

**REDRUTH TOWN
COUNCIL**



**CONSEL AN DRE
RESRUDH**

The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP
Tel No: 01209-210038 e-mail: admin@redruth-tc.gov.uk

Town Mayor: Cllr Ms D L Reeve

Town Clerk: P B Bennett

Our Reference:
RTC/460/2/Mtg

Date:
16th January 2019

See Distribution

Dear Councillor

Audit & Accounting Governance Committee Meeting – 21st January 2019

You are summoned to attend a Meeting of the Redruth Town Council Audit & Accounting Governance Committee to be held on Monday 21st January 2019 at The Chambers, Penryn Street, Redruth, commencing at 7 p.m.

The Agenda and associated papers are enclosed for your reference and information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PB', with a long horizontal line extending to the right.

Peter Bennett
Town Clerk

Enclosures:

Agenda and associated documentation.

Distribution:

Action:

Cllr Barnes
Cllr Biscoe
Cllr Mrs Biscoe
Cllr Brown
Cllr Mrs Davidson
Cllr Mrs Ellenbroek
Cllr Garrick
Cllr Ms Reeve
Cllr Tregunna

Information:

All other Town Councillors
Press & Public

Redruth Town Council
Audit & Accounting Governance Committee Meeting – 21st January 2019

AGENDA

PART I – PUBLIC SESSION

1. To receive apologies for absence.
2. Members to declare any disclosable pecuniary interests or non-registerable interests (including details thereof) in respect of any item(s) on this Agenda.
3. *To suspend Standing Orders to allow the public to speak.*
4. To allow the public to put questions to the Council on any item on this agenda.
5. *To reinstate Standing Orders.*
6. To confirm the Minutes of the:
 - 6.1 Meeting of the Audit & Accounting Committee held on 22nd October 2018. [Minutes attached]
 - 6.2 Extraordinary Meeting of the Audit & Accounting Committee held on 20th November 2018. [Minutes attached]
7. Town Clerk's Report. [See report attached]
8. To review Income/Expenditure for the quarter ending December 2018. [See schedule attached]
9. To receive a report from Committee Members responsible for carrying out Internal Control checks for 3rd Quarter 2018-2019. [See report attached]
10. To review Financial Regulations currently used by the Town Council. [See report attached]



The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP
Tel No: 01209-210038 e-mail: admin@redruth-tc.gov.uk

Town Mayor: Cllr Ms D L Reeve

Town Clerk: P B Bennett

Minutes of a Meeting of the Redruth Town Council Audit & Accounting Governance Committee
held in The Council Chamber, The Chambers, Penryn Street, Redruth on Monday 22nd October
2018

Present: Cllr C Garrick Chairman
Cllr S Barnes
Cllr H Biscoe
Cllr Mrs A Biscoe
Cllr M Brown
Cllr Mrs J Davidson
Cllr Ms D Reeve

In attendance: P B Bennett Town Clerk
One member of the public

PART I – PUBLIC SESSION

1273.1 Apologies for absence.

1273.1.1 Apologies were received from Cllr Mrs Ellenbroek (family commitments).

1273.2 Members to declare any disclosable pecuniary interests or non-registerable interests (including details thereof) in respect of any item(s) on this Agenda.

1273.2.1 None.

1273.3 To confirm the minutes of:

The Audit & Accounting Governance Committee Meeting held on 16th July 2018:

1273.3.1 RESOLVED by a majority that the minutes of the Audit & Accounting Governance Committee Meeting held on Monday 16th July 2018 were a true and accurate record of proceedings. [Proposed: Cllr Mrs Davidson; Seconded: Cllr Barnes] Cllrs Biscoe, Mrs Biscoe, Brown, and Ms Reeve abstained as they were not present at the meeting.

1273.4 Town Clerk's Report

1273.4.1 The Town Clerk's report had been circulated prior to the meeting and was noted.

1273.5 To review Income & Expenditure for the quarter ending September 2018

1273.5.1 Unanimously RESOLVED that the Income & Expenditure for the period ending September 2018 is agreed and meets the expected budgetary requirements. [Proposed: Cllr Mrs Davidson; Seconded: Cllr Ms Reeve]

