

SWINFEN AND PACKINGTON PARISH COUNCIL

Ms Jayne Minor
6 Highfield Close
Burntwood
WS7 9AR

E-Mail: jayneminor@talktalk.net
Web Site: www.swinfenandpackington.org.uk

Our Ref: JM

04 March 2020

To: All Members of the Parish Council

Dear Councillor

You are hereby summoned to attend the Meeting of the Parish Council to be held in the **Conference Room 1, Conference Centre, HMP Swinfen on Wednesday 11 March 2020 commencing 7:00 pm** at which the business set out below will be transacted.

Yours sincerely

Jayne Minor

Jayne Minor (Ms)
Parish Clerk

| |
|--------|
| AGENDA |
|--------|

PUBLIC FORUM

A maximum of 15 minutes will be allocated prior to the commencement of the meeting when members of the public may put questions/comments on any matter in relation to which the Parish Council has powers or duties which affect the area (see notes at the end of the Agenda).

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST AND DISPENSATION

To receive declarations of any personal or prejudicial interest under consideration on the Agenda in accordance with the Parish Town Councils (Model Code of Conduct) Order 2007.

3. MINUTES

To approve as a correct record the Minutes of the Meeting of the Parish Council held on 15 January 2020 [Minute Nos. 47-55] [ENCLOSURE].

4. CHAIRMAN'S ANNOUNCEMENTS

5. THE HIGH SPEED RAIL PLANS

Members are requested to debate the up to date position relating to the High Speed Rail Plans.

6. CODE OF CONDUIT PRESENTATION

Members are requested to receive and note the Code of Conduit presentation produced by Christie Tims, Head of Corporate Services and Monitoring Officer, Lichfield District Council [ENCLOSURE].

7. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

Members are requested to receive and note the attached report [ENCLOSURE].

8. STATEMENT OF INTERNAL CONTROL AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

Members are requested to receive and note the attached report [ENCLOSURE].

9. REVISED FINANCIAL REGULATIONS

Members are requested to adopt the revised Financial Regulations following guidance received from the National Association of Local Councils [NALC] [ENCLOSURE]

10. STAFFORDSHIRE PARISH COUNCILS' ASSOCIATION (SPCA)

Members are requested to consider renewal of membership of the SPCA at a cost of £129 per annum.

The Association was founded in 1939 and:

- Saves you time and money by streamlining your Council's "business" using model documents.
- Provides legal/financial advice.
- Provides free quarterly newsletters to all Clerks/Councillors to keep Councils in touch with the latest developments.
- Suggests sources of funding for projects and provides guidance and advice on public sector borrowing approval
- Provides access to a database of suppliers who provide products and services for Councils, website design, Council notice boards, playground equipment, shelters, bins etc.

11. EXCLUSION OF THE PRESS AND PUBLIC

The Chairman will move:

That under the Public Bodies (Admissions to Meetings) Act 1960 (Section 2) (and as expended by Section 100 of the Local Government Act 1972), the press and public be excluded from the

meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information.

12. PARISH CLERK'S SALARY

Members are requested to approve the payment of the Parish Clerk's February 2020 and March 2020 salary [PINK ENCLOSURE].

13. DATE AND TIME FOR NEXT PARISH COUNCIL MEETINGS

The next Parish Council Meeting on Wednesday 20 May 2020 in the Conference Room 1, Conference Centre, HMP Swinfen commencing 7:00 pm.

PUBLIC FORUM SESSION AT PARISH COUNCIL MEETINGS

Residents of Swinfen and Packington Parish Council have an opportunity to speak at each Parish Council meeting:

1. *The Public Forum session will usually be the first item on the Agenda.*
2. *The Public Forum will last up to 15 minutes and members of the public can ask the Parish Council a question (or make a statement).*
3. *Your statement or question must relate to a matter of special relevance to Swinfen and Packington or within the responsibility of the Parish Council.*
4. *Matters relating to the conduct of any individual councillor or officer will not be permitted – in such circumstances you should write to the Parish Council.*
5. *You will be allowed to speak for up to 3 minutes and you can raise more than one issue within the overall limit of 3 minutes allowed to you.*
6. *After each speaker the Chairman of the Parish Council (or his/her representative) will answer the question or give notice that he/she will provide a written answer as soon as possible.*

If a written answer is to be given this will be sent to you at your stated address.

**MINUTES OF THE SWINFEN AND PACKINGTON PARISH COUNCIL ANNUAL MEETING HELD AT
THE CONFERENCE ROOM 1, CONFERENCE CENTRE, HMP SWINFEN ON
WEDNESDAY 15 JANUARY 2020 COMMENCING AT 7.00 PM**

PRESENT

Councillor Barnes in the Chair
Councillors Dyott, Loescher and Mrs Pope

In attendance:

Ms J Minor, Parish Clerk
District Councillor D Pullen, Leader, Lichfield District Council

District Councillor Pullen was welcomed to the meeting.

Councillor Barnes made reference to the Friars Gate Development. District Councillor Pullen gave a brief history into the Friars Gate Development which collapsed a couple of years ago. District Councillor Pullen explained that David Lock Associates [specialists in town planning and urban design] had produced a draft masterplan for Lichfield City Centre on Lichfield District Council's behalf, supported by Springboard [city centre characterisation specialists and Integrated Transport Planning].

The masterplan will shape the future growth of the city centre, set out opportunities for enhancing the quality of the environment and the range of different uses it offers, and provide a prospectus for investment in Lichfield. In partnership with the district council, David Lock Associates is running a public consultation on the draft masterplan from Monday 6 January to Monday 3 February 2020. It was **AGREED** that the Parish Clerk would forward a link to the plan to all Councillors].

