BUCKLEY TOWN COUNCIL

FINANCIAL REGULATIONS

Effective from 1st April 2024

Review March 2025

Karen Brown
Town Clerk and Responsible Financial Officer

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These Financial Regulations were adopted by Buckley Town Council at its meeting held on 23rd April 2024 and became effective on 1st April 2024.

CONTENTS

These Financial Regulations should be read in conjunction with the Council's Internal Financial Controls Document (Addendum 1 to the Standing Orders), the Council's Annual Treasury Management and Investment Strategy Document (Addendum 2 to the Standing Orders) and the Council's Risk Assessment Document (Addendum 3 to the Standing Orders).

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BUCKLEY TOWN COUNCIL
FINANCIAL REGULATIONS

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 Controls which facilitate 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 efficient and effective safeguarding of public money;
- to prevent and detect inaccuracy and fraud and
- identifying the duties of Officers.

1.4 These Financial Regulations demonstrates 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 systems of internal control which shall be in accordance with proper practices.

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

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

1.8 The Responsible Financial Officer (hereinafter referred to as “the Clerk”) holds a statutory office to be appointed by the Council. The Clerk has been appointed as the Responsible Financial Officer by this Council and these Financial Regulations will apply accordingly.

1.9 The Clerk:

- 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 Clerk shall be sufficient to show and explain the Council’s transactions and to enable the Clerk to ensure that any Income and Expenditure Account and Statement of Balances, or record of Receipts and Payments comply with the relevant Accounts and Audit (Wales) Regulations and to prepare additional and/or management information, as the case may be, for the Council from time to time.

1.11 The Accounting Records determined by the Clerk 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 Clerk 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 items, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the Clerk 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 Financial 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 and

- addressing recommendations in any report from the Internal or External Auditors,

  The above shall be matters 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 in excess of £5,000; (see section 5.7)

- approve any single commitment in excess of £10,000 (see section 4.1) and

- in respect of the annual salary for any employee have regard to recommendations about the annual salaries of employees made by the Finance and Economic Development Committee and/or the Staffing Committee in accordance with each one's terms of reference.

1.15 In these Financial Regulations, reference to the Accounts and Audit (Wales) Regulations or "the Regulations" shall mean the Regulations issued under the provisions of Section 39 of the Public Audit (Wales) Act 2004, or any superseding legislation then in force unless otherwise specified.

In these Financial Regulations the term "Proper Practice(s)" shall refer to guidance issued in the *Governance and Accountability for Local Councils in Wales – A Practitioners' Guide issued by the Joint Practitioners Advisory Group (JPAG).*

1.16 These Financial Regulations should be read in conjunction with the Council's Internal Financial Controls Document (Addendum 1 to the Standing Orders), the Council's Annual Treasury Management and Investment Strategy Document (Addendum 2 to the Standing Orders) and the Council's Risk Assessment Document (Addendum 3 to the Standing Orders).

2. <u>ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)</u>

2.1 All Accounting Procedures and Financial Records of the Council shall be determined by the Clerk in accordance with the Accounts and Audit (Wales) Regulations, appropriate guidance and proper practices.

2.2 On a regular basis, at least monthly and at the end of the Financial Year, the Finance and Economic Development Committee shall receive and approve a Bank Reconciliation of all accounts held by the Council.

2.3 The Clerk 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 at the end of the Financial Year and having certified the Accounts shall submit them and report thereon to the Council within the timescale set by the Accounts and Audit (Wales) 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 Clerk, 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 the Council, in writing, or in person, on a regular basis with a minimum of two annual written reports during and relating to each Financial Year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships and
- have no involvement in the financial decision making, management or control of the Council.

2.7 Internal or External Auditors may not under any circumstances:

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

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

2.9 The Clerk 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 the Public Audit (Wales) Act 2004 or superseding legislation and the Accounts and Audit (Wales) Regulations.

2.10 The Clerk shall without undue delay, bring to the attention of all Members, any correspondence or report from the Internal or External Auditors.

3. BUDGET AND FORWARD PLANNING

3.1 The Council and/or a Standing Committee shall review its annual forecast of revenue and capital receipts and payments throughout the year. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following Financial Year to the Council not later than the commencement of January each year including any proposals for revising the forecast.