- 1273.6 **To receive a report from the Independent Internal Auditor following his visit on 5th October 2018 and to discuss any recommendations**
- 1273.6.1 A report from the Independent Internal Auditor was circulated prior to the meeting, which was discussed in some depth.
- 1273.6.2 Unanimously RESOLVED that the report from the Independent Internal Auditor be accepted and that the RFO continues to work on the recommendations contained within. [Proposed: Cllr Brown; Seconded: Cllr Biscoe]
- 1273.7 **To Committee Members responsible for carrying out Internal Control checks for 1st Quarter 2018-2019**
- 1273.7.1 Unfortunately an audit check by the nominated committee members had not taken place due to other commitments.
- 1273.7.2 It was agreed that Cllrs Barnes and Biscoe be appointed to carry out the next set of Internal Control checks, reporting to the next committee meeting in January 2019 and that Cllr Mrs Ellenbroek also assists if available.
- 1273.8 **To approve a Financial Reserves Policy as recommended by the Independent Internal Auditor**
- 1273.8.1 As a result of a recommendation by the Independent Internal Auditor, a draft Financial Reserves Policy had been circulated prior to the meeting for Members to consider.
- 1273.8.2 Unanimously RESOLVED that the proposed Financial Reserves Policy be approved and adopted by Council. [Proposed: Cllr Ms Reeve; Seconded: Cllr Mrs Davidson]
- 1273.9 **To review the effectiveness of our system of internal audit**
- 1273.9.1 A report had been circulated prior to the meeting outlining the system of internal audit procedures currently used by the Council. This matter was considered and discussed in depth.
- 1273.9.2 Unanimously RESOLVED that the committee make a recommendation to Council that our system of internal audit is considered effective and meets the requirements of the Council. [Proposed: Cllr Mrs Davidson; Seconded: Cllr Biscoe]
- 1273.10 **To review the Town Council's Risk Assessment of Financial Management**
- 1273.10.1 Members considered a report circulated prior to the meeting outlining the Council's Risk Assessment of Financial Management.
- 1273.10.2 Unanimously RESOLVED that the Council's Risk Assessment of Financial Management is considered effective and meets the requirements of the Council. [Proposed: Cllr Mrs Davidson; Seconded: Cllr Ms Reeve]

Chairman



The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP
Tel No: 01209-210038 e-mail: admin@redruth-tc.gov.uk

Town Mayor: Cllr Ms D L Reeve

Town Clerk: P B Bennett

Minutes of an Extraordinary Meeting of the Redruth Town Council Audit & Accounting Governance
Committee held in The Council Chamber, The Chambers, Penryn Street, Redruth on Tuesday 20th
November 2018

Present: Cllr C Garrick Chairman
Cllr R S Barnes
Cllr M Brown
Cllr Mrs J Davidson
Cllr Ms D Reeve

In attendance: Mr P B Bennett Town Clerk

PART I – PUBLIC SESSION

1279.1 Apologies for absence.

1279.1.1 Apologies were received from Cllr Mrs Ellenbroek (family commitments).

1279.2 To discuss the proposed Council budget for financial year 2019-2020 and to make recommendations to Council in respect of said budget and the level of precept to be raised

1279.2.1 Members of the committee considered a report prepared by the RFO which had been circulated prior to the meeting. The RFO advised that since the report had been circulated, he had received an update of information from Cornwall Council. We now had details of the Council Taxbase which had shown an increase of 100.33 D Band equivalents, and that the budget decision to offer 100% rate relief to Public Conveniences does not come into effect until 1st April 2020, so an amount for that needed to be added into the existing figures. Having made the adjustments to the overall figures as previously detailed Members believed that we should add an addition £10k into the Building Maintenance EMR, with the issues experienced across the 3 main building that we use. This report outlined the recommendations of the other standing committees in respect of their proposed budget for financial year 2019-2020.

1279.2.2 Unanimously RESOLVED that the committee recommends to Council that we set a budget of £654023 for financial year 2019-2020 and that the level of precept to be raised be set at £620298. [Proposed: Cllr Ms Reeve; Seconded: Cllr Mrs Davidson]

Chairman

Redruth Town Council

Town Clerks Report – Audit & Accounting Governance Committee

Meeting Date: 21st January 2019

Min No	Item	Action	Response
1279.2.2	Council budget and level of precept for 2019-20		Committee recommendation made and approved by Council at its meeting of 17 th December 2018 – Cornwall Council as billing authority notified on 18 th December 2018.

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
101 Administration-Staff Costs						
4101 Wages/Salaries	158,987	202,971	43,984		43,984	78.3%
4102 Tax/NIC	35,118	58,708	23,590		23,590	59.8%
4103 Mileage	34	0	(34)		(34)	0.0%
4104 Pensions	39,865	47,042	7,177		7,177	84.7%
Administration-Staff Costs :- Indirect Expenditure	234,004	308,721	74,717	0	74,717	75.8%
Movement to/(from) Gen Reserve	(234,004)					
102 General Administration						
1050 Income-Photocopying	30	0	(30)			0.0%
1100 Income-Miscellaneous	204	0	(204)			0.0%
1176 Precept Received	596,919	0	(596,919)			0.0%
1177 CTSG Received	41,875	0	(41,875)			0.0%
1190 Interest Received	2,283	0	(2,283)			0.0%
General Administration :- Income	641,310	0	(641,310)			
4201 Stationery	897	600	(297)		(297)	149.5%
4202 Telephone/Internet	807	1,050	243		243	76.8%
4203 Mobile Phones	1,891	3,000	1,109		1,109	63.0%
4204 Annual Subscriptions	5,267	5,500	233		233	95.8%
4205 Photocopier Contract	1,229	1,550	321		321	79.3%
4206 Postage	571	500	(71)		(71)	114.2%
4207 Advertising	211	1,000	789		789	21.1%
4208 Audit	1,100	2,000	900		900	55.0%
4210 Mayor's Budget	1,219	2,000	781		781	60.9%
4212 Development Resources	444	1,000	556		556	44.4%
4213 Tablets	1,176	1,568	392		392	75.0%
4220 Miscellaneous Expenses	495	200	(295)		(295)	247.3%
4221 Loan Repayment	18,106	18,106	0		0	100.0%
General Administration :- Indirect Expenditure	33,411	38,074	4,663	0	4,663	87.8%
Net Income over Expenditure	607,899	(38,074)	(645,973)			
6000 plus Transfer from EMR	189					
Movement to/(from) Gen Reserve	608,089					
201 Christmas Festival						
1077 Income - Xmas Lights	27	0	(27)			0.0%
1101 Income - Stalls	290	0	(290)			0.0%
1102 Income - Donations	20	0	(20)			0.0%
1103 Income - Advertising	294	0	(294)			0.0%
Christmas Festival :- Income	631	0	(631)			

