



Prestatyn Town Council

Policy and Resources Sub Committee Agenda

***A meeting of the POLICY AND RESOURCES SUB COMMITTEE
is to be held in Prestatyn Town Council Offices, 7 Nant Hall Road,
Prestatyn, LL19 9LR on THURSDAY 23rd MARCH 2023 at 2pm***

1. ATTENDEES

2. APOLOGIES

3. DECLARATION OF INTEREST

To receive notice of Councillors personal and/or prejudicial interest in today's Proceedings as required by Code of Conduct legislation.

4. PUBLIC PARTICIPATION

5. MINUTES 16th FEBRUARY 2023

Appendix i

6. URGENT MATTERS ARISING

7. FINANCIAL REGULATIONS

Appendix ii

8. DATE OF NEXT MEETING



POLICY & RESOURCES REVIEW SUB-COMMITTEE

Minutes of Policy & Resources Review Sub-Committee meeting held on Thursday 16th February at 14.20pm – 15.50pm.

PRESENT

Cllr A. Tomlin (Chair), Cllr A. West (Vice Chair), and Cllr C. Evans

Mrs L. Fearn - Town Clerk/RFO and Mrs S. Hembrough- Office Manager.

APOLOGIES

Cllr B Murray and Cllr S. Frobisher.

DECLARATIONS OF INTEREST

To receive notice of Councillors personal and/or prejudicial interest in today's proceedings as required by Code of Conduct Legislation.

NONE RECEIVED

PUBLIC PARTICIPATION

NONE

MINUTES FOR TUESDAY 24TH JANUARY 2023

The minutes from the Policy and Review Sub-Committee meeting held on 24th January 2023 taken as a true record and signed by the Chair.

RECEIVED

URGENT MATTERS ARISING

Town Clerk/RFO informed the committee the Full Council's recommended amendments to Standing Orders have now been completed. Standing Orders will be on the AGM agenda for adoption.

ACCEPTED

CODE OF CONDUCT

Town Clerk/RFO informed that the Code of Conduct is a legal document and is not amended and should be adopted in its entirety. Only one change since the previous publication which is section 1 (ca).

Discussed briefly Prejudicial Interest, how members need leave the room during a meeting if applicable.

Code of Conduct will be added to March's Full Council agenda.

RESOLVED

Town Clerk/RFO has arranged Code of Conduct training for the councillors for 28th March at 3pm in the Chambers.

Town Clerk/RFO will be investigating other training modules such as Finance & Legal.

PRESTATYN TOWN COUNCIL PUBLICATION SCHEME

Document was discussed and the following amendments proposed.

Class 1 – Who we are and what we do.

- Committees - under review.

Class 2 – What we spend and how we spend it.

- Financial year - add the estimates to website.
- Auditors – add 'internal and external' wording.
- Finalised budget – add budget to website.
- Precept – add Precept form to website.
- Borrowing – add words 'awaiting updated report.'
- Standing Orders – add words 'under review.'
- Financial Regulations – add words 'under review.'
- Grants given split.
- Grants received split.
- Contractors – add words 'under review.'

Class 3 – What our priorities are and how we are doing.

- Plan - add words 'under development.'
- Annual Report - add words 'under development.'
- Local Charter add links to WAG and OVW and WLGA websites.

Class 4 – How we make decisions.

- By-laws add link to DCC website.

Class 5 – Our policies and procedures

- Standing Orders – add words 'under review.'
- Committees – add words 'under review.'
- Delegated Authority – add words 'under review.'
- Code of Conduct - add words 'under review.'
- Policy Statement – add words 'under review.'
- Internal Policies – add words 'under review.'
- Equality and Diversity – add words 'under review.'
- Health and Safety – add words 'under review.'
- Recruitment – add words 'under review.'
- Policies Handling Information – add words 'under review.'
- Complaints – add words. 'Under review.'
- Information Security – add words 'under review.'
- Record Management – add words 'under development.'
- Data Protection – add words 'under review.'

- Schedule of Charges – under review.

Class 6 – Lists and Registers

- Register – add words 'under review.'
- FA – add words 'under review.'

Class 7 – The Services we offer.

- Allotments– need to add a list of sites and add link to website.
- Burial – need to add a list of sites and add link to website.
- Community Centre – need to add a list of sites and add link to website.
- Parks – need to add a list of sites and add link to website.
- Seating, Clocks, and lighting – add words 'under review.'
- Bus Shelters – 'under review.'
- Litter Bins – add link to DCC website.
- Memorials – add link to DCC website.
- Markets - N/A.
- Public conveniences – add link to DCC website.
- Agency agreements – N/A.
- Summary of services – add words 'under review.'