District Councillor Pullen explained that the consultation offers a great opportunity for people to have their say. The masterplan sets out four key developments for the city centre, while being mindful of the historic character and identity of the city. The draft masterplan aims to be aspirational, setting out a clear direction for the future development of the city centre, but is also realistic, having regard to what is achievable and, importantly, deliverable.

Councillor Barnes stated that he felt that Lichfield was a unique place. Councillor Dyott made reference to decent adequate parking provision and District Councillor Pullen said that the District Council were looking at a Strategic Parking Plan in respect of Council-run car parks [at present a flat rate charge is applied to the council-run car parks on a Sunday. It is proposed to regularise this and apply the same charges throughout the rest of the week]. District Councillor Pullen explained that while many local residents will have knowledge of the car parks and the scope to park at any one-time given demand, this will not always be the case and certainly for new visitors to the city. It is therefore important that information is available to inform people where car parks are and the availability of spaces. Variable messaging is a means of addressing this and is an area being considered subject to the necessary resources being available [the Council currently holds a sum of approximately £40,000 to go towards this technology]. Councillor Loescher made reference to short stay parking.

Councillor Barnes made reference to the sad situation regarding a homeless lady situated by WHSmith. District Councillor Pullen explained that there were multi agencies involved and stated that in Lichfield there are what is called drop off beggars, approximately 5 rough sleepers and a few hundred homeless people of no fixed address but staying with family or friends.

Councillor Barnes felt that it was sad that a deal could not be achieved to enable Marks and Spencer to stay in the City Centre however he made reference to St Marys and the Cathedral.

Councillor Barnes made reference to the former Angel Croft Hotel and stated that the proposed development was bigger than what was envisaged.

Councillor Dyott asked for the District Council's support in respect of the A51 [flooding]. Councillor Barnes made reference to the A51 adjacent to a house known as "All The Winds" and the golf course. Councillor Barnes explained that it is highly dangerous with water lying across the road both ways and the traffic has to move single file to pass in each direction. Indeed, the police often put up a "Caution Water" sign. Zero maintenance has been carried out regarding the run off areas on the golf course side. Just sucking out the drain man holes is only part of the maintenance program. The grips have never been touched and are overgrown. It has been an ongoing issue and a regular occurrence. It was **AGREED** that the Parish Clerk would forward the photographs taken by Councillor Barnes to District Councillor Pullen.

Councillor Barnes made reference to the food bank at Wade Street Church and District Councillor Pullen confirmed that the council does not have any involvement.

Councillor Barnes made reference to the former Police Station in Frog Lane. District Councillor Pullen confirmed that fencing was going up at a key site in Lichfield City Centre, which is the first step in the work to improve the Birmingham Road site before it is developed in the future. Lichfield District Council has appointed The Coleman Group to carry out the Birmingham Road site improvement works. The project includes demolishing the former police station and bus station buildings, creating extra coach parking, refreshing the bus station, installing temporary toilets, landscaping the area and moving the bus station long-stay car park. The work will make the area safer, more useful and attractive, and provide a better route into the city from the train and bus stations.

For information the short-term Birmingham Road works will be completed in the following phases:

- **Compound & site set up currently underway:** Site compound set-up and fencing will go up around the former police station and the site compound will be set up. A tree next to the building will be pruned to protect it.
- **Demolishing the former police station:** The former police station interior fittings will be taken out, including asbestos removal, before the building is demolished. This is expected to take around nine weeks.
- **Bus station improvements:** Street furniture will be removed from the bus station and the bus station car park. Temporary bus stops will be in use while the area is re-tarmacked and the bus station is refreshed. The bus station will remain open, although parts of it will close in phases.
- **Closure of bus station car park:** The 50-space bus station car park is expected to close towards the end of January/early February. Once resurfaced, this area will be used

for new coach parking. There will be a number of weeks between the closure of this car park and the opening of the replacement car park. For nearby car parks visit www.lichfielddc.gov.uk/carparkmap.

- **New temporary car park:** Following the demolition of the police station, the replacement 56-space long-stay car park, footpaths and street furniture will be installed.
- **Bus station buildings and toilets:** New Healthmatic temporary toilets will be opened, ahead of the demolition of the bus station shop, kiosk and toilets.
- **Landscaping:** The former sites of the police station and bus station buildings will be landscaped.

PUBLIC FORUM

No members of the public were present.

47. APOLOGIES FOR ABSENCE

Councillor Armstrong.

48. DECLARATIONS OF INTEREST

None declared.

49. MINUTES

RESOLVED That the Minutes of the Meeting of the Parish Council held on 13 November 2019 [Minute Nos. 36-46] as circulated, be approved as a correct record and signed by the Chairman.

50. CHAIRMAN'S ANNOUNCEMENTS

Levett Road

Councillor Barnes advised Members that an email had been received from Mr Richard Pitt, Senior Planning Manager, Bromford [a charitable housing association who currently manage over 40,000 homes, many of which are within Lichfield District – in recent years they have completed the development in Levett Road of 21 affordable homes]. Mr Pitt stated that Bromford had been approached by the owner of the field adjacent to Levett Road about the possibility of providing a further development of 18 affordable homes]. They have had initial conversations with the Planning Department about this opportunity, however, because the site is located in the Green Belt, they would need to be able to demonstrate very special circumstances [a very special circumstance could be a particularly acute need within the local community for more affordable homes. Councillor Barnes advised that the only comments he made to Mr Pitt is that the Military Barracks at Whittington has a growing number of staff and often said that they struggle to find affordable local housing. However on

the flip side he was led to believe the main sewer is actually overloaded on this site so would need an upgrade. Also a one way traffic system would be a major bonus as many more vehicles use this site and cars parked outside the houses causes a lot of issues. It would easily be avoided with a one way round system back on to Jerry's Lane.

