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| **Now:** | **Proposed:** | **Rationale:** |
| **4. Budgetary control and authority to spend**  4.1 Authority to spend 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:   1. ordinarily, the Council for all items other than those sums agreed as an approved Contract or in an Emergency 2. exception, the RFO, for any items up to £1,500.00 where Emergency measures are invoked 3. Where 4.1 (b) is invoked, such authority is to be evidenced by a minute or by an authorisation slip duly signed by the RFO.   4.2. No authority to spend shall be exercised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council or if below a combined total of £1500.00 in a single year, the RFO and Chairman of the Council. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate (‘virement’).  4.2.1There shall be no power of virement of spending shortfalls on any ring-fenced budget line where those funds are for an express purpose and limited to that purpose such as the Community Infrastructure Levy.  4.2.2 For other budget lines, virement up to a combined total of £1500.00 in a single year between budget lines is permitted to the RFO with the Chairman of the Council acting in unison, provided this shall not prevent the completion of the purpose for which a budget was originally set.  4.2.3 Virements over £1500.00 require the approval of the full Parish Council in session  4.2.4 All virements must be reported to the full Parish Council so that the Budgets can be changed in future Financial Reports   * 1. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year unless by a resolution of Council before the end of the financial year.   4.4 The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the RFO and the Chairman of the Council.  4.5. In cases of extreme risk to the delivery of Council services, the RFO may authorise revenue expenditure on behalf of the Council which in the his/her judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,500.00. The RFO shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.  4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.  4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.  4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, “material” shall be in excess of £250.00 or 15% of the budget.  4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process. | **4. Budgetary control and authority to spend**   * 1. Authority to spend on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget/forecast. This authority is to be determined by ordinarily, the Council for all items other than those sums agreed as an approved Contract or authorised under 4.4.   4.2. Subject to 4.4 No authority to spend shall be exercised that will exceed the amount provided in the revenue budget/forecast for that class of expenditure other than by resolution of the Council.  4.2.1 There shall be no power of virement of spending shortfalls with respect to Neighbourhood CIL, earmarked reserves and funds in trust.  4.2.2 For other budget lines, virement up to a combined total of £1500.00 in a single year between budget lines is permitted to the RFO with the Chairman of the Council acting in unison, provided this shall not prevent the completion of the purpose for which a budget was originally set.   * + 1. Virements over £1500.00 require the approval of the full Parish Council in session.     2. All virements must be reported to the full Parish Council so that the Budgets can be changed in future Financial Reports.     3. After the ends of months 4 and 8 of the Financial Year a rebudgeting exercise shall be completed and approved by the full Parish Council in session.   1. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year unless by a resolution of Council before the end of the financial year.   4.4. In cases where expenditure is required for the safety of the public or proper functioning of the Council the RFO may authorise revenue expenditure on behalf of the Council which in the his/her judgement it is necessary to carry out subject to a monthly limit of £1,500.00. The RFO shall, where practicable, seek the prior approval of the Chairman or Vice Chairman. Where prior approval is not possible the RFO shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter with the matter included in the minutes of the next Council meeting.  4.5. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.  4.6. All capital works expenditure shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.  4.7. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, “material” shall be in excess of £250.00 or 15% of the budget.  4.8. Changes in earmarked reserves shall be approved by the Council. | 4.1 No change to basic rules of expenditure authorisation. Rewording to make clear the powers and responsibility of the RFO to spend up to £1,500 where expenditure is required for the safety of the public or proper functioning of the Council.   * 1. Annual limit of £1,500 replaced by limit of £1,500 per occurrence. These occasions are subject to an authorisation procedure as set out in 4.4.      1. Reworded to make restrictions on virement clearer.      2. No change      3. No change      4. No change      5. Introduction of formal reforecasting process to improve monitoring of financial position.   2. No change.   3. Removed as covered by new 4.2.5.   Old 4.5 now 4.4 reworded to make clear authority of RFO.  Old 4.6 now 4.5 No change.  Old 4.7 now 4.6 No change except for insertion of ‘expenditure’.  Old 4.8 now 4.7 No change  Old 4.9 now 4.8, deleted ‘as part of the budgetary control process’.as earmarks should be able to be changed at any time. |