Add phone number to the bottom of the document.

All items once reviewed to state available Town Council website or copies from Town Clerk.

Town Clerk/RFO informed that until changes have been made nothing will go on website.

Town Clerk/RFO is investigating developing the website to include separate tabs for each of the community centres and links to their site.

Once amendments have been done Policy will be added to March's Agenda of Full Council.
RESOLVED

FINANCIAL REGULATIONS

Town Clerk shared a copy of the proposed draft Financial Regulations for discussion.

Explained the model Financial Regulations 2018 updated in May 2022 have been provided by One Voice Wales.

Prestatyn Town Council's previous Financial Regulations have been cross checked and highlighted numbers in blue are references.

Yellow highlighted text is specific to Prestatyn Town Council's previous regulations.

Red type needs to be addressed.

Highlighted grey are queries for discussion.

4.4 Should be amended and insert 'Prestatyn Town Council use The Green Book – NJC' which is in all staff contracts and protects both the council and staff. Clwyd for pensions, NJC scales for salaries, statutory maternity pay, etc.

Note: -

This year managed to absorb two years' salary increases due to staffing levels being lower than usual.

Next year high pension contributions due to Prestatyn Town Council's pension value and actuaries. Not been budgeted for as only been informed recently.

Also pay rise due in April which maybe more than predicted due to cost-of-living crisis.

5.2 This procedure has never happened at Prestatyn Town Council so needs to change to reflect the process. Presently 2 people do not sign as authority is not set up. Waiting for Barclays to sort out. Minimum two Councillors approve BACS payment schedule via email.

5.4 A procurement policy is needed.

5.12 Town Clerk/RFO is adopting a new BACS procedure through Barclays NETBAC system. This will allow various levels of authority for staff. Which will meet auditor's requirement. Monthly charge is replacing paper charge for statements which are now done in the office. Add 'Councillors' as duly authorised offices.

Credit Card has yet to be used. Procedure to be written into Financial Regulations along with one for Debit Card usage.

Petty Cash procedure needs to be amended to meet auditing regulations.

11.1 (e) and (g) Proposed to increase the threshold level for having to go out to Tender, as they are a lot of work to do for a small value. Need then to reflect in the threshold to obtain quotes (not estimates).

EU reference needs to be queried with OVW.

Financial Regulations must reflect Prestatyn Town Council's procedures and also support Standing Orders.

Cllr Tomlin proposed everyone to read the draft and invite Cllr Holiday and Cllr Matthews to attend a sub-committee meeting so can discuss this further.

Town Clerk to send an electronic copy to all committee members.

Town Clerk to arrange the next meeting with Chair and Vice Chair of Finance and Management to discuss the proposed Financial Regulations.

Town Clerk to set a date and circulate agenda with a copy of the Financial Regulations.

RESOVLED

NEXT MEETING DATE TO BE CONFIRMED

Chair _____



FINANCIAL REGULATIONS

**REVIEWED AND APPROVED BY
PRESTATYN TOWN COUNCIL
ON XX/XX/XXXX**

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1. GENERAL

1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders¹ and any individual financial regulations relating to contracts. [1.1]

1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.

1.3. The Council's accounting control systems must include measures:

- for the timely production of accounts;
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- identifying the duties of officers.

1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute and may represent a breach in the Councillor's Code of Conduct

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. **[The Town Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.]**

[1.2]

1.9. The RFO;

- acts under the policy direction of the Council;
- administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the Council up to date in accordance with proper practices;
- assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the Council. [1.2][1.9]

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 comply with the

¹ Model standing orders for Councils 2019 Edition are available from NALC (© NALC 2019)

Accounts and Audit (Wales) Regulations and to prepare additional or management information, as the case may be, to be prepared for the Council from time to time.

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;
- 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 **£5000** and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit (Wales) Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 39 of the Public Audit (Wales) Act 2004, 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 in Wales - A Practitioners' Guide issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit (Wales) Regulations, appropriate guidance and proper practices. [4.1]

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

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 (Wales) Regulations. [4.2]

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. [4.4]

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 Public Audit (Wales) Act 2004, or any superseding legislation, and the Accounts and Audit (Wales) Regulations.

2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

3.1. [The Council 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 January each year including any proposals for revising the forecast]. [\[2.1\]](#)

3.2. The RFO must each year, by no later than January 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 Council. [\[2.2\]](#)

3.3. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.4. The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget. [\[2.3\]](#)

3.5. The approved annual budget shall form the basis of financial control for the ensuing year. [\[2.4\]](#)

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by: [\[3.1\]](#)

- the Council for all items over **£5000.00**
- a duly delegated committee of the Council for items over **£500.00**; or
- the Town Clerk/RFO, in conjunction with Mayor/Chair of Council or Mayor/Chair of the appropriate committee, for any items below **£500.00**.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk/RFO, and where necessary also by the appropriate Mayor/Chair.

