£ 5,728.17	59.33%
Community Transport Fees	£ 3,800.00	£ 3,030.84	£ 769.16	79.76%	Allotments Staffing	£ 5,281.14	£ 4,232.74	£ 1,048.40	80.15%
Farmers' Market Fees	£ 2,040.00	£ 1,500.00	£ 540.00	73.53%	Community Transport Expenditure	£ 4,060.00	£ 3,301.68	£ 758.32	81.32%
Leigh Lights Income	£ 3,050.00	£ 2,610.00	£ 440.00	85.57%	Community Transport Staffing	£ 4,173.60	£ 2,902.54	£ 1,271.06	69.55%
Other Events Income		£ 2,092.48	-£ 2,092.48		Farmers' Market Expenditure	£ 1,650.00	£ 1,073.04	£ 576.96	65.03%
Other E&L Income			£ -		Leigh Lights Expenditure	£ 29,060.00	£ 19,200.25	£ 9,859.75	66.07%
	£ 21,765.00	£ 21,191.26	£ 573.74	97.36%	Strand Wharf Capital Expenditure	£ 11,263.97	£ 40,894.54	-£ 29,630.57	363.06%
					Events & Other Expenditure	£ 20,404.87	£ 11,064.19	£ 9,340.68	54.22%
					E&L Staffing	£ 15,427.69	£ 11,502.32	£ 3,925.37	74.56%
						£ 105,407.27	£ 102,529.13	£ 2,878.14	97.27%
Planning, Highways & Licensing					Planning Highways & Licensing				
					Planning Expenditure	£ 500.00	£ 416.67	£ 83.33	83.33%
					Staffing	£ 11,262.08	£ 9,821.29	£ 1,440.79	87.21%
	£ -	£ -	£ -			£ 11,762.08	£ 10,237.96	£ 1,524.12	87.04%
Total Income	£ 526,403.35	£ 534,084.80	-£ 7,681.45	101.46%	Total Expenditure	£ 557,213.34	£ 409,613.01	£ 147,600.33	73.51%
Capital Reserves 31/03/15	£ 157,197.07				Balances Remaining C/F		£ 442,262.23		
Earmarked Reserves 31/03/15	£ 49,040.21				Est. General Reserves @ 31st March 2016		£ 80,743.17		
VAT REFUND DUE		£ 14,098.60							



Leigh-on-Sea Town Council

71-73 Elm Road, Leigh-on-Sea, Essex SS9 1SP - Tel: 01702 716288
incil@leighonseatowncouncil.gov.uk www.leighonseatowncouncil.gov.uk



Chairman: Cllr Richard Herbert
 Vice Chairman: Cllr Carole Mulroney
 Town Clerk: Paul Beckerson

Income and Expenditure 15th Dec 2015 – 22nd Feb 2016 Report 2587/I&E Expenditure incurred under the General Power of Competence

Cheque	Expenditure	Payee	Purpose
		Expenditure - Cheques	
101577	£0.00	Helen Symmons	Chq lost replacement issued 4/2/16
101578	£46.20	Mayfield Cleaning Ltd	Bus Shelter Cleaning
101579	£422.64	Veolia ES (UK) Ltd	Leigh Lights - Waste Collection & Litter Picking
101580	£16.83	Recognition Express Essex	Name Badges
101581	£30.00	Leigh Society	Donation re Carols on Strand Wharf
101582	£25.00	SOS Bus Project	Donation re Carols on Strand Wharf
101583	£50.00	The Salvation Army	Donation re Carols on Strand Wharf
101584	£50.00	Belfairs Academy	Donation re Carols on Strand Wharf
101585	£50.00	Leigh Lions	Donation re Carols on Strand Wharf
101586	£30.00	Show Choir	Donation re Carols on Strand Wharf
101587	£857.95	Baines Surveying Services Ltd	Surveying Services re Strand Wharf
101588	£727.20	Phuse Media	30% Payment re development of LCC website
101589	£30.00	Louise Smith	Room hire refund
101590	£660.00	ISS Facility Services Ltd	Grass Cutting at the Skate Park
101591	£420.00	St John Ambulance	First Aid Post cover July-Aug 2015
101592	£38.74	Joy Watson	Reimburse for First Aid Post consumables
101593	£30.00	Lisa Pewsey	Return of plot deposit