3.2 The Clerk must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of Reserves and all sources of funding for the following Financial Year in the form of a Budget to be considered by the Council.

3.3 The Council shall consider Annual Budget proposals in relation to the Council's annual forecast of revenue and capital receipts and payments including recommendations for the use of Reserves and sources of funding.

3.4 The Council shall fix the Precept (Council tax requirement), to be levied for the ensuing Financial Year not later than by the end of January each year. The Clerk shall issue the Precept to the Bill Authority and shall supply each Member with a copy of the Approved Annual Budget.

3.5 The Approved Annual Budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

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

- the Council or the appropriate Committee for items over £10,000.
- the Clerk for all items below £10,000 (however see Financial Regulation 11 below).

4.2 No expenditure may be authorised that will exceed the amount provided in the Approved Revenue Budget for that class of expenditure other than by resolution of the appropriate Committee. During the Budget Year and with the approval of the Council and/or the Finance and Economic Development Committee having considered fully the implications for public services, unspent and available amounts may be moved to other Budget Heads 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, but be placed in Reserves.

4.4 The salary budgets are to be reviewed at least annually for the following Financial Year and such review shall be evidenced by the inclusion in the Draft Budget of the figure calculated. The Finance and Economic Development Committee when approving the Draft Budget is required to have cognisance of the notes appended to the Draft Budget and in particular to the salaries element of the Draft Budget.

4.5 In cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £10,000. The Clerk shall undertake such action in conjunction with the Mayor and/or Chair of the Finance and Economic Development Committee. If the Clerk has to take the action prior to discussions with the Mayor and/or the Chair of the Finance and Economic Development Committee, notification of the action taken should be provided as soon as is practicable.

4.6 No expenditure shall be authorised in relation to any Capital Project and no contract entered into or tender accepted involving Expenditure unless the

Council is satisfied that the necessary funds are available and if required, 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 Clerk shall regularly provide the Finance and Economic Development Committee with a statement of income and expenditure to date under each Budget Heading, comparing actual expenditure to the appropriate date against that planned as shown in the Approved Budget. These statements are to be prepared at least at the end of each financial quarter and shall provide explanations of material variances. For this purpose "material" shall be in excess of £500 or 10% of the Approved Budget provision.

4.9 Changes in Specific Reserves shall be approved by the Council and/or the Finance and Economic Development Committee as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

5.1 This Financial Regulation should be read in conjunction with the Buckley Town Council, Internal Financial Controls Document (Addendum 1) to the Town Council's Standing Orders and the Annual Treasury Management and Investment Strategy Document (Addendum 2) to the Town Council's Standing Orders.

5.2 The Council's banking arrangements, including the bank mandate, shall be made by the Clerk and approved by the Council; banking arrangements may be delegated to a Standing Committee. They shall be regularly reviewed for safety, security and efficiency. The Council's Bank may seek credit references in respect of Members or employees who act as signatories.

5.3 The Clerk shall have prepared a schedule of payments requiring authorisation, forming part of the Agenda for the Finance and Economic Development Committee meetings and together with the relevant invoices, present the schedule to the Finance and Economic Development Committee. The Finance and Economic Development Committee shall review the schedule for compliance and having satisfied itself shall authorise payment by resolution. The approved schedule shall be signed by two authorised signatories and the Clerk. Any payments on the schedule made other than by cheque shall be initialled by the two authorised signatories. A detailed list of all payments shall be made available to be viewed as an adjunct to the minutes of the meeting at which those payments were 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.

5.4 All invoices for payment shall be examined, verified and certified by the Clerk 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 in its Approved Budget.

5.5 The Clerk shall examine invoices for arithmetic accuracy and analyse them to the appropriate expenditure Budget Head. The Clerk shall take all steps to pay all invoices submitted at the next available meeting of the Finance and Economic Development Committee.

