



Little Braxted Parish Council

You are hereby summoned to attend the Meeting of Little Braxted Parish Council to be held at the Braxted Bakery, Witham Road, on Tuesday 4th June 2024 at 7.00 p.m.

Gordon Mussett
Parish Clerk
25th May 2024

AGENDA

- 1. Apologies for absence**
To receive apologies for absence
- 2. Declarations of Interest**
For Members to declare any interests in matters on the agenda
- 3. To Consider any requests from Members for Dispensations**
To consider any requests from Members with pecuniary interests for dispensations to enable them to participate on the item in which they have a pecuniary interest
- 4. To Agree and Approve the Minutes of the Meeting held 7th May 2024**
To agree and approve the minutes of the meeting held on 7th May 2024 as a true record
- 5. To Invite Members of the Public to speak on Matters Regarding and Affecting the Parish**
- 6. To receive a financial statement as of 31st May 2023 –to follow**
To receive a financial statement as of 31st May 2023
- 7. To Note the Completion of the Internal Audit – attached**
To note the completion of the Internal Audit
- 8. To Receive and Consider the Internal Audit Report – Attached**
To receive and consider the Internal Audit report
- 9. To Adopt Revised Financial Regulations – Attached**
To adopt revised Financial Regulations

10. To Approve the Following Payments

To approve following payments

Doc Ref	Payable To	In Respect of	£	Legal Powers
860	H Bendall	Litterpicking	£83.61	LGA 1972, s.144
861	G N Mussett	Clerk's Salary	£161.21	LGA 1972 s112(1) & s112(2)
862	McAfee	Anti-virus software subscription	£109.99	General Data Protection Ruling (EU Regulation 2016/79)

11. Closure

ITEM 7

To Note the Completion of the Internal Audit

Annual Internal Audit Report 2023/24

ENTLETTLE BRAXTED RITY

<https://litlebraxted-pc.gov.uk/> PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick 'not covered')	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 7 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: **23/05/2024** Name of person who carried out the internal audit: **V Waples (on behalf of SALC) AUDITOR**

Signature of person who carried out the internal audit:  Date: **24/05/2024**

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).
 **Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

ITEM 8

To Receive and Consider the Internal Audit Report

Internal Audit Report for Little Braxted Parish Council for the period ending 31 March 2024

Clerk	Gordon Mussett
RFO (if different)	-
Chairperson	Councillor James Barke
Precept	£ 4786.92
Income	£16,137.80
Expenditure	£13,515.25
General reserves	£ 2,228.94
Earmarked reserves	£ 4,024.16
Audit type	Annual
Auditor name	Victoria Waples

Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2022/23 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		Internal auditor commentary
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses a spreadsheet to produce reports on a receipts and payments basis and is maintained in accordance with recommended practices.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i> <i>(under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)</i>	Yes	Council's gross income and expenditure level is below the threshold of £200,000 and has been for three (3) continuous years. Council's operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis. Council follows proper practices in ensuring that there are clear financial management reports submitted to the council on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order. <i>Comment: The RFO has shown best practise by ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>
<i>Additional comments: as council no longer operates with the General Power of Competence, it might wish to ensure that the cashbook and/or minutes make reference to the powers used to incur expenditure. Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law.</i>		
Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		

Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Standing Orders, as seen on the Parish Council's website, were reviewed at the meeting of 16 th May 2023. Council's Orders, are based on the latest model published by the National Association of Local Councils (2018) and contain the provisions of the Model Councillor Code of Conduct as adopted by the Council. The Standing Orders are compliant with legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council.
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), as seen on the Council's website were reviewed at the meeting in May 2023 and are based on the NALC Model Financial Regulations 2019 with provisions included as outlined under LTN 87 - Procurement – March 2022. <i>Comment: SALC have advised (07.05.24) that the revised model Financial Regulations have now been published by NALC for use by councils. It is these FRs which should be adopted by council at the earliest opportunity.</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority.
<i>Additional comments:</i>		

Section 3 – Payment controls

The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed.