| **5. Banking arrangements and authorisation of payments**  5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council banking arrangements may not be delegated. They shall be regularly reviewed for safety and efficiency  5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.  5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.  5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.  5.5. The RFO shall have delegated authority to authorise the payment of items, **only** in the following circumstances:  a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the RFO certifies that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council  b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council or  c) fund transfers within the Councils banking arrangements up to the sum of £50,000.00 in unison with the Chairman, provided that a list of such payments shall be submitted to the next appropriate meeting of Council.  d) payment of invoices for Community Infrastructure Levy (CIL) funded projects where a valid claim can be made for re-imbursement from the Local Authority  5.6. For each financial year the RFO shall draw up a schedule of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Council **may authorise payment for the year** provided that;   1. the requirements of regulation 4.1 (Budgetary Controls) are adhered to 2. a monthly list of such payments is submitted each appropriate meeting of Council for information.   5.7. The monthly list of regular payments made under 5.6 above shall be drawn up and be counter-signed by two members on each and every occasion when pre-authorised payment has been made - thus controlling the risk of duplicated payments being authorised and / or made.  5.8. In respect of grants the Council shall approve all expenditure.  5.9. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.  5.10. The Council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.  5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.  5.12 Authorisation regulations are set out in **the Scheme of Delegation.** | **5. Banking arrangements and authorisation of payments**  5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council. Banking arrangements may not be delegated. They shall be regularly reviewed for safety and efficiency.  5.2 All payments other than transfers between the Councils Bank Accounts require both an inputter and an authoriser, this is achieved by setting up the internet banking in a way that requires two individuals to send a payment and in the bank mandate requiring two signatures to sign a cheque, set up a Direct Debit or set up a Standing Order.  5.3 The RFO will each month supply a list of Payments and Receipts made together with a Bank Reconciliation for resolution of the Council.  5.4. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents approved expenditure.  Additionally, all invoices above £5,000 relating to Capital items must be approved for payment by both the Councillor Project Lead and one other Councillor.  5.5 Any Debit Card issued for use will be specifically restricted to the RFO and will also be restricted to a single transaction maximum value of £1500.00 unless authorised by Council in writing before any order is placed.  5.6. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Council.  5.7. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the RFO and shall be subject to automatic payment in full at each month-end.  5.8. In respect of grants the Council shall approve all expenditure.  5.9. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.  5.10  Members or RFO may claim for reimbursement of costs incurred on behalf of the Council, these will be approved or rejected by resolution of the Council. Approved Expense claims will be put on the website. Councillors or the RFO should seek pre-approval of amounts above £50.  5.11 Any changes to the bank details of a supplier shall be verified by the RFO and the change and the documentation received to justify that change, shall be stored with the first invoice with the new details and brought to the attention of the Member authorising payments.  5.12 No petty cash is held. | No change  5.2 Reworded to reflect use of internet banking. Re-emphasised that any payment must involve an inputter and an authoriser.  5.3 Legal requirement. This also provides oversight as to the operation of 5.2.  Old 5.3, now 5.4. Deleted ‘previously approved by the Council’ as the payment could be the operation of 4.4. Additional control added re Capital Spending where the assessing of completion of underlying work may require detailed knowledge.  Deleted due to use of internet banking  Old 5.5 relates to arrangements pre internet banking. New 5.5 relates to Debit Card issued to RFO for purchases via Internet and is the wording from the old 6.18.  Old 5.6 relates to arrangements pre internet banking. New 5.6 relates to Debit Card issued to RFO for purchases via Internet and is the wording from the old 6.19. There is no prepaid debit card but this gives us rules should one be issued.  Old 5.7 relates to arrangements pre internet banking. New 5.7 relates to Debit Card issued to RFO for purchases via Internet and is the wording from the old 6.20. There are no such cards but this gives us rules should any be issued.  No change  No change  Old 5.10 Deleted, Council has resolved that 3 Councillors and the RFO will be on the Bank Mandate. Sharing these responsibilities out un-necessarily widely leads to a loss of control. New 5.10 is the old 6.21 reworded for the end of petty cash.  5.11 Reworded to provide a control which will work.  5.12 Old 5.12 deleted as superfluous. New 5.12 removes Petty Cash. |