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4301 Donations	350	0	(350)		(350)	0.0%
4303 Christmas Goodwill	500	0	(500)		(500)	0.0%
4304 Christmas Lights	15,000	15,000	0		0	100.0%
4305 Christmas Events	4,187	5,500	1,313		1,313	76.1%
Christmas Festival :- Indirect Expenditure	20,037	20,500	463	0	463	97.7%
Movement to/(from) Gen Reserve	(19,406)					
202 Section 137 Floral Displays						
1075 Income-Floral Displays	4,493	0	(4,493)			0.0%
Section 137 Floral Displays :- Income	4,493	0	(4,493)			
Movement to/(from) Gen Reserve	4,493					
203 Administration Services						
1102 Income - Donations	69	0	(69)			0.0%
Administration Services :- Income	69	0	(69)			
4207 Advertising	1,135	2,000	865		865	56.8%
4703 Office Equipment	46	1,500	1,454		1,454	3.1%
4706 Council Website	473	600	128		128	78.8%
4708 Training	1,064	2,000	936		936	53.2%
4709 Donations	1,250	3,000	1,750		1,750	41.7%
4710 Christmas Goodwill	0	900	900		900	0.0%
4711 Youth Council	390	1,500	1,110		1,110	26.0%
4715 Town Website	350	400	50		50	87.5%
4718 Town Guide	3,000	5,500	2,500		2,500	54.5%
Administration Services :- Indirect Expenditure	7,708	17,400	9,692	0	9,692	44.3%
Net Income over Expenditure	(7,639)	(17,400)	(9,761)			
6000 plus Transfer from EMR	73					
Movement to/(from) Gen Reserve	(7,566)					
204 RIM&PF						
1076 Income - Sponsorship	350	0	(350)			0.0%
1101 Income - Stalls	920	0	(920)			0.0%
1102 Income - Donations	80	0	(80)			0.0%
1103 Income - Advertising	648	0	(648)			0.0%
RIM&PF :- Income	1,999	0	(1,999)			
4220 Miscellaneous Expenses	64	0	(64)		(64)	0.0%
4401 Marshals	18	100	82		82	18.5%

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4402 Music Acts	2,304	3,000	696		696	76.8%
4403 Street Ents	750	0	(750)		(750)	0.0%
4404 Marketing/Advertising	1,679	2,500	821		821	67.1%
4405 Equip/Toilets/Tables/Chairs	352	1,000	648		648	35.2%
4406 Printing Programmes	1,315	0	(1,315)		(1,315)	0.0%
4407 First Aid	434	300	(134)		(134)	144.6%
4408 Bunting	270	250	(20)		(20)	108.0%
4409 Security	370	0	(370)		(370)	0.0%
4410 Marquees	665	700	35		35	95.0%
4413 Road Closures/Licenses	124	100	(24)		(24)	123.6%
4414 Hospitality	88	250	162		162	35.3%
4415 Misc Expenses	110	0	(110)		(110)	0.0%
4416 Fun Day	214	600	386		386	35.7%
4419 Generators	995	1,700	705		705	58.5%
4421 Electricity	0	100	100		100	0.0%
4422 Miners Day Activities	0	100	100		100	0.0%
RIM&PF :- Indirect Expenditure	9,751	10,700	949	0	949	91.1%
Movement to/(from) Gen Reserve	(7,753)					
205 Murdoch						
1101 Income - Stalls	140	0	(140)			0.0%
1103 Income - Advertising	473	0	(473)			0.0%
Murdoch :- Income	613	0	(613)			
4220 Miscellaneous Expenses	75	0	(75)		(75)	0.0%
4401 Marshals	0	60	60		60	0.0%
4402 Music Acts	1,420	1,200	(220)		(220)	118.3%
4403 Street Ents	852	1,000	148		148	85.2%
4404 Marketing/Advertising	183	200	17		17	91.7%
4405 Equip/Toilets/Tables/Chairs	104	400	297		297	25.9%
4406 Printing Programmes	515	800	285		285	64.4%
4407 First Aid	382	450	68		68	84.9%
4408 Bunting	260	250	(10)		(10)	104.0%
4409 Security	849	250	(599)		(599)	339.6%
4410 Marquees	879	1,200	321		321	73.3%
4411 Stage	805	810	5		5	99.4%
4412 Market Stalls	1,111	1,300	189		189	85.5%
4413 Road Closures/Licenses	297	300	3		3	99.1%
4415 Misc Expenses	48	80	32		32	59.5%
4418 Afternoon Dance	0	200	200		200	0.0%
4420 Branded Badges	120	0	(120)		(120)	0.0%