101594	£30.00	K Bossam-Burnett	Return of plot deposit
101595	£50.00	R Davis	Return of plot deposit
101596	£144.64	Steve's Self Drive	Van Hire re Carols on Strand Wharf
101597	£100.00	Cash	Petty cash
101598	£18.53	Abbie Cotterell	Expenses re noticeboards
101599	£87.31	Essex Supplies (UK) Ltd	Cleaning Materials CC
101600	£1,320.00	Autocross Euroshel Ltd	Repair & Deep Clean - Bus Shelter at Rectory Grove
101601	£1,850.00	A Webb	Redecoration of Cinderpath Shelter
101602	£139.94	DOTS	Photocopying costs
101603	£49.80	Acumen Wages Service	Payroll Processing costs Dec 15
101604	£30.00	Phoenix Water Coolers	Cups
101605	£445.00	Southend BC	Leigh Lights - Road Closures
101606	£1,152.00	Aylesford Electrical Contractors Ltd	Repairs & Renewals - Christmas Lights
101607	£90.00	Miskos Ltd	Server Monitoring
101608	£78.88	Viking	Stationery
101609	£295.00	CTA UK	Community Transport Association Membership & Magazine
101610	£46.20	Mayfield Cleaning Ltd	Bus Shelter cleaning
101611	£228.00	Sutherland Print & Design Ltd	Farmers' Market - Flyers & Artwork for Bus Advert
101612	£237.60	Southend Theatres Ltd	Community Transport tickets for Glenn Miller Orchestra
101613	£1,509.00	Paul Robinson Solicitors	Strand Wharf - Lease Fees & Disbursements
101614	£293.28	SSE	Electricity Skate Park
101615	£2,520.00	Aylesford Electrical Contractors Ltd	Storage & maintenance Leigh Lights Year 3
101616	£98.84	Viking	Stationery
101617	£300.00	Neopost Ltd	Franking Machine – top-up
101618	£405.00	Miskos Ltd	Install new WIFI points CC
101619	£49.80	Acumen Wages Service	Payroll processing cost Jan 16
101620	£327.60	Mayfield Cleaning Ltd	New Perspex Panel - Leigh Road Bus Stop
101621	£30.61	G Davison	To reimburse for Materials- Repair to Skate Park
101622	£400.00	Leigh Skip Hire	Skips at Manchester Drive Allotments for plot clearance

101623	£250.00	Kids First	Donation re Leigh Lights Parade competition
101624	£150.00	RNLI	Donation re Leigh Lights Parade competition
101625	£984.00	Auditing Solutions Ltd	Interim Audit visit
101626	£94.60	V Choppen	Community Transport – reimbursement for Cinema Tickets
101627	£75.00	Mrs J Peek	Puppet Show at Spring Spectacular
101628	£126.83	DOTS	Photocopying Costs
101629	£226.91	Essex Supplies (UK) Ltd	Cleaning Materials CC
101630	£217.80	Southend Theatres Ltd	Community Transport - Glenn Miller Orchestra tickets
101631	£32.40	Fulton Paper Ltd	A3 Paper
101632	£90.00	Miskos Ltd	Server monitoring
101633	£19.56	Viking	Stationery
101634	£460.00	JK Fire Systems	Fire Alarm System Verification & Annual Service
101635	£12.98	Helen Symmons	Replacement for chq 101577 lost
101636	£78.00	LSI Energy	Arrange Meter Installation & Electricity Supplier at Strand Wharf
101637	£416.95	Baines Surveying Services	Contractor Administrator - Services Strand Wharf
101638	£21.25	Abbie Cotterell	Reimburse Expenses re notice boards
101639	£100.00	Cash	Top up petty cash
101640	£1,465.20	Edge IT Systems Ltd	Provision of Facilities & Finance Accounting Systems annual charge
101641	£217.80	VIP Security Services	Security for Stud 100 Event
101642	£540.00	Giles Wilson Solicitors	Attic Licence Draft
101643	£160.00	EALC	End of Year Accounting Training
101644	£132.00	Edge IT Systems Ltd	Accounting System Temporary Band Increase
101645	£130.00	Mr T R Machin	Magical Entertainer for Spring Spectacular
101646	£60.00	Phoenix Water Coolers Ltd	Plastic Cups
101647	£55.50	Mrs R Davies	Refund room hire cancelled booking
101648	£195.00	The Salvation Army	Community Transport – Minibus Hire