| **6. Instructions for the making of payments**  6.1. The Council will make safe and efficient arrangements for the making of its payments.  6.2. Following authorisation under Financial Regulation 5 above, the Council, the RFO and/or Chairman or in his absence the Vice-Chairman shall give instruction that a payment shall be made.  6.3. All payments shall be affected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.  6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council shall be signed by one two member of Council and countersigned by the RFO, in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.  6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.  6.6. Cheques or orders for payment shall not normally be presented for signature other than at a Council or meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council at the next convenient meeting.  6.7. If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.  6.8. If thought appropriate by the Council, payment for certain items (principally salaries) may be made by banker’s standing order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to Council as made. The approval of the use of a banker’s standing order shall be renewed by resolution of the Council at least every two years.  6.9. If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.  6.10. If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.  6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council’s records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council. This will not be required for a member’s personal computer used only for remote authorisation of bank payments.  6.12. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council.  6.13. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.  6.14. The Council, and any members using computers for the Council’s financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.  6.15. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.  6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under “favourites”), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.  6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the RFO and a member. A programme of regular checks of standing data with suppliers will be followed.  6.18. Any Debit Card issued for use will be specifically restricted to the RFO and will also be restricted to a single transaction maximum value of £1500.00 unless authorised by Council in writing before any order is placed.  6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Council.  6.20. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the RFO and shall be subject to automatic payment in full at each month-end. Personal or debit cards of members or staff shall not be used under any circumstances.  6.21. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.  a) The RFO shall maintain a petty cash float of £100.00 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.  b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.  c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above. | **6. Instructions for the making of payments**  6.1 No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts.  6.2 The Inputter and the Authoriser must both assure themselves that the payment is valid, has been appropriately approved and that the Banking Details are correct.  6.3. The Council’s accounting records must either be stored securely on ‘the cloud’ or regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.  6.4. The Council, and any members using computers for the Council’s financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used. | Old 6.1 is an aim not a procedure and so deleted. New 6.1 is the old 6.12  Old 6.2 relates to payments being authorised at a meeting and is superceded by internet banking. New 6.2 is old 6.10 with responsibilities of Inputter and Authoriser made clear.  Deleted, no longer required.  Deleted, no longer required. Discloseable Pecuniary Interest obligation covered in 5.9  Deleted, no longer required, internet banking.  Deleted, no longer required, internet banking.  Deleted, the use of direct debits is covered in 5.2  Deleted, the use of Standing Orders is covered in 5.2  Deleted, the Council does not make payments by BACS or CHAPS.  Deleted, this is how Council pays its suppliers and the use of internet banking and the controls within are detailed in 5.2.  Deleted, inappropriate.  Is now 6.1  Old 6.13 replaced by 6.3 and reworded to consider cloud-based storage.  No change. Old 6.14 is now 6.4.  Deleted, covered in 5.2  Deleted 6.16 , the Councils Banking Software uses separate card readers issued by the Bank with no passwords being entered into the Computer.  Deleted 6.17, covered by new 5.11  Deleted 6.18, is the new 5.5  Deleted 6.19, is the new 5.6  Deleted, is the new 5.7. the use of Personal cards is covered by 5.10.  Deleted 6.21 covered by 5.10 |
| **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.  7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.  7.3. No changes shall be made to any employee’s pay, emoluments, or terms and conditions of employment without the prior consent of the Council.  7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:  a) by any Councillor who can demonstrate a need to know  b) by the internal auditor  c) by the external auditor or  d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.  7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.  7.6. An effective system of personal performance management should be maintained for the senior officers.  7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.  7.8. Before employing interim staff, the Council must consider a full business case | **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.  7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.  7.3. No changes shall be made to any employee’s pay, emoluments, or terms and conditions of employment without the prior consent of the Council.  7.4. The total of such payments in each calendar month shall be routinely reported at each council meeting and no advance payments of salary shall be made.  7.5. An effective system of personal performance management should be maintained for the senior officers.  7.6. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.  7.7. Before engaging interim support with an estimated cost of above £1,000, the Council must consider a full business case. If the estimated cost is below £1,000 paragraphs 4.1 to 4.5 apply. | No change  No change  No change  Removed confidential Cash Book and all measures to restrict disclosures of all salaries.  Deleted, all payments disclosed under 5.3  No change  No change  Levels of authorisation introduced. |
|  | 11.1 k) Contracts for the purchase of Capital items above £4,000 should contain a retention of 2.5% unless approved by the Council. | New policy to improve purchasing. |