

ROYSTON TOWN COUNCIL

FINANCIAL REGULATIONS 2021 FOR ENGLAND

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These Financial Regulations were adopted by the council at its meeting held on 17th May 2021. Minute number /22. Review date is May 2022.

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 governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.

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

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

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

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

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

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

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

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

1.9. The RFO;

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

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional

information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.

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

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

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

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

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

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

1.14. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment in excess of £15,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

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

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Accounting and audit (internal and external)

2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman 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 Finance 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
- has no involvement in the financial decision making, management or control of the council

2.7. Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

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

3. Annual estimates (budget) and forward planning

3.1. The 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 budget working party, Finance Committee and 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 January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.4. 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 £15,000;
- a duly delegated committee of the council for items over £3,000 but below £15,000;
or
- the Clerk, in conjunction with Chairman of Council or Chairman of the Finance Committee, for any items below £3,000.

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, when national pay rises are agreed, for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee.

4.5. In cases of extreme risk to the delivery of council services, or other unforeseen circumstances, 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 £1,000. The Clerk shall report such action to the chairman of the Council/Finance Committee as soon as possible and to the council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.

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

4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £1,000 or 15% of the budget.

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

5. Banking arrangements and authorisation of payments

5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council or finance committee. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council or finance committee. The approved schedule shall be signed by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

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

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

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

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

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

Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council or Finance Committee.

5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by a member 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.

6. Instructions for the making of payments

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

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

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

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

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

6.6. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council or Finance Committee at the next convenient meeting.

6.7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

6.8. If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.

6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.

6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.

6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

6.12. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.

6.13. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

6.14. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.15. Where internet banking arrangements are made with any bank, the 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 and supported by hard copy authority for change signed by the Clerk. 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 £1,000 unless authorised by council or finance committee in writing before any order is placed.

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

6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk and 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 RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

a) The RFO shall maintain petty cash floats of £100 for the Town Hall Offices, £100 for the Museum and £100 for Royston Cave for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

7. Payment of salaries

7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

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

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

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

a) by any councillor who can demonstrate a need to know;

b) by the internal auditor;

c) by the external auditor; or

d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

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

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

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

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

8. Loans and investments

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

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

8.3. 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.

8.4. 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.

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

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

8.7. 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 every two years, following a report of the Clerk.

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

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

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

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

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

9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of

control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

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

10. Orders for work, goods and services

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

10.2. Order books shall be controlled by the RFO.

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

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

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

11. Contracts

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

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

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

b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts

Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.

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

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

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

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

g) Any invitation to tender issued under this regulation shall be subject to Standing Order 18d, 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 but above £5,000 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 £5,000 and above £2,000 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

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

12. Payments under contracts for building or other construction works

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.

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

² Thresholds currently applicable are:

a) For public supply and public service contracts £189,330

b) For public works contracts £4,733,252

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, where possible, in respect of all goods received into store, otherwise delivered 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 £1,000.

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

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

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

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

15. Insurance

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

15.2. The Clerk should note all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

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

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

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

16. Charities

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

17. Risk management

17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

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

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.

Agenda Item 19A i – Bank reconciliation – 31st March 2021

Royston Town Council 2020-2021			
Bank Reconciliation Year Ended 31st March 2021			
<u>Receipts</u>		<u>Payments</u>	
B/F	1,043,891.70	B/F	382,617.96
March income	31,755.17	March payments	69,240.51
	1,075,646.87		451,858.47
Receipts to date	1,075,646.87		
Less Payments to date	451,858.47		
	623,788.40		
Represented by			
RTC Current Account -		45,250.02	
Less un-cleared Chqs		- 27,451.15	
		17,798.87	
Business Premium account		9,695.53	
Treasury Deposit		-	
Treasurers BPA (Stamford Yard)		65,722.00	
Treasurers BPA		430,572.00	
Public Sector Deposit Fund		100,000.00	
		623,788.40	
War Memorial Account			
<u>Receipts</u>		<u>Payments</u>	
B/F	3,885.31	B/F	-
March Receipts	-	March Payments	-
	3,885.31		-
Receipts to date	3,885.31		
Less Payments to date	-		
	3,885.31		
	In Treasurers BPA	In Current	Total
RTC War Memorial	3,706.00	179.31	3,885.31
			3,885.31
		Unpresented cheques	-
			3,885.31
Petty Cash for noting	01/03/2021	31/03/2021	
Office	100.06	100.06	
Museum	90.09	90.09	
Markets	5.00	5.00	
Cave	100.00	100.00	
Totals	£ 295.15	£ 295.15	