Packington Hall

The Chairman updated Members and confirmed that there was work of plenty at the moment however there was a problem with the gas supply.

Bus Shelter

The Parish Clerk showed photographs of the new seating in the bus shelter that had recently been installed [cheque number 100536].

51. THE HIGH SPEED RAIL PLANS

Councillor Loescher informed Members that at the meeting held on 17 December 2019 there was some progress:

- The commitment to the early construction and planting on the bund was welcome
- The agreement to visit to look at the extent of the bund and where further planting could take place to give Swinfen and Packington a share of the "green corridor" was welcome.

Other issues continue to give concern:

- We note that HS2 Ltd have not yet carried out a proper noise assessment regarding the effects of raising the height of the line. Despite what we were told at the meeting in July 2019, we have now been told this is only a "work in progress".
- We still have not had satisfactory answers as to why the bund cannot be 5 metres high as requested by the local community.
- We now understand that further buildings at Packington Moor Farm (including possibly the farmhouse) may now be demolished in addition to those schedules in the Act. This may not be a bad thing of itself, but these buildings do provide mitigation in themselves. This makes the extent of the bund and planting even more critical in that vicinity. Any further demolition will require approval from Lichfield District Council.
- As indicated by Councillor Dyott engagement in other local area's is poor despite assurances to Parliament.
- The time taken to resolve these issues is causing continued uncertainty and stress.

It was **AGREED** that Councillor Loescher would draft an email to HS2 which would be sent by the Parish Clerk.

52. CRIME WITHIN THE PARISH

RESOLVED That the information provided by Sgt 4931 Kevin Royce be received and noted.

[District Councillor Pullen left the meeting at 7.40 pm]

53. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED That under the Public Bodies (Admissions to Meetings) Act 1960 (Section 2) (and as expended by Section 100 of the Local Government Act 1972), the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information.

54. PARISH CLERK'S SALARY

RESOLVED That cheques be drawn in respect of the Parish Clerk's December 2019 (**cheque number 100524**) and January 2020 (**cheque number 100527**) salary, HMRC - December 2019 (**cheque number 100526**), Staffordshire Pension Fund - December 2019 (**cheque number 100525**), HMRC - January 2020 (**cheque number 100529**) and Staffordshire Pension Fund - January 2020 (**cheque number 100528**).

55. DATE, VENUE AND TIME FOR NEXT PARISH COUNCIL MEETING

RESOLVED That:
Wednesday 11 March 2020
Wednesday 20 May 2020 [Annual General Meeting]

in the Conference Room 1, Conference Centre, HMP Swinfen commencing 7.00 p.m.
be confirmed as the next Parish Council meetings.

(The Meeting closed at 7.45 pm)

Signed

Dated



Christie Tims

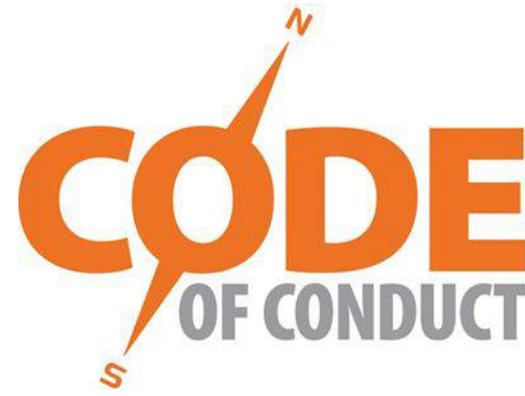
Head of Corporate Services and Monitoring Officer

Topics

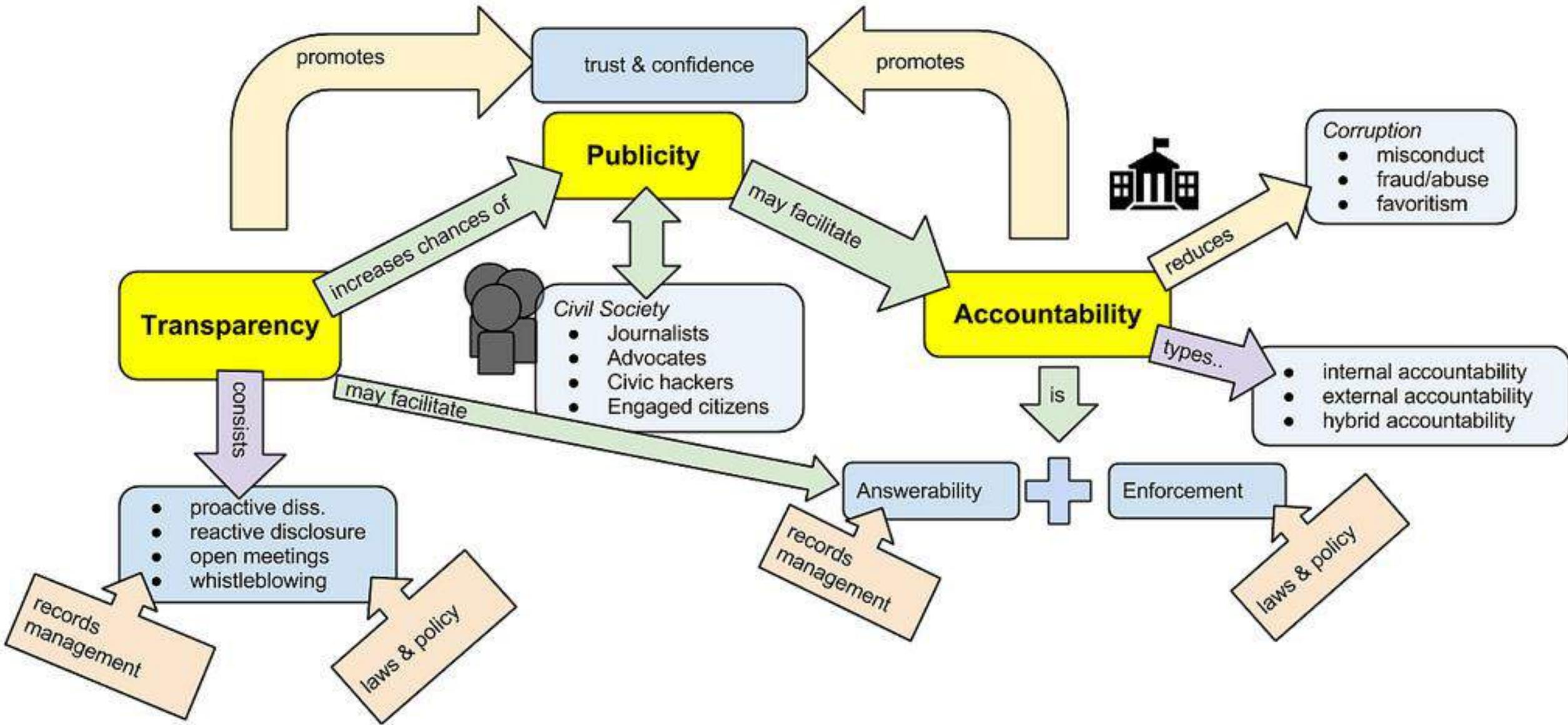
- Transparency & accountability
- Code of Conduct
- Member complaints process
- Disclosable pecuniary interests
- Bias and pre-determinations