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

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement'). [\[3.2\]](#)

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year. [\[3.6\]](#)

4.4. The salary budgets are to be reviewed at least annually in [October] for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Clerk/RFO and the Mayor/Chair 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. **NJC Green Book**

4.5. In cases of extreme risk to the delivery of Council services, the Town Clerk/RFO may authorise revenue expenditure on behalf of the Council which in the Town Clerk/RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of

[£1500]. The Town Clerk/RFO shall report such action to the Mayor/Chair as soon as possible and to the Council as soon as practicable thereafter. Where expenditure is incurred in accordance with this regulation and the sum required cannot be met from savings made elsewhere within that committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Finance and Management Committee (as determined by AGM) or the Council. [3.4][3.5]

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. [3.7]

4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts. [3.8]

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 [£100] or [15%] of the budget. [3.3]

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

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. [The Council shall seek credit references in respect of members or employees who act as signatories]. [5.1]

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council. The approved schedule shall be ruled off and initialled by the Mayor/Chair 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. [5.2]

Cheques and auto pay sheets drawn on bank accounts in accordance with the schedule referred to in the previous paragraph shall be signed by two of the following officers - the Town Clerk/RFO, Mayor/Chair and Deputy Mayor/Chair of Finance and Management Committee (as determined by AGM), Mayor, Deputy Mayor or other duly authorised officers. Councillors [5.3]

5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council. [6.2]

5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting. The RFO shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt unless conditions of sale require a lesser period [6.3]

5.5. The Town Clerk/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 Town Clerk/RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council
- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council **[or Finance and Management committee]**

5.6. For each financial year the Town Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council **[or Finance and Management 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 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 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.

5.12. Electronic On-line Banking; The benefits of online banking are well documented and include immediate access to bank statements, monitoring of transactions, faster payments, reduction in missing payments and lost cheques, and easier bank reconciliation process.

Councils' current financial regulations require cheques to be signed by two named councillor's plus the Town Clerk/RFO. This system will remain in place for all cheque payments. The procedure adopted for online banking services needs to reflect this process. Following discussion with banking authority, and Chair of Finance Management Committee it is recommended that the following procedure be incorporated into Council Financial Regulations: -

Online Banking

Officer access to on-line banking should be password and key code protected with each approved person navigating their own access codes. No single person may authorise any payment.

- Step 1. Payments will be input online by the Finance Officer upon receipt of approved invoices. This person will not have authority to authorise any payment.

- Step 2. A schedule of payments from invoices is prepared. The schedule of payments with supporting invoices is to be presented and duly signed by two named and approved Town Councillors.
- Step 3. The signature of Town Clerk/RFO is also required on the schedule of payments. The Town Clerk/RFO will then complete the online banking process.

The retrospective schedule of payments will be presented at the next Finance and Management Committee.

NET BANKING

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 Town Clerk/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 [\[6.1\]](#)

6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or committee shall be signed by two member[s] of Council, in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

6.6. Cheques or orders for payment shall not normally be presented for signature other than at a Council (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council at the next convenient 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 Mayor/Chair 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 Town Clerk/RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by [two of] the Town Clerk/RFO and/or [a member]. 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 Town Clerk/RFO and will also be restricted to a single transaction maximum value of [£500] unless authorised by Council or finance committee in writing before any order is placed.

6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council [Finance and Management Committee]. Transactions and purchases made will be reported to the [Council][relevant committee] and authority for topping-up shall be at the discretion of the [Council][relevant committee]

6.20. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Town Clerk/RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.

6.21. [The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Town Clerk/RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.]

OR

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 **[£250]** 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. **[7.1]**

7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the **[Council]**

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than: a) by any Councillor who can demonstrate a need to know; b) by the internal auditor; c) by the external auditor; or d) by any person authorised under Public Audit (Wales) Act 2004, 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. [8.1]

8.2. Any financial arrangement which does not require formal borrowing approval from the Welsh 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 Mayor/Chair of the Council at the same time as one is issued to the Town Clerk/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. [8.2]

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. [8.3]

8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO. [8.4]

8.8. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO. [9.1]

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. [9.2]

9.3. The Council will review all fees and charges at least annually, following a report of the Town Clerk/RFO. [9.3]

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. [9.4]

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. [9.5]

9.6. The origin of each receipt shall be entered on the paying-in slip. [9.6]

9.7. Personal cheques shall not be cashed out of money held on behalf of the Council. [9.8]

9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

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

9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Regulation 16 below)]

