BUCKLEY TOWN COUNCIL

FINANCIAL REGULATIONS

Based on the Model Financial Regulations template produced by the National Association of Local Councils (NALC) in April 2024 for the purpose of One Voice Wales Members.
Buckley Town Council are Members of One Voice Wales.

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Policy type: Statutory – various legislation - Local Government Act 2003, Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, Accounts and Audit (Wales) Regulations 2014, the Council’s Standing Orders & Governance and Accountability for Local Councils in Wales – A Practitioners’ Guide 2019.

BUCKLEY TOWN COUNCIL

FINANCIAL REGULATIONS

Contents

These Financial Regulations were adopted by the Council at its meeting held on 25/03/2025.

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).

General

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

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

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

1.4. In these Financial Regulations:

- 'Accounts and Audit Regulations' means the regulations issued under Section 39 of the Public Audit (Wales) Act 2004, or any superseding legislation, and then in force, unless otherwise specified.
- "Approve" refers to an online action, allowing an electronic transaction to take place.
- "Authorise" refers to a decision by the Council, or a Committee or an Officer, to allow something to happen.
- 'Proper practices' means those set out in *The Practitioners' Guide*
- *Practitioners' Guide* the Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
- 'Must' and **bold text** refer to a statutory obligation the Council cannot change.
- 'Shall' refers to a non-statutory instruction by the Council to its Members and staff.

1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Council. The Clerk has been appointed as RFO and these regulations apply accordingly. The Clerk;

i. acts under the policy direction of the Council;

ii. administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;

iii. determines on behalf of the Council its accounting records and control systems;

iv. ensures the accounting control systems are observed;

v. ensures the accounting records are kept up to date;

vi. seeks economy, efficiency and effectiveness in the use of Council resources; and

vii. produces financial management information as required by the Council.

1.6. **The Council must not delegate any decision regarding:**

i. **setting the final budget or the precept (Council tax requirement);**

ii. **the outcome of a review of the effectiveness of its internal controls;**

iii. **approving accounting statements;**

iv. **approving an annual governance statement;**

v. **borrowing;**

vi. **declaring eligibility for the General Power of Competence; and**

vii. **addressing recommendations from the internal or external auditors.**

1.7. In addition, the Council shall:

i. determine and regularly review the bank mandate for all Council bank accounts;

ii. authorise any grant or single commitment in excess of £5,000.

2. Risk management and internal control

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

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

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

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

2.5. **The accounting control systems determined by the Clerk must include measures to:**

i. **ensure that risk is appropriately managed;**

ii. **ensure the prompt, accurate recording of financial transactions;**

iii. **prevent and detect inaccuracy or fraud; and**

iv. **allow the reconstitution of any lost records;**

v. **identify the duties of Officers dealing with transactions and**

vi. **ensure division of responsibilities.**

2.6. At least monthly, and at each financial year end, a Member other than the Mayor shall be appointed to verify bank reconciliations (for all accounts) produced by the Clerk. The Member shall sign and date the reconciliations as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Finance and Economic Development Committee.

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

3. Accounts and audit

3.1. All accounting procedures and financial records of the Council shall be determined by the Clerk in accordance with the Accounts and Audit Regulations.

3.2. **The accounting records determined by the Clerk must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**

i. **day-to-day entries of all sums of money received and expended by the Council (documented in the cash book) and the matters to which they relate;**

ii. **a record of the assets and liabilities of the Council.**

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

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

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

3.6. **Any Officer or Member of the Council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the Council, supply the Clerk, internal auditor, or external auditor with such information and explanation as the Council considers necessary.

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

3.8. The Council shall ensure that the internal auditor:

i. is competent and independent of the financial operations of the Council;

ii. reports to Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;

iii. can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and

iv. has no involvement in the management or control of the Council.

3.9. Internal audit may not under any circumstances:

i. perform any operational duties for the Council;

ii. initiate or approve accounting transactions;

iii. provide financial, legal or other advice including in relation to any future transactions; or

iv. direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

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

3.11. 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 documents required by Accounts and Audit (Wales) Regulations.

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

4. Budget and precept

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

4.2. Budgets for salaries and wages, including employer contributions, shall be reviewed by the Council at least annually for the following financial year. The final figure calculated shall be evidenced in the approved budget. A hard copy schedule of the breakdown of the figures calculated be signed by the Clerk and the Town Mayor.