¹ Section 151 Local Government Act 1972 (d)

The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against cheque numbers, cash book, bank statement and invoices and all were found to be recorded/authorised in accordance with Proper Practices.
Where applicable, are internet banking transactions properly recorded and approved?	N/A	Internet banking is not operated by the for the settlement of its accounts.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book. The year-end balance stands at £1,326.94 which was claimed on 8 th April 2024. A VAT claim for the period covering 1 st April 2021 to 31 st March 2023 in the sum of £1,386.06 was settled in April 2023.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	No	The council confirmed at the meeting of 16 th May 2023 that it no longer fulfilled the eligibility criteria to enable it to exercise the GPOC.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	There were no payments identified as being made under this power for the year under review.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
<i>Additional comments:</i>		

Section 4 – Risk management

The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.

² Localism Act

³ Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £9.93 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the council at its meeting of 16 th January 2024 following a formal review having been conducted in December 2023.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets, operations and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Yes	<p>Council has insurance in place under a Local Councils Policy with BHIB Insurance which shows core cover for the following: Public/Products Liability: £10million; Employer's Liability £10million and Fidelity Guarantee of £250thousand.</p> <p><i>Comment: Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May.</i></p> <p>Council has actively demonstrated that it is aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance and that annual reviews of the Council's insurance were undertaken prior to renewal. The minutes of the meeting of 16th May 2023 provides evidence that council reviewed the levels of insurance for land, public and employees liability and agreed appropriate adjustments to the cover being proposed and agreed to renew with the current insurers on a new-three-year agreement (commencing 1st June 2023).</p> <p><i>Comment: Council has ensured that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has</i></p>

		<i>taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	At the meeting of 16 th May 2023, Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances. <i>Comment: Council continues with the good practice of appointing a councillor(s) to review the system of internal control via specific tests and as such has demonstrated that it has understood the requirements to have in place safe and efficient arrangements to safeguard public money.</i>
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i>	Yes	Contained within the review of the internal controls, council also formally reviewed the scope and effectiveness of its internal audit arrangements and concluded that the standards were being met and that the work of internal audit was effective. <i>Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, it must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</i>
<i>Additional comments:</i>		

Section 5 – Budgetary controls	
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed	
Evidence	Internal auditor commentary

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

<p><i>Verify that budget has been properly prepared and agreed</i></p>	<p>Yes</p>	<p>The budget for the year 2023-2024 was approved at the Council meeting of 24th January 2023 with the minutes demonstrating a revenue budget was set in the sum of £4,775.00. The budget for the year 2024-2025 was approved at the council meeting of 16th January 2024 and set at £4,886.00. <i>Comment: council has ensured transparency in the budgetary process followed by the council and recorded within the minutes the actual budget being set alongside the reasoning for such a budget.</i></p>
<p><i>Verify that the precept amount has been agreed in full Council and clearly minuted</i></p>	<p>Yes</p>	<p>The precept for the year 2023 – 2024 was set at £4,786.92 at the meeting of 24th January 2023 with the details demonstrating that this would result in a Band D Precept of £58.30 being levied on the parish. During the year under review, in November 2023, council received a letter from Maldon District Council advising the council of amendments need for the 2022/23 and 2023/24 tax base positions as notified to the council. This had resulted in a rebate of £11.92 due to the council which was settled in December 2023. The precept for the year 2024 – 2025 was discussed and approved at the meeting of 16th January 2024 and set at £4,886 with the paperwork demonstrating that this would equate to a Band D Precept of £61.08.</p>
<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>Yes</p>	<p>The minutes evidence that council conducted reviews covering the budget for the current year with a review of income and expenditure against budget at each meeting. Budgetary papers are circulated to all councillors on a regular basis. <i>Comment: Council in accordance with its own standing order 17c produces regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i></p>
<p><i>Reserves held – general and earmarked⁶</i></p>	<p>Yes</p>	<p>The Council, as at year-end, had general reserves totalling £2,228.94, and earmarked reserves of £4,024.16. <i>Comment: Council has noted guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue</i></p>