Royston Town Council 2020-2021
Charity Accounts - Year Ended 31st March 2021

Cave Account			
<u>Receipts</u>		<u>Payments</u>	
B/F	34,895.47	B/F	-
March Receipts		March Payments	
	34,895.47		-
Receipts to date	34,895.47		
Less Payments to date	-		
	34,895.47		
Represented by			
RTC - Cave Account	34,895.47		
Less un-cleared Chqs	-		
		£ 34,895.47	
Leete Account			
<u>Receipts</u>		<u>Payments</u>	
B/F	20,327.04	B/F	1,641.80
March Receipts	0.11	March Payments	6.35
	20,327.15		1,648.15
Receipts to date	20,327.15		
Less Payments to date	1,648.15		
	18,679.00		
Represented by			
RTC - Leete Account	18,679.00		
Less un-cleared Chqs			
		£ 18,679.00	
Town Mayor's Community Trust Fund			
<u>Receipts</u>		<u>Payments</u>	
B/F	21,668.53	B/F	63.00
Receipts	1.35	Payments	10.50
	21,669.88		73.50
Receipts to date	21,669.88		
Less Payments to date	73.50		
	21,596.38		
Represented by			
Mayor's Charity monies	683.47		
Community Fund	20,912.91		
Less un-cleared Chqs			
		£ 21,596.38	

Agenda Item 19A ii – Income and Expenditure – Year End 2020-2021

ROYSTON TOWN COUNCIL															
Summary of Royston Town Council Income & Expenditure for 2020-2021 to-date against allocated budget															
EXPENDITURE	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Year to Date	Agreed Budget	YTD Budget variance
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March			
Admin/Democracy	9,561	8,955	8,588	9,649	9,486	17,866	11,638	10,684	9,124	9,320	8,862	9,203	122,935	117,443	105%
Museum	6,636	6,244	7,654	6,069	3,497	7,129	4,381	2,956	4,577	3,079	2,250	10,913	65,385	100,819	65%
Town Hall	3,553	2,810	2,980	2,626	2,853	3,184	2,941	2,711	3,176	2,368	1,855	10,890	41,949	57,337	73%
Priory Rooms	334	353	319	319	319	375	345	345	345	345	357	6,325	10,081	14,428	70%
Market Hill Rooms	4,866	1,247	1,553	1,702	1,423	804	1,814	1,273	847	1,810	1,004	5,399	23,742	23,853	100%
Other Expenses	2,847	668	-	-	-	-	200	143	-	2,332	-	-	6,190	35,385	17%
Royston Cave	726	839	623	637	987	717	1,227	1,690	1,132	870	1,282	3,022	13,753	19,224	72%
Allotments	353	235	757	213	213	250	230	230	632	230	238	298	3,878	4,409	88%
War Memorial	597	118	106	106	106	125	115	115	615	115	119	85	2,322	2,864	81%
30 Kneesworth Street	371	59	53	53	53	63	57	57	57	57	60	42	982	2,010	49%
Plantations	776	235	840	806	213	563	543	543	4,523	933	551	6,096	16,624	18,039	92%
Public Conveniences	167	177	159	159	159	188	172	172	172	172	179	127	2,003	5,084	39%
Markets and Parking	3,498	3,539	3,680	13,137	3,535	3,891	3,547	3,919	3,503	13,189	2,983	4,190	62,612	67,200	93%
TOTAL EXPENDITURE	34,285	25,480	27,312	35,476	22,844	35,155	27,211	24,838	28,704	34,821	19,740	56,590	372,456	468,095	80%
INCOME	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Year to Date	Agreed Budget	
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March			
Interest	50	66	59	25	16	145	11	7	20	4	3	17	424	1,500	28%
Town Hall	-	-	-	-	-	1,041	1,726	217	402	-	-	-	3,385	22,600	15%
Priory Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200	0%
Market Hill Rooms	- 30	-	-	-	-	122	305	71	42	-	-	-	509	14,600	3%
Cave	-	-	-	-	-	-	-	-	-	90	61	117	268	12,000	2%
Allotments	261	66	77	194	41	24	171	85	2,830	1,244	856	27	5,876	5,399	109%
30 Kneesworth Street	-	-	4,128	-	-	3,812	-	-	3,813	-	-	3,812	15,565	15,565	100%
Museum	-	-	4	-	-	538	-	-	-	-	-	-	542	1,000	54%
Markets and Parking	3,953	1,415	1,863	3,962	2,425	8,876	5,832	5,529	2,053	6,127	1,710	4,000	47,745	60,000	80%
TOTAL INCOME	4,234	1,547	6,129	4,181	2,482	14,558	8,044	5,910	9,160	7,465	2,630	7,973	74,313	138,864	54%
PRECEPT	158,955					158,955							317,910	317,910	
CTRS grants	5,661					5,661							11,322	11,321	
Balance													£ 31,088	£ -	