5.6 The Clerk shall have delegated authority to authorise the payments 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 the Finance and Economic Development Committee where the Clerk certified that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next meeting of the Finance and Economic Development Committee.

b) An expenditure item relating to continuing contracts and obligations, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Economic Development Committee.

c) An expenditure item where immediacy of payment is necessary, provided that a list of such payments shall be submitted to the next meeting of the Finance and Economic Development Committee. The financial limit of this Financial Regulation shall be £500 or, if in excess of that amount, with the express authority of the Mayor and/or Chair of the Finance and Economic Development Committee.

d) Fund transfers within the Council's banking arranging up to the sum of £30,000, provided that a list of such transfers shall be identified on the Bank Reconciliations provided to the Finance and Economic Development Committee.

5.7 In respect of grants a duly authorised Sub-Committee (with delegated powers to act) or the Finance and Economic Development Committee shall approve expenditure within any limits set by the Council and in accordance with any policy statement approved by the Council any Revenue or Capital Grant in excess of £5,000 shall, before payment is made, be subject to ratification by resolution of the Finance and Economic Development Committee.

5.8 Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable or other interest, unless a dispensation has been granted by Flintshire County Council's Standards Committee.

5.9 The Council will aim to rotate the duties of Members in these Financial Regulations so that onerous duties are shared out as evenly as possible over time.

5.10 Any changes in the recorded details of suppliers, such as bank account records, shall be recorded and made available for perusal by Members.

6. <u>INSTRUCTIONS FOR MAKING PAYMENTS</u>

6.1 The Council will make safe and sufficient arrangements for the making of its payments.

6.2 Following authorisation under Financial Regulation 5 above, the Council and/or the Finance and Economic Development Committee or, if so delegated, the Clerk, shall give instruction that a payment shall be made.

6.3 All payments shall be effective by cheque or other instructions to the Council's bankers or otherwise, in accordance with a resolution of the Council and/or the Finance and Economic Development Committee.

6.4 Cheques or orders for payment drawn on the Town Council's Bank Current Account in accordance with the Schedule as presented to the Finance and Economic Development Committee shall be signed by two authorised Members and 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 (cheque signing requirements are: any Two Authorised Members and the Clerk for any amount).

6.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the Authorised Signatories shall each also initial the cheque counterfoil and/or alternatively a copy of the signed cheque attached to the invoice/payment instruction.

6.6 Cheques or orders for payment shall not normally be presented for signature other than at a meeting of the Finance and Economic Development Committee (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be, because of convenience only.

6.7 If thought appropriate by the Council and/or the Finance and Economic Development Committee, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit. The approval of the use of a variable direct debt shall be renewed by resolution of the Finance and Economic Development Committee as required.

6.8 If thought appropriate by the Council, payment for certain items (principally salaries) may be made by bankers standing order or direct debt provided that the instructions are signed and any payments made under the standing order and/or direct debt are notified to the Finance and Economic Development Committee on each payment schedule presented to it. The approval of the use of a bankers standing order and/or direct debt shall be renewed by resolution of the Finance and Economic Development Committee as required.

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 and the payment is clearly shown as BACS or CHAPS on the Payment Schedule as presented to the Finance and Economic Development Committee. The approval of use of BACS or CHAPS shall be renewed by resolution of the Finance and Economic Development Committee as required.

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. Payments made by internet banking transfer shall be shown and clearly identified on the Payments Schedule presented to the Finance and Economic Development Committee.

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 retained in a sealed envelope.

6.12 No employee or Member 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 offsite.

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

6.15 Where internet banking arrangements are made with the Council's Bank, the Clerk shall be appointed as the Service Administrator (in the Clerk's absence another member of staff shall be designated as the relief Service Administrator). The bank mandate approved by the Council shall identify a number of Members who will be authorised to approve transactions on those accounts (those Members authorised shall be identified and approved at the Annual General Meeting (Resumed) of the Town Council). The bank mandate will allow the Service Administrator or the Relief Service Administrator access to the internet banking facility. The limit of financial transactions in relation to the internet banking arrangements shall be as set from time to time by the Finance and Economic Development Committee. The Clerk shall be limited to a maximum of £5,000 per individual payment. This does not exclude the Clerk from making internet banking transfers from the Business Call Account to the Current Account for the purposes of having sufficient money in the Current Account to meet expected demands from payments made as detailed on the Payments Schedule submitted to the Finance and Economic Development Committee for its approval.