Why have a Code of Conduct?

- Required by Section 27 of the Localism Act, 2011
- Part of your constitution
- “Maintain high standards of conduct by members”
- Must be followed:
 - when conducting the work of the council
 - Representing the council
 - Otherwise acting in your official capacity
- Does not apply to your private and personal life –
but arguably, being a public figure makes this hard to determine

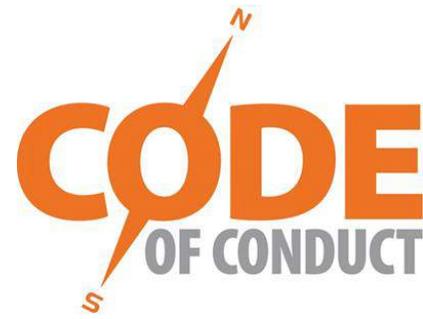


Open Gov: Transparency and Accountability Explained



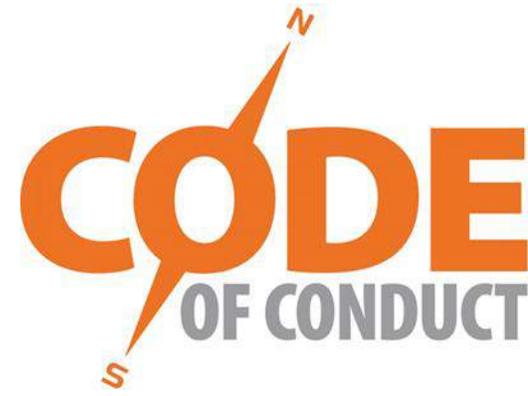
Standards of conduct – Seven Nolan Principles

- Selflessness – serve the public interest
- Honesty – be honest regarding your interests
- Integrity – to act in a way that demonstrates this
- Objectivity – make decisions based on merit
- Accountability – co-operate with scrutiny
- Openness – be prepared to give reasons
- Leadership – maintain high standards of conduct



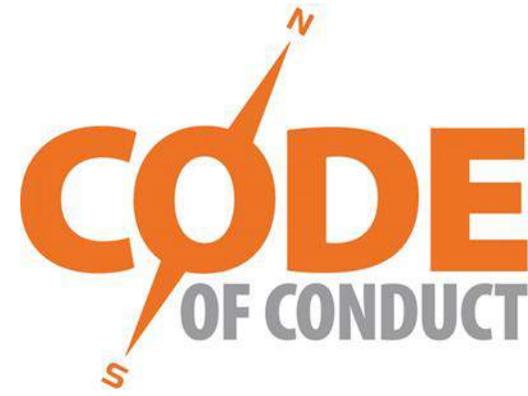
Standards of conduct

- To behave in a way that protects the reputation of the Council and confidence in democracy
- To not breach the equality act
- To not act in a manner that could be considered bullying
- To declare all interests



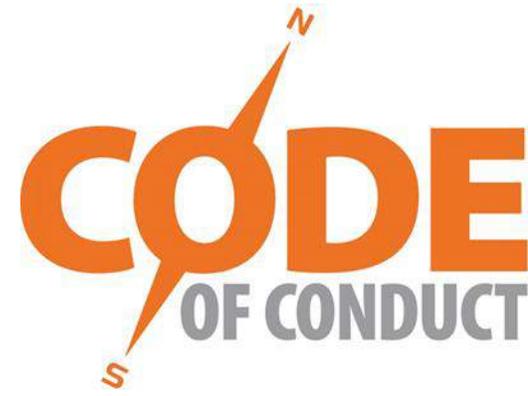
Procedure for complaints

- Monitoring Officer and Independent Person undertake initial assessment
- Tests applied – in office, acting in capacity, in scope of the code
- Local resolution **or**
- Referral for hearing before Audit and Member Standards Committee