⁶ In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

	<p><i>Expenditure. There is no upper limit for earmarked reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> <p>Council's Reserved Policy, first adopted at the meeting of 13th June 2023 and as reviewed at the meeting of 7th May 2024 confirms the level at which the General Reserve is to be maintained which will be the equivalent to three months' precept income, but at all times this should be sufficient to cover staff salaries to cover for long term sickness or the resignation of the Clerk, whereby the services of a locum clerk may be required. The policy further details measures that will be provided for should the balance be drawn down during the year.</p>
<p><i>Additional comments:</i></p>	

<p>Section 6 – income controls The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.</p>		
<p>Evidence</p>		<p>Internal auditor commentary</p>
<p><i>Is income properly recorded and promptly banked?</i></p>	<p>Yes</p>	<p>Income is recorded in accordance with Council's Financial Regulations. A sample of receipts was checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.</p>
<p><i>Is income reported to full council?</i></p>	<p>Yes</p>	<p>Income received is reported to full Council within the financial reports submitted to full Council.</p>
<p><i>Does the precept recorded agree to the Council Tax Authority's notification?</i></p>	<p>Yes</p>	<p>Council received precept in the sum of £4,786.92 (<i>see comment above regarding increase</i>) from Maldon District Council for the period under review as reported to full Council within its Financial Reports. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the council's bank</p>

		account along with further information detailing the increase in that which was set.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	N/A	Council did not receive any CIL receipts during the year under review and has no retained CIL balances.
<i>Is CIL income reported to the council?</i>	N/A	
<i>Does unspent CIL income form part of earmarked reserves?</i>	N/A	
<i>Has an annual report been produced?</i>	N/A	
<i>Has it been published on the authority's website?</i>	N/A	
<i>Additional comments:</i>		

Section 7 – petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
<i>Additional comments:</i>		

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		

⁷ Community Infrastructure Levy Regulations 2010

Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 2 employees on its payroll at the period end of 31 st March 2024. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made via internet banking in accordance with council's own Financial Regulations. Amendments to salary points are all approved by full council. <i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>Minimum wage paid?</i>	Yes	One employee is paid the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on a sample of payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?^a</i>	Yes	Council is aware of its pension responsibilities, but no member of staff was enrolled into a pension provider by the council.
<i>Have pension re-declaration duties been carried out</i>	Yes	From evidence submitted it is confirmed that the council had completed its re-declaration of compliance with The Pensions Regulator on 8 th December 2022.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.

^a The Pension Regulator – [website click here](#)

Additional comments:

Section 9 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as viewed on the Council's website, was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2024) is £11,074, which reflects movement in the asset register covering acquisitions.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2023 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.
<i>Are records of deeds, articles, land registry title number available?</i>	Yes	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was conducted via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council does not have any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The values submitted on the Draft Annual Governance and Accountability Return for Internal Audit show an asset value of £11,074 which matches that declared at Box 9 on the AGAR for approval by the council

⁹ Practitioners Guide

		<i>Comment: Council has ensured that the values stated above mirrors the declared value on the unaudited accounts for the year ending 31st March 2024.</i>
<i>Cross checking of insurance cover</i>		Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
<i>Additional comments:</i>		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Evidence was seen of the year end account balance which reconciled to the year-end accounts.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 st March 2024) the balance across the council's account stood at £6,253.10 as recorded in the draft statement of accounts and on the year-end bank reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council. The minutes of council meetings, demonstrate that a review of the bank reconciliation versus the bank statements has been undertaken even on those months where meetings were not called. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.
<i>Additional comments:</i>		

Section 11 – year end procedures

Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Accounts are produced on a receipts and expenditure/ basis, and all were found to be in order.
Financial trail from records to presented accounts	Yes	The end of year accounts were presented for the internal auditor review and there is a clear financial trail from records to presented accounts. Year-end balances agree with cash book and bank reconciliations.
Has the appropriate end of year AGAR ¹⁰ documents been completed?	Yes	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 2. The Accounting Statements were completed and signed off at the meeting of 7 th May 2024. The internal auditor has no recommendations for changes to the Accounting Statements as signed.
Did the Council meet the exemption criteria and correctly declared itself exempt?	Yes	The Parish Council did not have gross income and expenditure exceeding £25,000 during 2022-2023 and was able to declare itself exempt from a limited assurance review for the year ending 31 st March 2023. The minutes of 16 th May 2023 demonstrate that Sections 1 and 2 and the Certificate of Exemption were reviewed, and permission was given for the Chair and Clerk to sign the documents. <i>Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.</i>
During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?	Yes	Council has demonstrated that during the year under review, it ensured that the period for the exercise of elector's rights during Summer 2023 was in accordance with the period specified within the Accounts and Audit Regulations 2015. The dates set were 22 nd May to 14 th July 2023 with the Notice being dated 17 th May 2023. <i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection.</i>