6.16 Access to any internet banking accounts will be directly to the access page and not through a search engine or email link. Passwords must not be saved on the computer. A breach of this Financial Regulation will be treated as a serious matter under these Financial 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, such notifications shall be filed as proof of changes to the suppliers' details.

6.18 Any debit card issued for use will be specifically restricted to the Clerk and will be restricted to a single transaction maximum value of £500. The figure may be varied by resolution of the Finance and Economic Development Committee.

6.19 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council or the Finance and Economic Development Committee. Transactions and purchases made will be reported to the Finance and Economic Development Committee and authority for topping-up shall be at the discretion of that 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/or designated staff and shall be subject to automatic payment in full at each month end. The exception to this is where, for immediacy and value for money, the Clerk uses his/her own credit/debit card to purchase something on behalf of the Town Council. Should this occasion occur, the use of the Clerk's own credit/debt card should be immediately recorded on a purpose prepared spreadsheet, a receipt for the payment be provided and the Chair of the Finance and Economic Development Committee sign the spreadsheet. The payment must then be included in the next payment schedule with clear details of the use of the Clerk's own credit/debit card for approval by the Finance and Economic Development Committee and signatures/or initials of two authorised signatories. The Clerk to be reimbursed via bank transfer. This exception should not be regarded as the normal rule.

6.21 The Clerk may provide petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers for payment made shall be forwarded to the relevant member of staff with a claim for reimbursement:

a) The relevant member of staff shall maintain a petty cash float of £300 for the purpose of defraying operational and other expenses. Vouchers for payment 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 for elsewhere in these Financial Regulations. The exception to this shall be minor income received with a maximum limit of £35.

c) Payments to maintain the petty cash float shall be shown separately on the Schedule of Payments presented to the Finance and Economic Development Committee under 5.2 above.

d) An analysed petty cash account shall be presented to the Finance and Economic Development Committee at least quarterly for its approval.

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 and/or the Staffing Committee which has delegated powers to act.

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 meeting of the Finance and Economic Development Committee as set out in these Financial Regulations.

7.3 No changes shall be made to an employees pay, emoluments or terms and conditions of employment without the prior consent of the Council.

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

a) By any Member who can demonstrate a need to know and has been granted permission to view the documents.

b) By the Internal Auditor.

c) By the External Auditor; or

d) By any person authorised under the Public Audit (Wales) Act 2004 or any superseding legislation.

7.5 The total of such payment 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 retained 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 the Council.

7.8 The Council may, at its discretion pay relevant professional body subscriptions. The payments should be by a reimbursement, upon production of the relevant receipt, to the employee. Such payments must be recorded and approved on the next Payment Schedule and be signed and/or initialled by two designated Member signatories.

7.9 Before employing interim staff, the Council must consider a full business case. Should the employment of interim staff be as the result of urgency or emergency, the approval may be given by the Mayor and/or Chair of the Finance and Economic Development Committee and a report presented to the next meeting of the Finance and Economic Development Committee.

8. LOANS AND INVESTMENTS

8.1 All borrowings shall be effective in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the 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 Welsh Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the Finance and Economic Development Committee. In each case a report in writing shall be provided to the Finance and Economic Development Committee in respect of value for money for the proposed transaction.

8.3 The Council will arrange with the Council's Bank and investment providers for the sending of a copy of each statement of account to the Clerk on a monthly basis.

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

8.5 The Council has approved an Investment Strategy and Policy which is in accordance with relevant regulations, proper practices and guidance. The document is as shown on the Town Council's Standing Orders (Addendum 2).

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

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

8.8 Payments in respect of short term or long term investments including transfers between Bank Accounts held in the same Bank, or Branch, shall be made in accordance with Financial 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 Clerk.

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 Clerk and the Clerk shall be responsible for the collection of all accounts due to the Council.

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

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Finance and Economic Development 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 Clerk. In all cases, all receipts shall be deposited with the Council's Bankers with such frequency as the Clerk considers necessary.

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

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

9.8 The Clerk shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the 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 Clerk 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 separate Charitable Bank Account. Instructions for the payment of funds due from the Charitable Bank Account shall be by resolution of the Council at its Annual General Meeting.