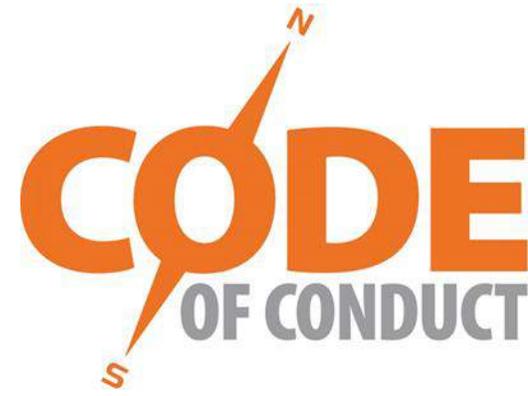
Local Resolution

- MO will consult with complainant
- Member accepts conduct was unacceptable
- Offer of apology or other action
- MO reports to Audit & Member Standards Committee (and Clerk to Parish Council)



Hearing before Committee

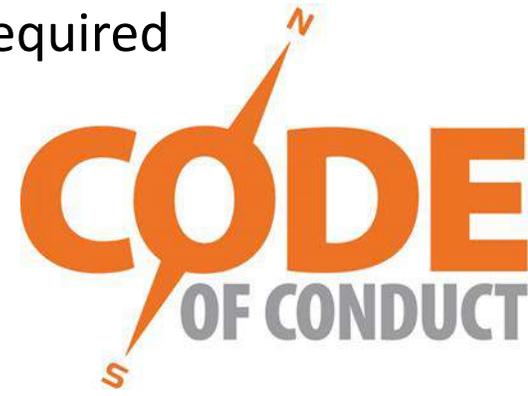
- Determine if Member has failed to comply with Code of Conduct
- What action, if any, to be taken:
 - Censure
 - Request written apology
 - Request undertake training
 - Requests conciliation
 - Report to relevant Council with recommendation
 - Group disciplinary action
 - Issue press release



Local Government Ethical Standards

Committee on Standards in Public Life states the code should:

- include a definition of bullying and harassment, supplemented with a list of examples
- require Councillors to comply with any formal standards investigation
- prohibit trivial or malicious allegations by Councillors
- be reviewed regularly and seek the views of the public
- be accessible to both Councillors and the public, in a prominent position on a Council's website
- have clear guidance on how to make a complaint and public interest test that will apply
- use an Independent Person to determine if a formal investigation is required
- decision notice should be published as soon as possible
- report on separate bodies created by the Council
- senior officers meet regularly to discuss standards



Future Developments

The LGA is reviewing and updating the member model code of conduct. The member model code of conduct is suggested national good practice, and councils can adopt this code, or adopt their own local code.

The LGA's objectives in reviewing the model code of conduct are to:

- articulate what local government believes are good standards for all in public office
- show leadership in good standards of conduct for those in public office, both elected and as employees
- achieve consensus between the stakeholders affected by local government conduct
- support its member councils and partners in achieving good standards of conduct
- produce a code that is fit for purpose, useful and held in high regard
- enhance the reputation of local government and local politicians
- support all democratically elected local representatives to deliver their best on behalf of their local communities
- support the good running of councils
- build on the good practice that already exists within member councils





**KEEP
CALM
AND FOLLOW
THE CODE
OF CONDUCT**

COC do's and dont's

- Do be professional and civil at all times when on any official business
- Do consider the impact you are making when you interact with those who are aware you are a councillor and at public meetings
- Do clarify your position or comments if asked to do so, particularly by your group leader, chair or the monitoring officer
- Do consider the reputation of your council and the impact your behaviour could have on public confidence in democracy
- Don't use your position for personal gain or to bully
- Don't be personal. It's OK to disagree but if you offend someone you must apologise



Declarations of interest



Declaration of interests

- Notify monitoring officer within 28 days of any pecuniary interest
- Keep your register of interests up to date
- Interests include:
 - Employment, office, trade, profession or vocation
 - Sponsorship
 - Contracts
 - Land
 - Licences
 - Corporate tenancies
 - Securities (over £25,000 or 1/100th share capital)



Disclosable pecuniary interest

- An interest of yourself, or
- An interest of:
 - your spouse or civil partner
 - a person with whom you are living as husband and wife, or
 - a person with whom you are living as if they were civil partners
 - and you are aware that the other person has the interest
- Also gifts and hospitality with estimated value of at least £50 received in your role as councillor must be entered on the register
- Again all interests/gifts must be declared within 28 days



Disclosure at meetings



- Applicable to all meetings and committees where you have an interest
- If not already registered, you must disclose at the meeting
- After the meeting you must submit the interest to the register
- You may not:
 - Participate or participate further in any other discussion of the matter at the meeting
 - Participate in any vote, or further vote taken on the matter
- You can attend a meeting for the purposes of making representation, answering questions or giving evidence provided that public can.



Section 31/34
Localism Act 2011



[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/240134/Openness and transparency on personal interests.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/240134/Openness_and_transparency_on_personal_interests.pdf)

<http://publicsectorblog.practi callaw.com/first-conviction-of-a-councillor-under-the-localism-act-2011/>

Criminal Offences

- Not notify Monitoring Officer of any DPIs within 28 days of taking office
- Not disclose DPI in a matter being considered
- Not notify Monitoring Officer of that interest within 28 days
- Participate in a debate or vote when you have a DPI*
- Provide false or misleading information

*unless a dispensation is provided





RIGHT

OR

WRONG



Bias and Predetermination

- Don't have DPI (as you don't have a direct financial interest in a matter) but prevented from taking part due to bias or pre-determination
- Part of general legal obligation on public authorities to act fairly

- Entitled to be predisposed to particular views
- Pre-determination – where the mind is closed to any other possibility beyond that predisposition