Notes for Year End Income and Expenditure figures 2020-2021

	Expenditure	Income
Admin/Cost of Democracy	<p>Administration staff were without one full time member of staff for 1 month during the financial year generating a saving in employment costs of £2,729 across all budget areas.</p> <p>Postage, photocopying and stationery costs lower than anticipated due to increased use of email and reduced number of meetings.</p> <p>No election costs. No by-election called. Suggest earmark and carry forward. £1,000.</p> <p>Legal fees higher than budgeted by £11,676.</p> <p>Overspend on IT as more equipment needed for virtual meetings and home working.</p>	N/a
Museum	<p>No curator for 7 months £20,100 saving.</p> <p>Fuel, power and water lower than expected due to Museum closure</p> <p>Museum development budget not used as project on hold due to COVID 19. Suggest earmark £10,000 and carry forward.</p>	Less exhibition commission than expected as a March exhibition had to be cancelled.
Town Hall	<p>Reduced caretaker costs due to closures from COVID 19 (£12,000).</p> <p>Savings on equipment, cleaning materials and refuse due to hall closures.</p> <p>No expenditure on licences (PRS/PPL) as no hirings taking place (£1,500).</p>	Income drastically reduced due to closures because of COVID 19.
Priory rooms/Annex	<p>Caretaking and cleaning costs lower than expected due to closures for COVID 19.</p>	Priory Rooms unable to open due to COVID 19 so no income received.
Market Hill Rooms		Income drastically reduced due to closures because of COVID 19.
Other Expenses	<p>Mayor's allowance only partially used.</p> <p>Civic expenses lower than anticipated as no charity events held and no civic reception or civic service held due to COVID 19 restrictions (£1,700 saving).</p> <p>May Fayre could not happen due to COVID 19 (£2,000 saving).</p> <p>Projects co-ordinator budget not used due to COVID 19 (£10,000 saving).</p> <p>Youth Council budget not used (£2,000) suggest earmarking and carry forward.</p> <p>Christmas lights expenditure was lower than expected as Royston First received grant funding for the project.</p> <p>Refurbishment of Town Council properties budget not used (£9,340), suggest earmarking £3,000 and carrying forward as work is needed at Market Hill Rooms due to damp ingress.</p>	

Royston Cave	Guides salaries not used (£2,200) due to Cave remaining closed because of COVID 19). Fewer general expenses and maintenance as Cave closed for the season. Cave Manager's salary saving (£2,500) due to reduced duties as Cave closed due to COVID 19.	Cave unable to open due to COVID 19 so no income received.
Allotments		Higher turn-over of new tenants than expected creating an increase in administration charge income.
Public Conveniences	No expenditure as the community toilet scheme did not run due to COVID 19 restrictions (£3,000)	
Market Place		Decrease in parking income received due to COVID 19. Lower income than expected from traders due to COVID 19 restrictions.

The main reasons for variances in the expenditure budget for the financial year are –

Expenditure saved during the year:-

- Election costs budget not used (to be added to earmarked reserve) - £1,000
- Savings due to one less admin employee for 1 month - £2,729
- No curator for seven months - £20,100
- Museum development budget not used (suggest earmarked) - £10,000
- Reduced caretaker costs - £12,000
- No licence fees payable - £1,500
- Reduced civic expenses - £1,700
- No May Fayre - £2,000
- Projects co-ordinator saving - £10,000
- Youth Council budget saving (suggest earmarked) - £2,000
- Refurbishment of Town Council properties savings (suggest earmark £3,000) - £9,340
- Cave Manager and Guides salaries savings - £5,200
- Community Toilet scheme saving - £3,000

Total - £80,569

Additional unbudgeted expenditure during the year:-

- Legal fees £11,676

Council income was drastically reduced from all sources due to COVID 19.