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4427 Schools	1,410	1,300	(110)		(110)	108.5%
4428 Parade	100	0	(100)		(100)	0.0%
Murdoch :- Indirect Expenditure	9,410	9,800	390	0	390	96.0%
Movement to/(from) Gen Reserve	(8,797)					
206 St Piran Festival						
1103 Income - Advertising	47	0	(47)			0.0%
St Piran Festival :- Income	47	0	(47)			
4401 Marshals	0	60	60		60	0.0%
4402 Music Acts	20	3,000	2,980		2,980	0.7%
4405 Equip/Toilets/Tables/Chairs	20	250	230		230	8.0%
4406 Printing Programmes	0	500	500		500	0.0%
4413 Road Closures/Licenses	77	75	(2)		(2)	102.6%
4430 Transport	0	350	350		350	0.0%
4431 Show	0	300	300		300	0.0%
St Piran Festival :- Indirect Expenditure	117	4,535	4,418	0	4,418	2.6%
Movement to/(from) Gen Reserve	(70)					
210 Other Services						
1100 Income-Miscellaneous	296	0	(296)			0.0%
Other Services :- Income	296	0	(296)			
4501 Purchases & Works	2,891	5,000	2,109		2,109	57.8%
4506 Signs	0	500	500		500	0.0%
4507 Town Clock Maintenance	401	1,100	699		699	36.5%
4514 CCTV Monitoring	7,871	0	(7,871)		(7,871)	0.0%
4515 CCTV R&M	4,456	0	(4,456)		(4,456)	0.0%
4520 Weed Control	4,680	5,000	320		320	93.6%
4521 Vehicle Fuel	1,801	2,500	699		699	72.0%
4522 Machinery Fuel	387	1,000	613		613	38.7%
4523 Floral Displays	17,986	14,000	(3,986)		(3,986)	128.5%
Other Services :- Indirect Expenditure	40,473	29,100	(11,373)	0	(11,373)	139.1%
Net Income over Expenditure	(40,177)	(29,100)	11,077			
6000 plus Transfer from EMR	11,191					
Movement to/(from) Gen Reserve	(28,986)					

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
301 The Chamber						
4209 Insurance	6,500	6,500	0		0	100.0%
4601 Non-domestic Business Rate	9,225	9,000	(225)		(225)	102.5%
4602 Gas	2,123	3,600	1,477		1,477	59.0%
4603 Water	1,260	2,910	1,650		1,650	43.3%
4604 Electricity	3,837	4,000	163		163	95.9%
4605 Waste	556	750	194		194	74.2%
4606 Lifts	401	400	(1)		(1)	100.3%
4607 Cleaning	455	450	(5)		(5)	101.0%
4610 Building Maintenance	2,078	2,000	(78)		(78)	103.9%
4611 Air Conditioning	0	775	775		775	0.0%
4615 Hygene Contracts	353	355	2		2	99.4%
4616 Security Systems	222	330	108		108	67.2%
	27,009	31,070	4,061	0	4,061	86.9%
6000 The Chamber :- Indirect Expenditure plus Transfer from EMR	9,600					
Movement to/(from) Gen Reserve	(17,409)					
302 Market Way						
1002 Income - MW Retail	18,668	0	(18,668)			0.0%
	18,668	0	(18,668)			
Market Way :- Income						
4209 Insurance	3,275	3,650	375		375	89.7%
4220 Miscellaneous Expenses	30	0	(30)		(30)	0.0%
4601 Non-domestic Business Rate	1,154	0	(1,154)		(1,154)	0.0%
4604 Electricity	1,488	0	(1,488)		(1,488)	0.0%
4605 Waste	2,401	0	(2,401)		(2,401)	0.0%
4607 Cleaning	7,596	0	(7,596)		(7,596)	0.0%
4610 Building Maintenance	23,316	0	(23,316)		(23,316)	0.0%
4615 Hygene Contracts	603	0	(603)		(603)	0.0%
4616 Security Systems	1,472	0	(1,472)		(1,472)	0.0%
	41,335	3,650	(37,685)	0	(37,685)	1132.5%
Market Way :- Indirect Expenditure						
Net Income over Expenditure	(22,667)	(3,650)	19,017			
6000 plus Transfer from EMR	11,236					
Movement to/(from) Gen Reserve	(11,431)					
303 Library						
1020 Income - Fines/Lost Items	2,757	0	(2,757)			0.0%
1021 Income - Hire AV	131	0	(131)			0.0%
1022 Income - Photocopy	2,126	0	(2,126)			0.0%