BIAS

Predetermination test

- would a **fair minded** and **well informed observer**, looking **objectively** at all the circumstances, consider that there is a **real risk** that one or more of the decision makers has **refused even to consider a relevant argument** or would refuse to consider a new argument?
- A decision maker is not to be taken to have had, or to have appeared to have had, a closed mind when making a decision **just because** –
 - (a) the decision maker had previously done anything that directly or indirectly indicated what view the decision maker took, or would or might take in relation to a matter, and
 - (b) the matter was relevant to the decision.
- Section 25 Localism Act 2011

BIAS

Predetermination Guidance

- Avoid giving the impression you have made up your mind prior to the meeting
- If you do comment in advance – use a form of words that makes it clear that you have yet to make up your mind
- Beware chance encounters and meetings which are not minuted
- Manifesto commitments and policy statements = legitimate predisposition
- Receipt of relevant training & agreed to Code of Conduct
- An open mind is not an empty mind, but it is ajar



BIAS

Key Questions

- What would you do?
- How could this situation be avoided?
- What might be the next steps/course of action to take?
- What would be the consequences?



SWINFEN AND PACKINGTON PARISH COUNCIL

REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

1. OVERVIEW

- 1.1 The Local Audit and Accountability Act 2014 imposes a duty on local councils to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control”.
- 1.2 Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a council’s activities and operating procedures are effective.
- 1.3 Local councils are required, at least once a year, to conduct, in accordance with proper practices, a review of effectiveness of internal audit. The council is required to sign the annual governance statement (on the Annual Return submitted to the external auditor) to evidence that this review has been undertaken.

2. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

- 2.1 The following criteria must be satisfied for internal audit to be considered effective:
- That the Internal Auditor is independent of the other financial controls and procedures of the Council which are subject to review.
 - That they are competent to carry out the role in a way that will meet the business needs of the Council.
 - That consideration is made of how many times in a year the systems and records should be subject to internal audit.
 - That the scope of the internal audit is sufficient.
 - That any internal audit report is considered in full by a meeting of the Parish Council.
 - That appropriate action is taken on any recommendations contained in the internal audit report.
 - The Council must also satisfy itself that the quality of delivery of the internal audit service provides reliable assurance about the Council’s internal controls and its management of risk.
- 2.2 Considering these requirements for internal audit for Swinfen and Packington Parish Council:
- 2.3.1 **Independence**
- The Internal Auditor has no involvement in the Parish Council’s financial controls, procedures or decision making. They are not related to, nor associated with, any member of the Parish Council or the Parish Clerk. The Internal Auditor has direct access to the Parish Council should they think this necessary.

2.3.2 Competence

The Internal Auditor is familiar with the criteria on financial matters applied to local councils and the Audit Commission's current 'Light Touch' audit process and has access to "Governance and Accountability for Local Councils – a Practitioner's Guide 2010 (England)". There is no evidence/reason to believe that the internal audit will not be carried out competently, ethically and with integrity and objectivity.

2.3.3 Frequency of Internal Audit

One internal audit undertaken after the annual accounts have been prepared is considered to be adequate for the Parish Council's needs given the current level of activity.

2.3.4 Scope of Work

The scope of the internal audit work carried out by the Internal Auditor follows the suggested approach to internal audit provided by the "Governance and Accountability for Local Councils – a Practitioner's Guide 2010 (England)".

2.3.5 Audit Report

The Internal Auditor will prepare a report in their own name and addressed to the Council following their completion of the internal audit. It will be presented to the Parish Council at the next meeting after it has been issued. Act actions to be taken on the recommendations made will be minuted.

3. RECOMMENDATION

- 3.1 That the Town Council considers for itself whether the system of internal audit is sufficiently effective, using this report as prepared by the Parish Clerk as a starting point for those considerations.

**SWINFEN AND PACKINGTON PARISH COUNCIL
INTERNAL AUDIT REVIEW CHECKLIST
PART 1 – MEETING STANDARDS**

*(Source: "Governance and Accountability for Local Councils – a Practitioner's Guide 2010 (England),
Part 2: The Annual Return and corporate governance.)*

| EXPECTED STANDARD | EVIDENCE OF ACHIEVEMENT | YES/NO | AREAS FOR DEVELOPMENT |
|-----------------------------------|---|--|-----------------------|
| 1. Scope of Internal Audit | <ul style="list-style-type: none"> ▪ Terms of reference for internal audit were approved by the Parish Council on 22 September 2010. ▪ Internal audit work takes into account both the Council's risk assessment and wider internal control arrangements. ▪ Internal audit work covers the Council's anti-fraud and corruption arrangements. | <p style="text-align: center;">Y</p> <p style="text-align: center;">Y</p> <p style="text-align: center;">Y</p> | |
| 2. Independence | <ul style="list-style-type: none"> ▪ The Internal Auditor has direct access to those charged with governance. ▪ Reports are made in own name to management. ▪ The Internal Auditor does not have any other role within the Council. | <p style="text-align: center;">Y</p> <p style="text-align: center;">Y</p> <p style="text-align: center;">Y</p> | |
| 3. Competence | <ul style="list-style-type: none"> ▪ There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity. | <p style="text-align: center;">Y</p> | |
| 4. Relationships | <ul style="list-style-type: none"> ▪ All responsible officers (Clerk/RFO and Finance Officer) are consulted on the internal audit plan. ▪ Respective responsibilities for officers and the Internal Auditor are defined in relation to internal control, risk management and fraud and | <p style="text-align: center;">Y</p> <p style="text-align: center;">Y</p> | |

| | | | |
|--|--|---|--|
| | <p>corruption matters (job descriptions and engagement letter).</p> <ul style="list-style-type: none"> ▪ The responsibilities of Council members are understood; training of members is carried out as necessary. | Y | |
| 5. Audit Planning and Reporting | <ul style="list-style-type: none"> ▪ The annual internal audit plan properly takes account of all the risks facing the Council. | Y | |