101649	£30.00	Kay Couzens	Dance workshop Feb half-term Comm Centre
101650	£48.75	JR Moore	Drama workshop Feb half-term Comm Centre
101651	£26.42	G Davison	Reimburse for Sash Window Screw Locks Comm Centre
101652	£46.20	Mayfield Cleaning Ltd	Bus Shelter cleaning February
101653	£30.00	Miss V Herron	Peter Pan Pirate themed workshop Feb half-term Comm Centre
101654	£37.00	Cally Davis	Story Telling Event Feb half-term Comm Centre
101655	£180.00	Misco Ltd	WiFi Access Points Problem
Bk Trs	£750.00	MDAS	ASA payment
Bk Trs	£400.00	LOSALGA	ASA payment
Bk Trs	£216.00	Aura Graphics	Farmer's Market - Bus Adverts
Bk Trs	£81.00	Urban Design & Print Ltd	Banner for Health & Wellbeing Fair CC
Bk Trs	£36,146.66	Valley Provincial Group LLP	Interim payment for Strand Wharf
Bk Trs	£150.00	LOSALGA	Clearing 2 Allotments Plots
Bk Trs	£20000.00	Payroll	To cover December payroll
Bk Trs	£22000.00	Payroll	To cover January payroll
Bk Trs	£22000.00	Payroll	To cover February payroll
Bk Trs	£125.00	Marshall Close	ASA payment
		Expenditure – Imprest Items	
	£60.00	Period Home Stores	Easel for CC
	£30.88	St John Ambulance	First Aid Supplies CC
	£19.99	Edes	Heater for Office
	£32.24	B & Q	Lock for Rear Gate & New Toilet Seat CC
	£9.36	TLC Basildon	Junction box for Wifi
	£30.05	CPC	Rackmount Shelf
	£197.94	Internet Retail Solutions	Curtain brackets & tracks Room 7 CC
	£43.44	Amazon	Cat5e cables
	£35.00	Solopress	Leaflets and Flyers for Spring Spectacular
	£271.00	Trade Carpets	Wood Vinyl CC

	£337.53	Screwfix	Water Troughs for Allotments
	£10.00	Ledlite Glass (Southend) Ltd	Glass Pane for rear of Cafe
		Expenditure – Direct Debits	
	£63.65	Global Payments	Card processing chgs Nov 15
	£158.48	GO CARDLESS (Verde Coffee Ltd)	Coffee Machine rental costs recoverable by LTC
	£348.52	Essex & Suffolk Water	Water rates LCC
	£68.71	The Calls Warehouse	Calls on 477248 CC
	£981.64	BES Electricity	Electricity CC
	£114.37	Essex & Suffolk Water	Marshall Close water rates
	£139.73	Cory Environmental	Bin collection CC
	£69.84	GO CARDLESS (Verde Coffee Ltd)	Coffee Machine rental costs recoverable by LTC
	£364.87	Anglian Water	Water rates CC
	£792.00	Southend Borough Council	Business rates CC
	£138.53	Wessex Products (Leasing) Ltd	Hand drier rental Jan-Apr 16 CC
	£94.80	GO CARDLESS (Verde Coffee Ltd)	Coffee machine rental costs recoverable by LTC
	£63.30	Global Payments	Card processing chgs Dec 15
	£82.56	British Telecomm	Line rental & calls 716287
	£430.31	British Telecomm	Line rental & new broadband install 477248 & 714063
	£225.54	British Telecomm	Line rental & calls 716288
	£67.79	The Calls Warehouse	Call charges 477248
	£981.52	BES Electricity	Electricity CC
	£18.98	Cory Commercial	Extra bin collection CC
	£144.28	Cory Commercial	Bin collection CC
	£258.18	Cory Commercial	Bin collection Skate Park
	£74.85	GO CARDLESS (Verde Coffee Ltd)	Coffee Machine rental costs recoverable by LTC
	£259.52	SSE	Gas CC
	£54.90	GO CARDLESS (Verde Coffee Ltd)	Coffee Machine rental costs recoverable by LTC
	£59.82	Global Payments	Card processing chgs Jan 15

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Income

Policy & Resources Committee	£71.82
Community Facilities Committee	£20,719.43
Environment & Leisure Committee	£1,949.39
Planning, Highways & Licensing Committee	0
Total	£22,740.64