¹⁰ Annual Governance & Accountability Return (AGAR)

		<i>This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i>
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	The Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31 st March 2023 and published the following on a public website: Certificate of Exemption Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Notice of the period for the exercise of public rights Analysis of variances Bank reconciliation – year-end
<i>Additional comments:</i>		

Section 12 – internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 st March 2023 was formally considered by and approved for adoption at the meeting of 13 th June 2023.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	There were no recommendations contained with the report requiring submission of a separate audit plan. The comments raised within the report being: increasing the sum in paragraph 11.1 (b) of Financial Regulations and adopting a reserves policy were actioned during the year under review.

¹¹ Accounts and Audit Regulations 2015

<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2023-2024 was approved at the council meeting of 16 th May 2023. <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i>
<i>Additional comments:</i>		

Section 13 – external audit for the period under review The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence	<i>Internal auditor commentary</i>	
<i>Has the Council considered the previous external audit report?¹²</i>	N/A	The Parish Council did not have gross income and expenditure exceeding £25,000 and was able to declare itself exempt from a limited assurance review for the year 2022-2023.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	
<i>Additional comments:</i>		

Section 14 – additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence	<i>Internal auditor commentary</i>	

¹² Regulation 20 Accounts and Audit Regulations 2015 – following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.

<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 16 th May 2023 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.
<i>Is there a list of members' interests held?</i>	Yes	A link was provided from the council's website to that of Maldon District Council's for access to the Register of Interests for all current Parish Councillors.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council does not have any trustee responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	Council is aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities. The following items were seen published on the council's public website in accordance with the dates prescribed by the relevant regulations for the year 2022-2023: Internal Audit Report ; List of Councillors and Responsibilities; Items of Expenditure Above £100 including recoverable and non- recoverable VAT; End of Year Accounts; Annual Governance Statement; Asset Register and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> ¹⁵	Yes	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. Council's Model Publication Scheme under the Freedom of Information Act provides details of the information the council holds under the scheme and is up to date and available to view on its website.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has GDPR policies that provide clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR.

¹³ The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

¹⁵ Data Protection Act 2018

		<i>Comment: Council has ensured that there is a Privacy Statement on the website which covers the framework that the public can expect for dealing with requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	Council has a website accessibility statement on the council operated website detailing the technical information of the website along with the methods used for evaluating the website; the steps being taken to improve accessibility and how the site can be approved in accordance with the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council uses a .gov.uk email address for official business for the council with clerk and councillors all having their own email addresses under @littlebraxted-pc.gov.uk. <i>Comment: Council has noted comments raised in the Practitioners Guide to Proper Practices (effective March 2024) 1.26 which states that every authority should have an email account that belongs to the council and to which the council has access.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council's risk register demonstrates the back-up procedures in place.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate with a committee system.

Signed: *Victoria S Waples*

Date of Internal Audit Review: 23.05.24

Date of Internal Audit Report: 24.05.2024

On behalf of Suffolk Association of Local Councils

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

The Internal Auditor has raised two issues for the Council to address, as follows:-

Section 1 – Proper Bookkeeping

Additional comments: as council no longer operates with the General Power of Competence, it might wish to ensure that the cashbook and/or minutes make reference to the powers used to incur expenditure. Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law

In order to ensure compliance all future payments will have the corresponding legislation permitting such action noted against them, both in the budget and the minutes, and any other non-financial actions will have the enabling legislation noted in the minutes.

Section 2 – Are Financial Regulations Up to Date ?