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 (if held) shall be controlled by the Clerk.

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 be obtaining competitive quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Financial Regulation 11.1 below.

10.4 A Member may not issue an official order or negotiate and make any contract on behalf of the Council.

10.5 The Clerk shall verify the lawful nature of any proposed purchase before the issue of any order and in the case of new or infrequent purposes or payments, the Clerk 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 or as defined in Financial Regulation 11.1(b) below, provided that this Financial Regulation need not apply to contracts which relate to items (i) to (iii) 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.

b) (i) With the exception of Financial Regulation 11.1(a), (i) to (iii), where it is intended to enter into a contract exceeding £20,000 in value for the supply of goods or services, on the execution of such, tenders shall be invited from, wherever practicable, three approved firms. Approved firms shall be defined, where appropriate, as firms on the Flintshire County Council approved list of tenderers (minute 10151).

(ii) If no tenders are received or if all the tenders are identical the Council, or an appropriate Standing Committee, may make such arrangement for procuring the goods, materials or services or executing the work as it thinks fit.

(iii) Tenders invited under this Standing Order shall contain a statement of the effect of Standing Orders Nos 26(b), 27(a)(i) and (ii) and 27(b).

(iv) In certain circumstances it will be permissible, by resolution of the Council or an appropriate Standing Committee, for the supply of works, goods and/or services, the value of which is likely to exceed £20,000, for the contract to be let without competitive tendering. The circumstances will be as follows:-

1. Where the work, good or service is of a proprietary nature and is only available through one contractor.
2. Where time is of the essence and monies must be expended and/or income streams realised in a timeframe that does not allow for a competitive tendering procedure. This Financial Regulation includes time pressures due to health and safety matters, emergencies and the requirement to receive works, goods or services at a specified date and time in the immediate future. Prior to entering into such a contract the Clerk shall ensure that at all times, a best value for money approach is taken in letting the contract.
3. Where the work, good or service is to be provided by another public sector body and that public sector body is working in partnership with Buckley Town Council. Prior to entering into such a contract the Clerk shall ensure that at all times, a best value for money approach is taken in letting the contract.
4. Where the contract is of an identical or sufficiently similar nature to another contract that had been let by competitive tendering in the last 12 months, the successful contractor may be appointed.

5. Where the contract can genuinely be considered as an extension to/or an adaptation to an existing contract which has been let by competitive tendering.
6. Where a tendering exercise has been undertaken, however, the number of tenderers responding is less than three, the responding tenderers to be considered on their merit.

Whenever consideration is given to the exclusions listed as 1 – 6 above, the contract should be let after discussions with and approval of the Chair of the Council or appropriate Standing Committee and the Clerk shall provide such evidence as the Council or an appropriate Standing Committee requires to substantiate the use of the above exclusions at the next meeting of the Council or the appropriate Standing Committee.

(v) Where the value of a contract for goods or services falls below £20,000 or the contract is of such a specialist nature that only one contractor may be available to carry out the work, the Clerk shall ensure that at all times, a best value for money approach is taken in letting the contract.

(vi) Where contracts are let for more than a single requirement (i.e. for a continued period) the length of the period of the contract should be specified in the contract itself when being awarded.

(vii) In respect of Financial Regulation 11(b)(vi) above, the Council and/or a Standing Committee, may upon receiving a report from the Clerk extend the period of time for the contract provided that the Clerk's report demonstrates the economy, efficiency and effectiveness of such an extension. The extension, if granted, should be for a specified period.

c) Whenever a contract for goods and/or services is entered into, for whatever value, the relevant sections of the current Buckley Town Council's Internal Financial Controls, Annual Treasury Management and Investment Strategy and the Risk Assessment must be complied with.

d) The full requirements of The Public Contracts Regulations 2015 ("the Regulations"), as applicable shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed the thresholds in "the Regulations" set by the Public Contracts Directive 2014/24/EU (which may change from time to time).

e) When applications are made to waive Financial Regulations/Standing Orders relating to contracts to enable a price to be negotiated without competition, the reasons shall be identified under the above Financial Regulations/Standing Orders and advised to the Finance and Economic Development Committee if required.