Grants were received for the year totalling £51,049.

Earmarked Funds in general reserves

	<u>Total Earmarked Funds in reserves at beginning of 20/21</u>	<u>Add or Minus 20/21 additions or expenditure</u>	<u>Total earmarked Funds in reserves 21/22</u>
Naturally Royston	£54		£0
Naturally Royston	£389		£0
Election costs	£18,413	+£1,000	£19,413
Town Hall Maintenance (2013-2020)	£31,000	-3,960	£27,040
Allotments	£10,271	+3,072	£13,343
Market Place cash machine collection	£2,250		£2,250
Kneesworth Street repairs/decoration	£1,382		£1,382
Newsletter/surveys	£1,840		£1,840
GDPR	£2,350	-£378	£1,972
Museum education budget	£8,215		£8,215
Museum general grants	£577		£577
Museum grant – Community cabinet	£284		£284
HAMS Grant	£750	+£750	£750
Young Curators (formerly Time Trackers)	£63		£0
Jacks War Books	£2,854		£2,854
Markets contract	£39,906		£39,906
Legacy Project	£20,000		£20,000
Cave maintenance and expenses	£1,500		£1,500
External notice boards	£1,000		£1,000
Youth Council		£2,000	£2,000
Town Council properties refurbishment		£3,000	£3,000
May Fayre account		£4,042.49	£4,042.49
Museum Donations account		£5,981.80	£5,981.80
Museum Tapestry account		£8,105.87	£8,105.87
Museum Development		£10,000	£10,000
Total	<u>£142,348</u>		<u>£175,456.16</u>

Agenda Item 19B i – Bank Reconciliation April 2021

Royston Town Council 2021-2022			
Bank Reconciliation April 2021			
Receipts		Payments	
B/F	623,788.40	B/F	
April income	185,355.97	April payments	28,108.13
	809,144.37		28,108.13
Receipts to date	809,144.37		
Less Payments to date	28,108.13		
	781,036.24		
Represented by			
RTC Current Account -		90,039.12	
Less un-cleared Chqs		- 14,992.41	
		75,046.71	
Business Premium account		9,695.53	
Treasury Deposit		-	
Treasurers BPA (Stamford Yard)		65,722.00	
Treasurers BPA		530,572.00	
Public Sector Deposit Fund		100,000.00	
Takings Account		-	
		781,036.24	
War Memorial Account			
Receipts		Payments	
B/F	3,885.31	B/F	0.00
April Receipts	3,885.31	April Payments	-
	3,885.31		-
Receipts to date	3,885.31		
Less Payments to date	0.00		
	3,885.31		
	In Treasurers	In Current	Total
RTC War Memorial	3,706.00	179.31	3,885.31
			3,885.31
		Unpresented cheques	0.00
			3,885.31
Treasurers Account			
War Memorial	3,706.00		
Treasury Deposit - RTC & Museum	530,572.00		
Treasury Deposit - Stamford Yard	65,722.00		
	600,000.00		
Petty Cash for noting	01/04/2021	30/04/2021	
Office	100.06	100.06	
Museum	90.09	90.09	
Markets	5.00	5.00	
Cave	100.00	100.00	
Totals	£ 295.15	£ 295.15	

Royston Town Council 2021-2022**Charity Accounts - April 2021****Cave Account**

<u>Receipts</u>		<u>Payments</u>	
B/F	34,895.46	B/F	-
April Receipts		April Payments	
	34,895.46		-
Receipts to date	34,895.46		
Less Payments to date	0.00		
	34,895.46		
Represented by			
RTC - Cave Account	34,895.46		
Less un-cleared Chqs	-		
		£ 34,895.46	

Leete Account

<u>Receipts</u>		<u>Payments</u>	
B/F	18,679.00	B/F	-
April Receipts	142.84	April Payments	6.70
	18,821.84		6.70
Receipts to date	18,821.84		
Less Payments to date	6.70		
	18,815.14		
Represented by			
RTC - Leete Account	18,815.14		
Less un-cleared Chqs			
		£ 18,815.14	