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained. [10.1]

10.2. Order books shall be controlled by the RFO. [10.2]

10.3. All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below. [10.3]

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 (v) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for specialist services such as are provided by legal professionals acting in disputes;
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- v. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price. [All 11.1(a)]

b. The full requirements of The Public Contracts Regulations 2015 ("the Regulations"), as applicable, shall be followed in respect of the tendering and award of a public supply contract,

public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

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. **[11.1(c)][11.1(d)]**

d. Such invitation to tender shall state the general nature of the intended contract and the Town Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Town Clerk/RFO in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

[11.1(e)]

e. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council. **If less than three tenders are received for contracts valued above £5,000 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** **[11.1(f)][11.1(g)]**

f. Any invitation to tender issued under this regulation shall be subject to Standing Orders and shall refer to the terms of the Bribery Act 2010.

g. When it is to enter into a contract of less than **£25,000**³ in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Town Clerk/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below **£5,000** and above **£2,500** the Town Clerk/RFO shall strive to obtain 3 quotes. **For expenditure of £2,500 or less in value the Chair of Finance and management Committee (as determined by AGM) or his appointed Deputy Chair and Mayor or Deputy Mayor together with the Town Clerk/RFO shall have delegated authority. Otherwise, Regulation 10.3 above shall apply.**

[11.1(b)]

h. The Council shall not be obliged to accept the lowest or any tender, quote or estimate. **[11.1(h)]**

i. 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.

11.2. The Proper Officer shall maintain a register of personal interests, in respect of both members and senior staff.

a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

² Thresholds currently available are;

a. For public supply and public service contracts 209,000 Euros (£181,302)
b. For public works contracts 5,225,000 Euros (£4,551,413)

³ This suggested figure is based on the sum above which special rules are applicable (under the Regulations) to Councils in England and is therefore considered an appropriate threshold.

b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not. [All 11.1(h)]

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). [12.1]

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 (where the sum exceeds £5,000) a report shall be submitted to the Council. [12.2]

12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Town Clerk/RFO to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.] [12.3]

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. [13.1]

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. [13.2]

13.3. Stocks shall be kept at the minimum levels consistent with operational requirements. [13.3]

13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually. [13.4]

14. ASSETS, PROPERTIES AND ESTATES

14.1. The Town Clerk/RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit (Wales) Regulations. [14.1]

14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed [£250] [14.2]

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

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning

permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.5. Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a full business case.

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

15. INSURANCE

15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers [in consultation with the Town Clerk/RFO]. [15.1]

15.2. [The Town Clerk/RFO shall give prompt notification to the Chair/Vice Chair the Finance and Management Committee (as determined by AGM) of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.] [15.2]

15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it. [15.3]

15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting. [15.4]

15.5. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the Council, or duly delegated committee. [15.5]

16. CHARITIES

16.1. Where the Council is sole managing trustee of a charitable body the Town Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law, or as determined by the Charity Commission. The Town Clerk/RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.]

17. RISK MANAGEMENT

17.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk/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.

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

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

18.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town Clerk/RFO shall make arrangements to monitor changes in legislation or

proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations. [18.1]

18.2. 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.

18.3. In all Joint County / Town schemes the Principal Authority is expected to execute all works in accordance with its own standing orders and financial regulations. In such circumstances Town Council requirements will be waived in favour of the Principal Authority [17]

Notes to the Model.

Stated dates or months may be changed to suit local circumstances.

[square brackets] This part may be deleted if not relevant. An alternative may have been provided.

Where the word "regularly" is used in the text it is for the individual Council to set the required interval, monthly, quarterly, or half-yearly. This period should never exceed 12 months.

The value inserted in square brackets in [...] any of the paragraphs (other than the EU Procurement and Public Contract Regulations 2015 thresholds referred to in 11.1(k)) may be varied by the Council and should be reviewed regularly and confirmed annually by the Council.

The appropriate approved list referred to in paragraph 11.1 (b) shall be a list drawn up by the Clerk and approved by Council but normally shall be based on the list maintained by the District Council for such works if such list is maintained. In the absence of an appropriate list, the words in square brackets should be omitted.

Every effort has been made to ensure that the contents of this document are correct at time of publication. One Voice Wales (OVW) cannot accept responsibility for errors, omissions, and changes to information subsequent to publication.

KEY

Entries highlighted YELLOW are PTC-specific additions.

Numbered entries at end of text refer to original PTC Fin Regs - e.g.; [12.1]

Any entries in red bold type require addressing/confirming.

Grey highlighted needs to be changed.