f) Where an invitation to tender has been submitted it shall state the general nature of the intended contract and the Clerk shall obtain any 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 supply its tender in a sealed envelope clearly marked as the company's tender document. The tender document shall remain in the sealed envelope until the prescribed date for opening tenders for that contract.

g) 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 the Council who should be the Mayor and/or Chair of the Finance and Economic Development Committee.

h) An invitation to tender issued under this Financial Regulation shall refer to the terms of the Bribery Act 2010.

i) When it is to enter into a contract of less than £20,000 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 strive to obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £500 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

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

11.2 The Clerk shall maintain a register of personal interests, in respect of both Members and Officers:

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

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

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 Clerk 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 payments by instalments the Clerk 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 exclude the contract sum by 5% or more a report shall be submitted to the Finance and Economic Development Committee.

12.3 Any variation to a contract or additional to or omission from, a contract must be approved by the Council and/or the Finance and Economic Development Committee and provided to the contractor in writing, the Council and/or the Finance and Economic Development Committee being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

13.1 The Clerk and/or an Officer shall be responsible for the care and custody of stores and equipment.

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

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

13.4 The Clerk and/or Officer shall be responsible for periodic checks of stocks and stores.

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 Clerk 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 the Accounts and Audit (Wales) Regulations.

14.2 No tangible movable 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 property does not exceed £500.

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 the Council in respect of the valuation and survey 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 Council. In each case a report in writing shall be provided to the Council in respect of the 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 Financial Regulation 14.2 above, no tangible movable property shall be purchased or acquired without the authority of the Council. In each case a report in writing shall be provided to the Council or the Finance and Economic Development with a full business case.

14.6 The Clerk shall ensure that an appropriate an 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 if appropriate.

15. INSURANCE

15.1 Following the Annual Risk Assessment (per Financial Regulation 17 below and Financial Regulation 1.16 above) the Clerk shall effect all insurances and negotiate all claims on the Council's Insurers.

15.2 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

15.3 The Clerk shall be notified of any loss or damage or of any event likely to lead to an insurance claim and shall report these to the Finance and Economic Development Committee at its next available meeting.

15.4 All appropriate Members and Employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council or the Finance and Economic Development Committee.

16. CHARITIES

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

17. RISK MANAGEMENT

17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the 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 (see Financial Regulation 1.16 above).

17.2 When considering any new activity the Clerk shall ensure the preparation of a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

18.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirements for a consequential amendment to these Financial Regulations.

18.2 The Council may, by resolution duly notified prior to the relevant meeting of the 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 the Council.

KB/LG
April 2024

Next Review March 2025

BUCKLEY TOWN COUNCIL

Supplementary Financial Policies and Procedures

Supplier Account Set Up and Account Change Procedures

Contents

Supplier Account Set Up and Change Procedures

1. Supplier Account Set Up

1.1 Supplier details

To open up a new supplier account the following information must be obtained –

Full trading name
Address, including postcode
Telephone number
E-mail address (for remittance advice notes to be sent to)

1.2 Supplier payment details

Ideally all supplier payments should be made by BACS rather than cheque.

Bank details required are -

Name of account
Bank address
Sort code
Account Number

All bank details must be received in writing by post on company headed paper signed by an appropriate person.

Once received, and before these details are used to make any payment, they must be verified by making a telephone call to the supplier. Do not use the telephone number sent with the bank details, if there is one, without checking it is genuine against an invoice, their website and/or the telephone directory. Always ask to check the details with the accounts department. They are to give you the details to verify to the letter. Never read back the details from the letter. Get the name of the person you speak to and record this information.

Further checks, such as personal ID, may be required depending on what is received.

If these verification checks cannot be made before payment is due then the supplier should be paid by cheque until verification is complete.

2. Changes to Supplier Details

2.1 Changes to supplier details

This procedure aims to minimise the potential for Mandate Fraud (see section 3).
If anyone contacts you by telephone, e-mail or letter to change any supplier details always telephone the accounts department back to confirm the change. Be wary if it is to change the telephone number and particularly cautious if it is to change bank details.