Town Mayor's Community Trust Fund

<u>Receipts</u>		<u>Payments</u>	
B/F	21,596.38	B/F	-
Receipts	-	Payments	1,006.00
	21,596.38		1,006.00
Receipts to date	21,596.38		
Less Payments to date	1,006.00		
	20,590.38		
Represented by			
Mayor's Charity monies	683.47		
Community Fund	20,406.91		
Less un-cleared Chqs	500.00		
		£ 20,590.38	

Agenda Item 19B ii – Income and Expenditure April 2021

ROYSTON TOWN COUNCIL																		
Summary of Royston Town Council Income & Expenditure for 2021-2022 to-date against allocated budget																		
EXPENDITURE	Quarter 1					Quarter 2			Quarter 3			Quarter 4			Year to Date	Agreed Budget	YTD Budget variance	
	April	May	June	Estimated Quarterly Budget	QTD Variance	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March				
Admin/Democracy	8,732	-	-	35,153	75%	-	-	-	-	-	-	-	-	-	8,732	129,571	81%	
Museum	4,115	-	-	22,851	54%	-	-	-	-	-	-	-	-	-	4,115	91,666	54%	
Town Hall	3,005	-	-	15,461	58%	-	-	-	-	-	-	-	-	-	3,005	59,613	60%	
Priory Rooms	314	-	-	1,142	82%	-	-	-	-	-	-	-	-	-	314	14,508	26%	
Market Hill Rooms	892	-	-	2,672	100%	-	-	-	-	-	-	-	-	-	892	20,294	53%	
Other Expenses	2,045	-	-	3,426	179%	-	-	-	-	-	-	-	-	-	2,045	15,543	158%	
Royston Cave	1,254	-	-	5,910	64%	-	-	-	-	-	-	-	-	-	1,254	20,032	75%	
Allotments	349	-	-	870	120%	-	-	-	-	-	-	-	-	-	349	4,465	94%	
War Memorial	615	-	-	1,605	115%	-	-	-	-	-	-	-	-	-	615	2,423	305%	
30 Kneesworth Street	382	-	-	549	209%	-	-	-	-	-	-	-	-	-	382	1,036	442%	
Plantations	464	-	-	2,410	58%	-	-	-	-	-	-	-	-	-	464	19,080	29%	
Public Conveniences	157	-	-	637	74%	-	-	-	-	-	-	-	-	-	157	2,913	65%	
Markets and Parking	3,725	-	-	12,024	93%	-	-	-	-	-	-	-	-	-	3,725	70,734	63%	
TOTAL EXPENDITURE	26,049	-	-	104,711	75%	-	-	-	-	-	-	-	-	-	26,049	451,878	69%	
INCOME	Quarter 1					Quarter 2			Quarter 3			Quarter 4			Year to Date	Agreed Budget		
	April	May	June	Estimated Quarterly Budget	QTD Variance	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March				
Interest	4			77	16%										4	300	16%	
Town Hall	-	-	-	4,055	0%	-	-	-	-	-	-	-	-	-	-	-	15,000	0%
Priory Centre	-	-	-	85	0%	-	-	-	-	-	-	-	-	-	-	-	500	0%
Market Hill Rooms	-	-	-	2,292	0%	-	-	-	-	-	-	-	-	-	-	-	7,500	0%
Cave	-	-	-	3,904	0%	-	-	-	-	-	-	-	-	-	-	-	10,000	0%
Allotments	166	-	-	306	163%	-	-	-	-	-	-	-	-	-	166	5,600	36%	
30 Kneesworth Street	-	-	-	4,121	0%	-	-	-	-	-	-	-	-	-	-	-	15,580	0%
Museum	-	-	-	96	0%	-	-	-	-	-	-	-	-	-	-	-	750	0%
Markets and Parking	3,856	-	-	14,592	79%	-	-	-	-	-	-	-	-	-	3,856	54,000	86%	
TOTAL INCOME	4,026	-	-	29,528	41%	-	-	-	-	-	-	-	-	-	4,026	109,230	44%	
PRECEPT	165,734														165,734	331,469		
CTRS grants	5,590														5,590	11,179		
Balance															£ 149,301	£ -		