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
1023 Income - Small Items	79	0	(79)			0.0%
1024 Income - Reservations	8	0	(8)			0.0%
1025 Income - Small Items (NonVAT)	12	0	(12)			0.0%
1026 Income - Misc	283	0	(283)			0.0%
1027 Income - Sale of Books	544	0	(544)			0.0%
1079 Income Grants	100,000	0	(100,000)			0.0%
Library :- Income	105,939	0	(105,939)			
4102 Tax/NIC	0	9,200	9,200		9,200	0.0%
4104 Pensions	0	3,700	3,700		3,700	0.0%
4214 Newspapers	200	0	(200)		(200)	0.0%
4220 Miscellaneous Expenses	26	0	(26)		(26)	0.0%
4511 Grounds Maintenance	0	850	850		850	0.0%
4601 Non-domestic Business Rate	12,607	19,500	6,893		6,893	64.7%
4602 Gas	0	3,000	3,000		3,000	0.0%
4603 Water	0	620	620		620	0.0%
4604 Electricity	0	3,400	3,400		3,400	0.0%
4605 Waste	321	650	329		329	49.4%
4607 Cleaning	8,572	11,920	3,348		3,348	71.9%
4610 Building Maintenance	131	0	(131)		(131)	0.0%
4703 Office Equipment	704	600	(104)		(104)	117.3%
Library :- Indirect Expenditure	22,561	53,440	30,879	0	30,879	42.2%
Net Income over Expenditure	83,378	(53,440)	(136,818)			
6000 plus Transfer from EMR	830					
6001 less Transfer to EMR	100,000					
Movement to/(from) Gen Reserve	(15,793)					
304 Public Toilets						
1085 Income - Toilets	3,450	0	(3,450)			0.0%
Public Toilets :- Income	3,450	0	(3,450)			
4601 Non-domestic Business Rate	2,376	3,300	924		924	72.0%
4603 Water	1,285	2,250	965		965	57.1%
4604 Electricity	550	500	(50)		(50)	110.0%
4607 Cleaning	7,819	10,000	2,181		2,181	78.2%
4610 Building Maintenance	3,202	2,000	(1,202)		(1,202)	160.1%
4615 Hygene Contracts	190	0	(190)		(190)	0.0%
Public Toilets :- Indirect Expenditure	15,422	18,050	2,628	0	2,628	85.4%
Net Income over Expenditure	(11,972)	(18,050)	(6,078)			
6000 plus Transfer from EMR	200					
Movement to/(from) Gen Reserve	(11,772)					

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
305 St Rumons Gardens						
4603 Water	54	80	26		26	67.5%
4604 Electricity	410	300	(110)		(110)	136.6%
4605 Waste	841	0	(841)		(841)	0.0%
4610 Building Maintenance	21	0	(21)		(21)	0.0%
St Rumons Gardens :- Indirect Expenditure	<u>1,326</u>	<u>380</u>	<u>(946)</u>	<u>0</u>	<u>(946)</u>	<u>349.1%</u>
6000 plus Transfer from EMR	841					
Movement to/(from) Gen Reserve	<u>(485)</u>					
306 EEPF						
4511 Grounds Maintenance	958	1,400	442		442	68.4%
4512 Play Equipment Inspections	357	0	(357)		(357)	0.0%
4513 Play Equipment Maintenance	0	1,500	1,500		1,500	0.0%
4605 Waste	943	966	23		23	97.6%
EEPF :- Indirect Expenditure	<u>2,258</u>	<u>3,866</u>	<u>1,608</u>	<u>0</u>	<u>1,608</u>	<u>58.4%</u>
Movement to/(from) Gen Reserve	<u>(2,258)</u>					
307 Plain-an-Gwarry						
4511 Grounds Maintenance	7	0	(7)		(7)	0.0%
4513 Play Equipment Maintenance	494	1,500	1,006		1,006	32.9%
4605 Waste	595	618	23		23	96.3%
Plain-an-Gwarry :- Indirect Expenditure	<u>1,096</u>	<u>2,118</u>	<u>1,022</u>	<u>0</u>	<u>1,022</u>	<u>51.7%</u>
Movement to/(from) Gen Reserve	<u>(1,096)</u>					
320 Capital Expenditure						
4504 Bus Shelters	0	3,000	3,000		3,000	0.0%
4508 Compound Rent	748	1,440	692		692	51.9%
4510 Vehicles	8,745	10,300	1,555		1,555	84.9%
Capital Expenditure :- Indirect Expenditure	<u>9,493</u>	<u>14,740</u>	<u>5,247</u>	<u>0</u>	<u>5,247</u>	<u>64.4%</u>
6000 plus Transfer from EMR	1,810					
Movement to/(from) Gen Reserve	<u>(7,684)</u>					
999 Ear Marked Reserves						
1100 Income-Miscellaneous	212	0	(212)			0.0%
1102 Income - Donations	100	0	(100)			0.0%
Ear Marked Reserves :- Income	<u>312</u>	<u>0</u>	<u>(312)</u>			
4901 Town Clock EMR	0	31,090	31,090		31,090	0.0%