2.2 Changes to bank details

Follow the same procedures as in section 1.2 by only accepting changes in writing and then verifying the changes by telephoning the accounts department of the supplier. Do not make any changes or payments into this new bank account until full verification has been made and these have been signed off by the Finance Manager.

2.3 Keep notes

Make notes of all telephone conversations including names of who you have spoken to. Keep all of these notes together with the original letter/e-mail received giving details of the bank change for 7 years.

2.4 Supplier review

A periodic review of suppliers should be undertaken to identify and remove any old/dormant accounts from list of payees on Internet Banking. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.

3. Mandate Fraud

3.1 Mandate Fraud

(from https://www.met.police.uk/advice/advice-andinformation/fa/fraud/businessfraud/mandate-and-cheque-fraud/)
Mandate Fraud is also known as Creditor Fraud, Payment Diversion Fraud and Supplier Account Takeover Fraud.

Changing bank accounts is an unusual occurrence and therefore any request to update records should be treated with suspicion. Changes should be authorised at a senior level.

This fraud involves the changing of account details for supplier or customer accounts in order to gain control of an account and benefit from unauthorised payments. This could include changing of bank details in a direct debit, manipulation of credit card activity, or changing of an employee's bank account details for their salary, particularly when a bonus is due.

Fraudsters rely on the Payee (Company) name not being checked by the Banks. In most cases, only the Sort Code and Account Number are checked by the receiving bank.

Additionally, company details, including signatures on published accounts, are copied from the internet.

All companies and organisations are urged to ensure that they have robust authorisation and monitoring procedures in place for the creation and changing of bank details and monitoring of payments.

This also applies when providing account details on order to set up new payments or amend them.

Requests may be received by phone, letter or email to update account details. These requests must be monitored, checked and authorised before changes are made.

3.2 Details of suppliers are obtained from :

- Inside knowledge, including corrupt staff acting fraudulently.
- Publicly announced contracts.
- On-line transparency of contracts, particularly public sector contracts.
- Internet research about the targeted organisation, their activities and identifying key staff.
- Social Engineering to gain information from unsuspecting employees, this may include telephoning companies to gain information about their procedures.

3.3 The approach is made by :

- Telephone: there may be some urgency or reason to get changes made in a hurry: this is an indication of a potential fraud.
- A written request (letter or fax): this may be on 'official' looking letterhead quoting publicly available information such as company registration and director details.
- An email request: using information and logo's that look legitimate and have a reply email address that is 'spoofed' to give the impression that it is legitimate.

3.4 In all cases

All the information presented may be correct, including directors, key contract staff, and signatories, having been collated and checked against different sources. They may be routed directly or in such a way that they appear to be from another part of the organisation, even if apparently authorised by a senior manager, the request should be thoroughly checked.

3.4 Recommendations

- All staff should be wary of providing sensitive company information, by phone or other means, especially contract and account information including references.
- Establish with suppliers, and internally, points of contact for handling and changing sensitive information that may benefit fraudsters.
- Call-back your supplier using records in your system (not on the letter) to check the veracity of the request.
- Get a confirmatory email from the expected corporate email address.
- Make a note of your enquiries; be willing to double check information.
- Other policies may need review – clear desk, information security, staff vetting, internal and external financial controls.
- Do not publish account details and signatories on yearly reports.

3.6 Further checks that may be considered

- Enquiries to verify the new payee account details. With most types of bank transfer, only the Sort Code and Account number are verified, not the account holder's name.
- When contacting companies, do not automatically use the information provided on suspicious letters, faxes and email. Check this against contract documentation, payment records and other information. Contact the accounts department direct and not the name on the letter.
- Internet checks may highlight discrepancies and previous attempts. However, fraudsters may create incorrect records on the web, including business directory entries and web sites, in order to mislead.
- Check the details on any request doe change – company numbers, VAT registration, contact details, web and email information.
- Companies House information should be treated with caution. It is only a register and there are significant problems with details being changed in order to divert goods and payments.
- If making contact by phone, do this via main switchboards. Telephone calls may be re-directed, email addresses and incoming phone numbers are easily changed to look like legitimate ones.

KB/LG – Reviewed April 2024