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

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

4.5. The draft budget, with any Committee proposals and including any recommendations for the use or accumulation of reserves, shall be considered by the Council.

4.6. Having considered the proposed budget, the Council shall determine its budget requirement by setting a budget. The Council shall set a precept for this amount no later than the end of January for the ensuing financial year.

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

4.8. The Clerk shall **issue the precept to the billing authority no later than the end of January** and supply each Member with a copy of the agreed annual budget.

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

4.10. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Finance and Economic Development Committee.

5. Procurement

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

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

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

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

5.5. Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:

5.6. For contracts estimated to exceed £30,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.

5.7. **For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation[1] regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**

5.8. For contracts greater than £5,000 excluding VAT the Clerk shall strive to seek at least 3 fixed-price quotes, unless where there can be only one supplier.

5.9. Where the value is between £500 and £5,000 excluding VAT, the Clerk shall strive to obtain 3 estimates (which might include evidence of online prices, or recent prices from regular suppliers).

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

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

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

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

ii. repairs to, or parts for, existing machinery or equipment;

iii. works, goods or services that constitute an extension of an existing contract;

iv. goods or services that are only available from one supplier or are sold at a fixed price.

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

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

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

i. the Clerk, under delegated authority, for any items below £5,000 excluding VAT.

ii. the Council or Finance and Economic Development Committee for all items over £5,000;

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

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[1] The Regulations require Councils to use the Sell2 Wales website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

5.16. No individual Member, or informal group of Members may issue an official order or make any contract on behalf of the Council.

5.17. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Council or the Finance and Economic Development Committee acting within its Terms of Reference except in an emergency. 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).

5.18. In cases of serious risk to the delivery of Council services or to public safety on Council premises, the Clerk may authorise expenditure of up to £10,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Mayor as soon as possible and to the Council as soon as practicable thereafter.

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

5.20. An official order or letter shall be issued for all work, goods and services above £5,000 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.

5.21. Any ordering system can be misused and access to them shall be controlled by the Clerk.

6. Banking and payments

6.1. The Council's banking arrangements, including the bank mandate, shall be made by the Clerk and authorised by the Council; banking arrangements shall not be delegated to a Committee. The Council has resolved to bank with Unity Trust Bank. The arrangements shall be reviewed annually for security and efficiency.

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

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

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

6.5. All payments shall be made by online banking, in accordance with a resolution of the Finance and Economic Development Committee, unless the Council resolves to use a different payment method.

6.6. For each financial year the Clerk may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the Finance & Economic Development Committee may authorise in advance for the year.

6.7. A list of such payments shall be reported to the next appropriate meeting of the Finance and Economic Development Committee for information only.

6.8. The Clerk shall have delegated authority to authorise payments in the following circumstances:

i. any payments of up to £5,000 excluding VAT, within an agreed budget.

ii. payments of up to £10,000 excluding VAT in cases of serious risk to the delivery of Council services or to public safety on Council premises.

iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998, where the due date for payment is before the next scheduled meeting of the Finance and Economic Development Committee, where the Clerk certifies that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Economic Development Committee.

iv. Fund transfers within the Council's banking arrangements up to the sum of £30,000, 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 next appropriate meeting of the Finance and Economic Development Committee.

6.9. The Clerk shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, 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 authorised schedule shall be initialled by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.

7. Electronic payments

7.1. Where banking arrangements are made with any 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 agreed by the Council shall identify Councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process.

7.2. All authorised signatories shall have access to view the Council's bank accounts online.

7.3. No employee or Councillor shall disclose any PIN or password, relevant to the Council or its banking, to anyone not authorised in writing by the Council or a duly delegated Committee.

7.4. The Service Administrator shall set up all items due for payment online. A list of payments for approval shall be sent by email to two authorised signatories.

7.5. In the prolonged absence of the Service Administrator another member of staff shall be designated as the relief Service Administrator and shall set up any payments due before the return of the Service Administrator.

7.6. Two Councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.

7.7. Evidence shall be retained showing which Members approved the payment online and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes.

7.8. A full list of all payments made in a month shall be provided to the next Finance and Economic Development Committee meeting and appended to the minutes.