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4902 Office Equipment EMR	0	1,225	1,225		1,225	0.0%
4903 Elections EMR	6,441	15,109	8,668		8,668	42.6%
4904 Playgrounds EMR	0	6,770	6,770		6,770	0.0%
4905 Grounds Equipment EMR	0	9,945	9,945		9,945	0.0%
4906 Footpaths EMR	0	333	333		333	0.0%
4907 Regeneration EMR	640	3,017	2,377		2,377	21.2%
4908 SK8 Park	1,124	26,393	25,269		25,269	4.3%
4909 Bus Shelters EMR	0	1,988	1,988		1,988	0.0%
4910 Station Hill Site EMR	0	1,200	1,200		1,200	0.0%
4911 Signs EMR	0	442	442		442	0.0%
4912 Training EMR	0	629	629		629	0.0%
4913 Website EMR	0	1,695	1,695		1,695	0.0%
4914 Building Contingency	0	16,882	16,882		16,882	0.0%
4915 Running Costs EMR	0	4,659	4,659		4,659	0.0%
4916 Fuel EMR	0	4,865	4,865		4,865	0.0%
4917 Receptions EMR	0	690	690		690	0.0%
4918 Tourism EMR	93	3,273	3,180		3,180	2.8%
4919 St Rumons Gardens EMR	0	1,591	1,591		1,591	0.0%
4920 Building Development EMR	0	1,390	1,390		1,390	0.0%
4921 Neighbourhood Plan EMR	23	8,996	8,973		8,973	0.3%
4922 Members Allowances EMR	9	1,961	1,952		1,952	0.4%
4923 Vehicles EMR	0	5,028	5,028		5,028	0.0%
4924 Mayors Allowance EMR	0	3,491	3,491		3,491	0.0%
4925 CCTV	0	17,914	17,914		17,914	0.0%
4926 Building Maintenance EMR	8,336	23,286	14,950		14,950	35.8%
4927 Public Realms	1,537	11,703	10,166		10,166	13.1%
4928 Christmas Lights EMR	2,159	3,638	1,479		1,479	59.3%
4929 Transition	(2,007)	97,663	99,670		99,670	(2.1%)
4930 Town Trail Leaflets	0	5,637	5,637		5,637	0.0%
4931 Toilets	0	15,548	15,548		15,548	0.0%
4932 Roundabouts	0	4,377	4,377		4,377	0.0%
4933 Kresen Kernow	0	2,815	2,815		2,815	0.0%
4934 Bunting/Flags	0	2,427	2,427		2,427	0.0%
4935 Youth Council	0	1,410	1,410		1,410	0.0%
4936 Redruth Community Centre	0	9,000	9,000		9,000	0.0%
4937 Legacy	0	10,000	10,000		10,000	0.0%
4939 Pensions EMR	0	1,990	1,990		1,990	0.0%
4940 Events Contingency EMR	856	8,174	7,318		7,318	10.5%
4941 Memorial Day EMR	0	140	140		140	0.0%
4942 Advertising EMR	0	2,860	2,860		2,860	0.0%
4943 Market Way EMR	0	24,262	24,262		24,262	0.0%

Detailed Income & Expenditure by Budget Heading 31/12/2018

Month No: 9

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4944 Library EMR	4,250	137,800	133,550		133,550	3.1%
4945 PWLB EMR	0	18,000	18,000		18,000	0.0%
Ear Marked Reserves :- Indirect Expenditure	<u>23,459</u>	<u>551,306</u>	<u>527,847</u>	<u>0</u>	<u>527,847</u>	<u>4.3%</u>
Net Income over Expenditure	<u>(23,147)</u>	<u>(551,306)</u>	<u>(528,159)</u>			
6000 plus Transfer from EMR	839					
6001 less Transfer to EMR	212					
Movement to/(from) Gen Reserve	<u>(22,520)</u>					
Grand Totals:- Income	777,827	0	(777,827)			0.0%
Expenditure	498,872	1,117,450	618,578	0	618,578	44.6%
Net Income over Expenditure	<u>278,955</u>	<u>(1,117,450)</u>	<u>(1,396,405)</u>			
plus Transfer from EMR	36,809					
less Transfer to EMR	100,212					
Movement to/(from) Gen Reserve	<u>215,552</u>					

REDRUTH TOWN COUNCIL

REPORT FOR: Meeting of the Audit & Accounting Governance Committee on 21st January 2019

1.0 **SUBJECT OF REPORT: To receive a report from Committee Members responsible for carrying out Internal Control Checks**

2.0 **SUMMARY OF IMPLICATIONS**

- a. Policy - Yes
- b. Financial - No
- c. Legal - No

3.0 **TERMS OF REFERENCE**

3.1 This Committee has agreed that checks on the Internal Controls would be carried out by Members of this Committee on a quarterly basis. This is the thirteenth report and covers the third quarter of the Financial Year 2018-19. The checks were carried out by Cllr's Barnes, Garrick and Ms Reeve on 15th January 2019.