Review conducted on behalf of the Council by:

Ms Jayne Minor, Parish Clerk and Responsible Financial Officer

Report considered and adopted by Members at a meeting of the Parish Council held on 11 March 2020:

Chairman of the Council

Ms Jayne Minor, Parish Clerk and Responsible Financial Officer

**SWINFEN AND PACKINGTON PARISH COUNCIL
INTERNAL AUDIT REVIEW CHECKLIST
PART 2 – CHARACTERISTICS OF EFFECTIVENESS**

*(Source: "Governance and Accountability for Local Councils – a Practitioner's Guide 2010 (England),
Part 2: The Annual Return and corporate governance.)*

| EXPECTED STANDARD | EVIDENCE OF ACHIEVEMENT | YES/NO | AREAS FOR DEVELOPMENT |
|--|---|--------|-----------------------|
| 1. Internal audit work is planned | <ul style="list-style-type: none"> ▪ Planned internal audit work is based on risk assessment and designed to meet the Council's needs. | Y | |
| 2. Understanding the whole Council, its needs and objectives | <ul style="list-style-type: none"> ▪ The annual audit plan demonstrates how audit work will provide assurance for the Council's Annual Governance Statement. | Y | |
| 3. Be seen as a catalyst for change | <ul style="list-style-type: none"> ▪ The Internal Auditor supports the Council's work in delivering improved services to the community. | Y | |
| 4. Add value and assist the Council in achieving its objectives | <ul style="list-style-type: none"> ▪ The Council makes positive responses to the Internal Auditor's recommendations and follows up with action where this is called for. | Y | |
| 5. Be forward looking | <ul style="list-style-type: none"> ▪ National agenda changes are considered in formulating the annual audit plan. ▪ The Internal Auditor maintains awareness of new developments in the services, risk management and corporate governance. | Y | |
| 6. Be challenging | <ul style="list-style-type: none"> ▪ The Internal Auditor focuses on the risks facing the Council. | Y | |

| | | | |
|--|--|------------|--|
| | <ul style="list-style-type: none"> ▪ The Internal Auditor encourages officers and Members to develop their own responses to risks, rather than relying solely on audit recommendations. | Y | |
| 7. Ensure the right resources are available | <ul style="list-style-type: none"> ▪ Adequate resource is made available for the Internal Auditor to complete his work. ▪ The Internal Auditor understands the Council and the legal and corporate framework in which it operates. | Y Y | |

Review conducted on behalf of the Council by:

Ms Jayne Minor, Parish Clerk and Responsible Financial Officer

Report considered and adopted by Members at a meeting of the Parish Council held on 11 March 2020:

Chairman of the Council

Ms Jayne Minor, Parish Clerk and Responsible Financial Officer

SWINFEN AND PACKINGTON PARISH COUNCIL

STATEMENT OF INTERNAL CONTROL AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL

1. OVERVIEW

- 1.1 The Local Audit and Accountability Act 2014 imposes a duty on local councils to ensure “that the financial management of the body is adequate and effective and that the body has a sound system of internal control”.
- 1.2 Local councils are required to conduct, at least once a year, in accordance with proper practices, a review of the effectiveness of its system of internal control. The council is required to sign the Annual Governance Statement (on the Annual Return submitted to the external auditor) to evidence that this review has been undertaken.
- 1.3 In order for the Parish Council to review the effectiveness of the Internal Control System there needs to be clarity on the internal controls in place.
- 1.4 Some internal controls are listed in the Financial Regulations document but the system of controls goes beyond this. A Statement of internal Controls has been prepared and is appended to this report.

2. RECOMMENDATION

- 2.1 That the Parish Council consider the attached Statement of Internal Controls and consider whether the controls currently in place are effective.

SWINFEN AND PACKINGTON PARISH COUNCIL

STATEMENT OF INTERNAL CONTROL

| | |
|--|--|
| <p>Cash Book/Bank Reconciliations</p> | <ul style="list-style-type: none"> ▪ The Cash Book is kept up-to-date from original documents (paying-in books, invoices, cheque stubs). ▪ The Cash Book is reconciled to the bank statement on a monthly basis. |
| <p>Financial Regulations</p> | <ul style="list-style-type: none"> ▪ A document listing the Parish Council’s financial regulations, based on the model version prepared by NALC/SLCC, is maintained. The regulations are reviewed for continued relevance and amended where necessary by the Responsible Financial Officer (RFO) with any proposed amendments subject to approval by the Parish Council. ▪ The Financial Regulations are complemented by the approved “Duties of the Responsible Financial Officer”. |
| <p>Order/Tender Controls</p> | <ul style="list-style-type: none"> ▪ The Financial Regulations list the number of estimates, quotations or full tenders that must be invited depending on the value and nature of the work. ▪ Official letters/Purchase Orders are sent to suppliers for services which are not regular in nature. |
| <p>Legal Powers</p> | <ul style="list-style-type: none"> ▪ A proper legal power is identified in advance of any expenditure. |
| <p>Payment Controls</p> | <ul style="list-style-type: none"> ▪ Depending on the nature of the supply, the RFO initials the purchase invoice to indicate that the supply has been received, that the supply has not been previously paid and that the invoice calculations are correct. ▪ Purchase Orders/letters ordering the work are matched to purchase invoices where applicable. ▪ A Schedule of Payments is presented to every ordinary meeting of the Parish Council for approval (such approval is recorded in the Minutes). ▪ All cheques and financial documents are signed by three Councillors. ▪ Original invoices are provided to the Councillors signing the cheques. ▪ The cheque number used to settle an invoice is noted on the invoice for cross reference purposes. |