7.9. With the approval of the Finance and Economic Development Committee in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised Members. The approval of the use of each variable direct debit shall be reviewed by the Finance and Economic Development Committee at least every two years.

7.10. Payment may be made by BACS or CHAPS by resolution of the Finance and Economic Development Committee provided that each payment is approved online by two authorised bank signatories, evidence is retained and any payments are reported to Finance and Economic Development Committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.

7.11. If thought appropriate by the Council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed, evidence of this is retained and any payments are reported to the Council when made. The approval of the use of a banker's standing order shall be reviewed by the Finance and Economic Development Committee at least every two years.

7.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk via telephone. This is a potential area for fraud and the individuals involved should ensure that any change is genuine.

7.13. Members and Officers shall ensure that any computer used for the Council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated. Access to any internet banking accounts will be directly to the access page and not through a search engine or email link.

7.14. Remembered password facilities should not be used on any computer used for Council banking.

8. Cheque payments

8.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two Members and countersigned by the Clerk.

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

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

8.4. Cheques or orders for payment shall not normally be presented for signature other than at, or immediately before or after a Council or Finance and Economic Development Committee meeting. Any signatures obtained away from Council meetings shall be reported to the Finance and Economic Development Committee at the next convenient meeting.

9. Payment cards

9.1. 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 £500 unless authorised by the Finance and Economic Development Committee in writing before any order is placed.

9.2. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance and Economic Development Committee. Transactions and purchases made will be reported to the Finance and Economic Development Committee.

9.3. 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 any balance shall be paid in full each month.

9.4. Personal credit or debit cards of members or staff shall not be used except for immediacy, value for money or expenses of up to £500 including VAT, incurred in accordance with Council policy. This exception should not be regarded as the normal rule.

10. Petty Cash

i. The Council will not maintain any form of cash float. All cash received must be banked intact.

ii. Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

11. Payment of salaries and allowances

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

11.2. **Guidance issued by the Independent Remuneration Panel for Wales in relation to the taxation of Councillor allowances must be fully adhered to.**

11.3. Salary rates shall be agreed by the Council, or a duly delegated Committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Staffing Committee.

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

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

11.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook.

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

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

11.9. 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.

12. Loans and investments

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

12.2. Any financial arrangement which does not require formal borrowing approval from the Welsh Government (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Finance and Economic Development Committee, following a written report on the value for money of the proposed transaction.

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

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

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

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

13. Income

13.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk.

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

13.3. Any sums found to be irrecoverable and any bad debts shall be reported to the Finance and Economic Development Committee by the Clerk and shall be written off in the year. The Council's approval shall be shown in the accounting records.

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

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

13.6. The Clerk shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software by the due date.

13.7. Where significant sums of cash are regularly received by the Council, the Clerk shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

13.8. Any income that 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.

14. Payments under contracts for building or other construction works

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

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

15. Stores and equipment

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

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

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

15.4. The Clerk shall be responsible for periodic checks of stocks and stores.

16. Assets, properties and estates

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

16.2. The Clerk shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit (Wales) Regulations.

16.3. 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.

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

No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, except where the estimated value of any one item does not exceed £500. In each case a written report shall be provided to Council with a full business case.

17. Insurance

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

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

17.3. The Clerk shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Finance and Economic Development Committee at the next available meeting. The Clerk shall negotiate all claims on the Council's insurers

17.4. 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 duly delegated Committee.

18. Charities

18.1. Where the Council is 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 as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

19. Suspension and revision of Financial Regulations

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

19.2. The Council may, by resolution duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all Members. Suspension does not disapply any legislation or permit the Council to act unlawfully.

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

Appendix 1 - Tender process

1) Any invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the Council.
3) Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one Member of Council who should be the Mayor and/or Chair of the Finance and Economic Development Committee.
4) Where an electronic tendering process is used, the Council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
5) Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
6) Where the Council, or duly delegated Committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

Appendix 2 - Supplier Account Set Up and Account Change Procedures

BUCKLEY TOWN COUNCIL

Supplementary Financial Policies and Procedures

Supplier Account Set Up and

Account Change Procedures

Contents

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 Clerk.

2.3 Keep notes
Make notes of all telephone conversations including the names of those 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 lists 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 in 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 to 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.