4.0 **REPORT**

4.1 In accordance with the agreed check list the following are findings in relation to the check of Internal Controls carried out by the undersigned.

Bank Reconciliation

BC1-4 This has been completed up to date as at 31st December 2018, with the balance reconciled. There were no differences and it was confirmed that the reconciled difference is nil.

Receipts & Payments

- RP1 A random selection of receipts & payments including FPOs and DDMs were selected to check since the last audit all were initialled correctly.
- RP2-3 All payments have been approved by RFO and correctly authorised.
- RP4 All invoice and cheque stubs have been authorised, and all cheque stubs and invoices were countersigned accordingly.
- RP5 All receipts have been identified correctly with regard to reason for payment and identity of payee. All Faster Payments made electronically are reference numbered.
- RP6 VAT has been correctly accounted for on all receipts and payments.
- RP7 The VAT return for the 3rd quarter had been submitted to HMRC on 4th January 2019.
- RP8 PAYE return for Dec 2018 has been submitted for payment on 11th January 2019.
- RP9 Pension contributions are paid monthly. The payments for December 2018 were submitted on for payment on 11th January 2019.

Computer Security

- CS1 - All equipment physically secure, one in reception chained, four others housed in lockable rooms.

- CS2 All equipment is security marked.
 - CS3 All PC's, linked to the server, are password protected - individuals have set their own passwords which are changed every 30 days.
 - CS4-5 Files are backed up through the server, which also has an internal back-up facility. In addition files are also backed up via Cloud with VisionICT.
 - CS6 A random check of websites visited was carried out on the TIEA's PC - there was nothing to cause any concern.
- ACTION: A different pc needs to be checked at the time of next visit.

Effectiveness of Internal Controls

- IC1 Steve Hudson of Hudson Accounting was appointed as the Council's auditor at the July 2017 Audit & Accounting Governance Committee meeting. Contract expires at the end of financial year 2019/20
 - IC2 The IA is confirmed as independent of the Council.
 - IC3 All IA reports are made in his own name.
 - IC4 The Audit Plan Law Appendix 9 of the Governance and Accountability for Local Councils – A Practitioners Guide (England) 2010 was approved at the meeting of the committee on 21st October 2014.
 - IC5 The internal audit will consist of two visits per year. The April visit carries out risk assessments. It also carries out wider internal controls.
 - IC6 The IA is considered by Council to be competent and has carried out the internal audit work ethically, with integrity and objectively.
 - IC7 Interim audits are now being carried out by members of the committee.
 - IC8 This is the thirteenth occasion that members have carried out audits, and the report will be presented at the Audit & Accounting Governance Committee Meeting.
- ACTION: Agree 2 new members of the committee to conduct the next audit.
- IC9 Regular budget monitoring is now carried out by the Audit and Accounting Governance Committee.
 - IC10 The Committee is asked to make responses and recommendations to this report at its next meeting.
 - IC11 Adequate insurance cover is in place including Public Liability which has now been increased at no extra charge from £10 million to £15 million with the Fidelity Guarantee cover increased to £1 million – as approved by this committee at its meeting in April 2018.
 - IC12 The Asset Register has been viewed and is up to date. Assets are currently valued at £980,389.00
 - IC13 The Asset register and Insurance schedule have not been reconciled.
- ACTION: reconciliation to take place before the next audit.

Staffing

- S1 Contracts of Employment for members of staff were available during this visit, including Library Staff who have been transferred from Cornwall Council.
- A member of the library staff's contract was checked.
- ACTION: Different staff member to be selected for next audit.
- S2 Annual leave forms were checked and all records have been updated.

- S3 The TIEA, Grounds staff and Off Administrator and Admin Asst receive overtime. Management staff receives Time Off In Lieu (TOIL) unless otherwise agreed.
- S4 Employees are on the correct pay for their spinal column point. The FCM's rate of pay was checked.
- S5. Staff appraisals are due to be carried out in March 2019. Staff 1-2-1's are being done for all staff and this was confirmed by checking a member of the library staff.

Health & Safety

- HS1 The Town Council Health & Safety Policy document has been produced and approved by the Amenities Committee meeting on 5th September, 2016. Document examined
- HS2 The Accident Book and Fire Register were checked.
Fire alarm bell records were checked and found to be in order.
Fire extinguishers were checked and it was noted that these are due to be tested later this month (Jan 2019).
- HS3 A selection of Risk assessments were checked and found to be in order. They are all due to be reviewed in March 2019.
- HS4 It was recommended that informal 'walk round' risk assessment checks are made by staff, with occasional 'walk round' checks by members. A check was carried out by Cllr Garrick during this audit.
ACTION POINT: Walk round checks to be continued on further audit visits.
- HS5 There have been no accidents involving Council staff since the last Internal Control Check.