Comment: SALC have advised (07.05.24) that the revised model Financial Regulations have now been published by NALC for use by councils. It is these FRs which should be adopted by council at the earliest opportunity

This is being addressed in item 9 of this agenda.

Members are recommended to note the receipt of the Internal Auditors report and agree to take the measures detailed above to address the issues raised.

ITEM 9

To Adopt Revised Financial Regulations

The National Association of Local Councils has issued updated model financial regulations. The model regulations have been circulated separately but the Council is recommended to adopt the version below, which excludes reference to electronic payments, and the Council as Trustee, as these sections do not currently apply to Little Braxted.

LITTLE BRAXTED PARISH COUNCIL FINANCIAL REGULATIONS

Contents

1. General	25
2. Risk management and internal control.....	26
3. Accounts and audit.....	26
4. Budget and precept	28
5. Procurement.....	29
6. Banking and payments	30
7. Cheque payments	31
8. Petty Cash.....	32

9.	Payment of salaries and allowances	32
10.	Loans and investments.....	32
11.	Income	33
12.	Payments under contracts for building or other construction works	33
13.	Stores and equipment	34
14.	Assets, properties and estates.....	34
15.	Insurance.....	34
16.	Suspension and revision of Financial Regulations	35
	Appendix 1 - Tender process	36

These Financial Regulations were adopted by the council at its meeting held on 4th June 2024.

General

These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.

Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.

Wilful breach of these regulations by an employee may result in disciplinary proceedings.

In these Financial Regulations:

- 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
- "Approve" refers to an online action, allowing an electronic transaction to take place.
- "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
- 'Proper practices' means those set out in *The Practitioners' Guide*
- *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC.
- 'Must' and **bold text** refer to a statutory obligation the council cannot change.
- 'Shall' refers to a non-statutory instruction by the council to its members and staff.

The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. The Clerk has been appointed as RFO and these regulations apply accordingly. 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 control systems;
- ensures the accounting control systems are observed;
- ensures the accounting records are kept up to date;
- seeks economy, efficiency and effectiveness in the use of council resources; and
- produces financial management information as required by the council.

The council must not delegate any decision regarding:

- **setting the final budget or the precept (council tax requirement);**
- **the outcome of a review of the effectiveness of its internal controls**
- **approving accounting statements;**

- **approving an annual governance statement;**
- **borrowing;**
- **declaring eligibility for the General Power of Competence; and**
- **addressing recommendations from the internal or external auditors**

In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £5,000; and

Risk management and internal control

The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

The Clerk shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.

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

At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

The accounting control systems determined by the RFO must include measures to:

- **ensure that risk is appropriately managed;**
- **ensure the prompt, accurate recording of financial transactions;**
- **prevent and detect inaccuracy or fraud; and**
- **allow the reconstitution of any lost records;**
- **identify the duties of officers dealing with transactions and**
- **ensure division of responsibilities.**

At least once in each quarter, and at each financial year end, the Council at a meeting shall verify bank reconciliations produced by the RFO. The Chair shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.

Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

Accounts and audit

All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:

- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
- **a record of the assets and liabilities of the council;**

The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.

The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.

Any officer or member of the council must make available such documents and records as the internal or external auditor consider 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.

The internal auditor shall be appointed by the council and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.

The council shall ensure that the internal auditor:

- is competent and independent of the financial operations of the council;
- reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
- can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the management or control of the council

Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions;

- provide financial, legal or other advice including in relation to any future 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.

For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

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

Budget and precept

Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.

Budgets for salaries and wages, including employer contributions shall be reviewed by the council at least annually by January for the following financial year and the final version shall be evidenced by a hard copy schedule attached to the minutes.

No later than January each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year along with a forecast for the following three financial years, taking account of the lifespan of assets and cost implications of repair or replacement.

Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward by placing them in an earmarked reserve with the formal approval of the full council.

The draft budget and three-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the council.

Having considered the proposed budget and three-year forecast, the council shall determine its council tax requirement by setting a budget. The council shall set a precept for this amount no later than the end of January for the ensuing financial year.

Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.

The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.

The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.

Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

Procurement

Members and officers are responsible for obtaining value for money at all times. Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.

The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.

Every contract shall comply with these the council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.

For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.

Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 6.12) obtain prices as follows:

For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council. Tenders shall be invited in accordance with Appendix 1.

For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts.

For contracts greater than £5,000 excluding VAT the Clerk shall seek at least 3 fixed-price quotes;

where the value is between £500 and £5,000 excluding VAT, the Clerk shall try to obtain 3 estimates {which might include evidence of online prices, or recent prices from regular suppliers.}

For smaller purchases, the clerk shall seek to achieve value for money.

Contracts must not be split into smaller lots to avoid compliance with these rules.

The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:

- i. specialist services, such as legal professionals acting in disputes;

¹ The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

- ii. repairs to, or parts for, existing machinery or equipment;
- iii. works, goods or services that constitute an extension of an existing contract;
- iv. goods or services that are only available from one supplier or are sold at a fixed price.

When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council. Avoidance of competition is not a valid reason.

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

Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- the Clerk, under delegated authority, for any items below £500 excluding VAT.
- the Clerk, in consultation with the Chair of the Council for any items below £2,000 excluding VAT.
- the council for all items over £5,000;

Such authorisation must be supported by a minute (in the case of council decisions) or other auditable evidence trail.

No individual member, or informal group of members may issue an official order {unless instructed to do so in advance by a resolution of the council} or make any contract on behalf of the council.

No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council except in an emergency.

In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure of up to £2,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.

No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

An official order or letter shall be issued for all work, goods and services {above £500 excluding VAT} unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.

Any ordering system can be misused and access to them shall be controlled by [the RFO].

Banking and payments

The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council. The council has resolved to bank with Barclays Bank. The arrangements shall be reviewed annually for security and efficiency.

The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.

All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by [the RFO

Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.

All payments shall be made by cheque, in accordance with a resolution of the council, unless the council resolves to use a different payment method.

The Clerk shall have delegated authority to authorise payments {only} in the following circumstances:

- i. any payments of up to £500 excluding VAT, within an agreed budget.
- ii. payments of up to £2,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
- iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 {or to comply with contractual terms}, where the due date for payment is before the next scheduled meeting of [the council], where the Clerk certifies 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.

The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council. The council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within the minutes of that meeting.

Cheque payments

Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two members.

A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

Cheques or orders for payment shall not normally be presented for signature other than at a council meeting. Any signatures obtained away from council meetings shall be reported to the council at the next convenient meeting.

Petty Cash

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 (for example for postage or minor stationery items) shall be refunded on a regular basis.,

- a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.
- b) Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

Payment of salaries and allowances

As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.

Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.

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

Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.

Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.

Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the Council to ensure that the correct payments have been made.

Any termination payments shall be supported by a report to the council, setting out a clear business case. Termination payments shall only be authorised by the full council.

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

Loans and investments

Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.

Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full council, following a written report on the value for money of the proposed transaction.

The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

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

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

Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

Income

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

The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The Clerk shall be responsible for the collection of all amounts due to the council.

Any sums found to be irrecoverable and any bad debts shall be reported to the council by the Clerk and shall be written off in the year. The council's approval shall be shown in the accounting records.

All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.

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

Any repayment claim under section 33 of the VAT Act 1994 shall be made at least annually at the end of the financial year.}

Where significant sums of cash are regularly received by the council, the RFO shall 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 record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

Payments under contracts for building or other construction works

Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

Any variation of, addition to or omission from a contract must be authorised by the Clerk to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

Stores and equipment

The Clerk shall be responsible for the care and custody of stores and equipment.

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.

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

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

Assets, properties and estates

The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.

The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their 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.

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.

No interest in land 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. In each case a written report 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 where required by law).

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, except where the estimated value of any one item does not exceed [£500]. In each case a written report shall be provided to council with a full business case.

Insurance

The RFO shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.

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

The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council at the next available meeting. The RFO shall negotiate all claims on the council's insurers..

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.

Suspension and revision of Financial Regulations

The council shall review these Financial Regulations annually and following any change of clerk. The Clerk shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

The council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.

The council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

Appendix 1 - Tender process

- 1) Any 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.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
- 3) Where a postal process is used, 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. 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.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order [insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- 6) Where 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, 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.