| | |
|---|--|
| <p>The Free Resource, i.e. LGA 1972, s.137</p> | <ul style="list-style-type: none"> ▪ A separate s.137 account is maintained. ▪ The Finance Officer/RFO calculates the maximum amount of s.137 expenditure able to be made each year and ensures that it is not exceeded. ▪ The proper minute authorising expenditure from s.137 is prepared on each occasion. |
| <p>VAT Repayment Claims</p> | <ul style="list-style-type: none"> ▪ The RFO ensures that all invoices are addressed to the Parish Council. ▪ The RFO ensures that proper VAT invoices are received where VAT is payable. ▪ The Finance Officer/RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year. |
| <p>Income Controls</p> | <ul style="list-style-type: none"> ▪ The RFO ensures that the amount of Precept received is correct in accordance with the Precept request submitted to the District Council. ▪ The RFO ensures that the Precept instalments are received when due. ▪ The Finance Officer/RFO ensures that all other receipts are received when due and correctly calculated. ▪ Income is banked promptly. |
| <p>Financial Reporting</p> | <ul style="list-style-type: none"> ▪ The performance to date and latest year end forecast against the agreed annual Budget are presented to each meeting of the Parish Council. |
| <p>Budgetary Controls</p> | <ul style="list-style-type: none"> ▪ The budget is prepared in consultation with the Parish Council. ▪ The Precept is set on the basis of the budget by the deadline set by the District Council. |
| <p>Payroll Controls</p> | <ul style="list-style-type: none"> ▪ All staff are paid under PAYE. ▪ All staff salaries are set by the Parish Council and a minute is prepared to show the agreed salaries. ▪ Salaries are currently paid by cheque; all cheques are signed by three Councillors. ▪ The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done. |

| | |
|----------------------|--|
| Asset Control | <ul style="list-style-type: none"> ▪ The Finance Officer/RFO maintains a full Asset Register. ▪ The existence and condition of assets is checked on an annual basis. ▪ The adequacy of insurance of the Parish Council’s assets is considered annually in advance of the insurance renewal. |
|----------------------|--|

Prepared by:

Ms J Minor, Town Clerk and RFO
11 March 2020

Report considered and adopted by Members at a meeting of the Parish Council held on 11 March 2020:

Chairman of the Council

Ms Jayne Minor, Parish Clerk and Responsible Financial Officer

SWINFEN AND PACKINGTON PARISH COUNCIL

MODEL FINANCIAL REGULATIONS 2019 FOR ENGLAND

1. General
2. Accounting and audit (internal and external)
3. Annual estimates (budget) and forward planning
4. Budgetary control and authority to spend
5. Banking arrangements and authorisation of payments
6. Instructions for the making of payments
7. Payment of salaries
8. Loans and investments
9. Income
10. Orders for work, goods and services
11. Contracts
12. Payments under contracts for building or other construction works
13. Stores and equipment
14. Assets, properties and estates
15. Insurance
16. Charities
17. Risk management
18. Suspension and revision of Financial Regulations

These Financial Regulations were adopted by the council at its meeting held on 11 March 2020.

1. General

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

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

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

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

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

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

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

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

1.8. The 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;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and

- produces financial management information as required by the council.

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

1.11. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the council; and
- wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

1.14. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment in excess of [£5,000]; and

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

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

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *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 [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

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
- has 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. 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 [November] each year including any proposals for revising the forecast.

3.2. The RFO must each year, 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.

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

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

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

4. Budgetary control and authority to spend

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

- the council for all items over [£5,000];
- a duly delegated committee of the council for items over [£500]; or
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below [£500].

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

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

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

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4. The salary budgets are to be reviewed at least annually for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform the Council 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 [£100] or [15%] of the budget.

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

5. Banking arrangements and authorisation of payments

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

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council [or finance 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 to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.

5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee];
- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee]; or
- c) fund transfers within the councils banking arrangements up to the sum of [£10,000], provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].

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

5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.

5.8. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.

5.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. Instructions for the making of payments

6.1. The council will make safe and efficient arrangements for the making of its payments.

6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.

6.3. All payments shall be affected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.

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

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

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

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

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

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

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

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

OR

6.22. 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.

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

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

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record

(confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7.6. An effective system of personal performance management should be maintained for the senior officers.

7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

7.8. Before employing interim staff, the council must consider a full business case.

8. Loans and investments

8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.

8.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.

8.4. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.

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

8.6. All investments of money under the control of the council shall be in the name of the council.

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

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

9. Income

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

9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.

9.3. The council will review all fees and charges at least annually, following a report of the Clerk.

9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.

9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.

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

9.7. Personal cheques shall not be cashed out of money held on behalf of the council.

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

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

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

10. Orders for work, goods and services

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

10.2. Order books shall be controlled by the RFO.

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

10.4. A member may not issue an official order or make any contract on behalf of the council.

10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. Contracts

11.1. Procedures as to contracts are laid down as follows:

a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for specialist services such as are provided by legal professionals acting in disputes;
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
- v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.

c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.

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

f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.

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

h) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below [£3,000] and above [£100] the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

i) The council shall not be obliged to accept the lowest or any tender, quote or estimate.

j) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

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.

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)

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

13. Stores and equipment

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

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

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

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

14. Assets, properties and estates

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

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

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

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

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

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

15. Insurance

15.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.

15.2. The Clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

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

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

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

16. Charities

16.1. Where the council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and 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 Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

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

18. 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 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.

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.