4.2 Proposal

It is proposed that Members accept the report as read and that action is taken on the points raised before, or at, the next internal audit.

Cllr. S. Barnes
Cllr. C. Garrick
Cllr. Ms D. Reeve

15th January 2019

REPORT FOR: Audit & Accounting Governance Committee Meeting of 21st January 2019

1.0 SUBJECT OF REPORT: To review Financial Regulations currently used by the Town Council

2.0 SUMMARY OF IMPLICATIONS

- | | | | |
|----|-----------|---|-----|
| a. | Policy | - | Yes |
| b. | Financial | - | No |
| c. | Legal | - | No |

3.0 REPORT

3.1 It is recommended that we should review our Financial Regulations at least annually. The last review of Financial Regulations was in January 2017 and they were amended in July that year on the recommendation of our independent internal auditor. A copy of our current regulations is attached for your information.

3.2 I have compared our current regulations to those recommended by NALC/JPAG and believe that they meet the criteria of both the advice given and more importantly, our needs, and therefore have no amendments to make. I therefore request that Members give due consideration of the regulations and approve that they meet our current needs.

4.0 CONCLUSION

4.1 It is my opinion that our current Financial Regulations meet the required criteria.

5.0 RECOMMENDATIONS

5.1 It is recommended that this committee give due consideration of the regulations and approve that they meet our current needs.

P B Bennett
Town Clerk & Responsible Financial Officer

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These Financial Regulations were adopted by the Council at its Meeting held on 30th January 2017 and amended by Council at its Meeting of 31st July 2017

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 A breach of these Regulations by an employee is gross misconduct.
- 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 Town Clerk has been appointed as RFO for Redruth Town 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 current 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 power of well-being; and
 - addressing recommendations in any report from the external auditors.
- 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 of the Audit & Accounting Governance Committee 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 Audit & Accounting Governance Committee.
- 2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.4 The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.5 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 2.6 The internal auditor shall:
 - be competent and independent of the financial operations of the council;
 - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the council.
- 2.7 Internal or external auditors may not under any circumstances:
 - perform any operational duties for the council;
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish

any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

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

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Audit & Accounting Governance Committee for recommendation to the Council.
- 3.2 The council shall consider annual budget proposals in relation to the council's forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.3 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 December 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.
- 3.4 The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

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

- the council for all items over £10,000;
- a duly delegated committee of the council for items between £5001 and £9999; or
- the Clerk, for any items up to £5000.

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 in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of the Audit & Accounting Governance Committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5 In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2500. 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.
- 4.9 Changes in earmarked reserves shall be approved by the Audit & Accounting Governance Committee as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1 The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2 The RFO shall prepare a schedule of payments made, or 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. 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:
- 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.;
 - 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
 - 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.
- 5.6 For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council, or the Audit & Accounting Governance Committee, may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8 In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any Policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.9 Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.10 The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.11 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1 The council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3 All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of the Audit & Accounting Governance Committee.
- 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. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 6.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6 Cheques or orders for payment shall be presented for signature on a regular basis to ensure cashflow of companies is not impeded and will be reported at the next meeting of the Council, unless the RFO or signatories have concerns about the payment requested.
- 6.7 If thought appropriate by the council, payment for supplies (e.g. utilities/energy, telephony, office machinery, other leases, fuel, credit card payments, and waste) 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. Failure to observe this will be considered as serious breach of conduct
- 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 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. 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 will also be restricted to a single transaction maximum value of £1000 unless authorised by council or finance committee in writing before any order is placed.
- 6.19 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Audit & Accounting Governance Committee. Transactions and purchases made will be reported to the Audit & Accounting Governance Committee and authority for topping-up shall be at the discretion of the Audit & Accounting Governance 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 any other authorised officer, and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 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 other member of staff (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

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 General Purposes committee.
- 7.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- by any councillor who can demonstrate a need to know;
 - by the internal auditor;
 - by the external auditor; or
 - 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 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.7 Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1 All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 8.2 Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3 The council will arrange with the council's Banks and Investment providers for the sending of a copy of each statement of account to the Chairman 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 (I) below.
- 10.4 A member may not issue an official order or make any contract on behalf of the council.

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

11. **CONTRACTS**

11.1 Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where it is intended to enter into a contract exceeding £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms and comply with the Public Contracts Regulations 2015 (or as amended).
- c. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- d. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- f. If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. Any invitation to tender issued under this regulation shall be subject to Standing 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.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the council 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 £1000.
- 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 Clerk shall effect all insurances and negotiate all claims on the council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting.
- 15.4 All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.
16. **CHARITIES – Trewirgie Charitable Trust Fund**
- 16.1 As the council is sole managing trustee of the Trewirgie Charitable Trust Fund the Clerk shall ensure that separate accounts are kept of the funds 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 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 Audit & Accounting Governance Committee, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed 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.