



These Financial Regulations were adopted by the council at its meeting held on 18th November 2024 [minute reference 2425.150FC]

Contents

1. General.....	1
2. Risk management and internal control.....	3
3. Accounts and audit.....	4
4. Budget and precept.....	5
5. Procurement.....	6
6. Banking and payments.....	9
7. Electronic payments.....	10
8. Cheque payments.....	11
9. Payment cards.....	12
10. Petty Cash and Cash Handling.....	12
11. Payment of salaries and allowances.....	12
12. Loans and investments.....	13
13. Income.....	14
14. Payments under contracts for building or other construction works.....	15
15. Stores and equipment.....	15
16. Assets, properties and estates.....	15
17. Insurance.....	16
18. [Charities].....	16
19. Suspension and revision of Financial Regulations.....	16
Appendix 1 - Tender process.....	17
Appendix 2 – Cash Handling Policy and Procedures For Employees.....	18
Appendix 3 – Daily Cashing up Sheet.....	20
Appendix 4 – Bar Takings Reconciliation Sheet.....	21

The Financial Regulations must be read together with the Councils Standing Orders, Scheme of Delegation and adopted Policies and Procedures.

Review Period: To be reviewed annually

Version History:

- 18th November 2024 – Adopted by Full Council minute 2425.150FC

1. 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 Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
 - "Approve" refers to an online action, allowing an electronic transaction to take place.
 - "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
 - 'Proper practices' means those set out in *The Practitioners' Guide*
 - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or 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 RFO;
 - acts under the policy direction of the council;
 - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the council its accounting records and control systems;
 - ensures the accounting control systems are observed;
 - ensures the accounting records are kept up to date;
 - seeks economy, efficiency and effectiveness in the use of council resources; and
 - produces financial management information as required by the council.

- 1.6. **The council must not delegate any decision regarding:**
- **setting the final budget or the precept (council tax requirement);**
 - **the outcome of a review of the effectiveness of its internal controls**
 - **approving accounting statements;**
 - **approving an annual governance statement;**
 - **borrowing;**
 - **declaring eligibility for the General Power of Competence; and**
 - **addressing recommendations from the internal or external auditors**

1.7. In addition, the council shall:

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

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 and RFO 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 and RFO 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 RFO must include measures to:**

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

2.6. At least [once in each quarter], and at each financial year end, a member other than the Chair {or a cheque signatory} shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council or Finance 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 RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
 - **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
 - **a record of the assets and liabilities of the council;**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual {Governance and Accountability} Return.
- 3.4. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual {Governance and Accountability} Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.
- 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 RFO, 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] 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:
 - is competent and independent of the financial operations of the council;
 - reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
 - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - has no involvement in the management or control of the council

- 3.9. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions;
 - provide financial, legal or other advice including in relation to any future transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 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 RFO shall make arrangements for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO 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 [council tax (England)/budget (Wales)] 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. The aim of the budget process is to arrive at a precept that will fulfil the corporate objectives of the council, be sufficient for the council to undertake its statutory duties, service contractual obligations and work for the benefit of the people of Middlewich whilst remaining a financially sound organisation.
- 4.3. Each committee (if any) shall review its three year forecast of revenue and capital receipts and payments. Having regards to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Finance Committee or Full Council no later than the end of October each year including any proposals for revising the forecast.
- 4.4. Budgets for salaries and wages, including employer contributions shall be reviewed by the council or duly delegated committee at least annually in [October] for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Clerk and the [Chair of the Council or duly delegated committee]. The RFO will inform committees of any salary implications before they consider their draft their budgets.
- 4.5. No later than November each year, the RFO shall prepare a draft budget with detailed estimates of all [receipts and payments/income and expenditure] for the following financial year along with a forecast for the following [three financial years], taking account of the lifespan of assets and cost implications of repair or replacement.

- 4.6. Unspent budgets for completed projects shall not be carried forward to a subsequent year.
- 4.7. The draft budget {with any committee proposals and [three-year]} forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance committee and a recommendation made to the council or the draft budget may be considered by the Full Town Council. The Finance committee or Full Council may request additional versions of the budget to be prepared by the RFO no later than it's December meeting. The recommended budget by the Finance committee must be capable of meeting all financial commitments and disclose the level of precept to be recommended to Full Council no later than the January meeting.
- 4.8. Having considered the proposed budget and [three-year] forecast, the council shall determine its [council tax (England)/budget (Wales)] 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.
- 4.9. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.10. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.11. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned. The RFO shall provide the council with budget monitoring statements on a regular basis and at least once in each quarter.
- 4.12. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council {or relevant 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 RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3. Every contract shall comply with these the council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.
- 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 [£60,000] including VAT, the Clerk shall {seek formal tenders from at least [three] suppliers agreed by [the council]} 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 Legislation¹ 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 Council Officer, Clerk [or RFO] shall seek at least [3] fixed-price quotes;
- 5.9. where the value is between [£1,000] and [£5,000] excluding VAT, the Council Officer, Clerk [or RFO] shall try to obtain 3 estimates {which might include evidence of online prices, or recent prices from regular suppliers.}
- 5.10. For smaller purchases, the Council Officer, Clerk or RFO 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.
 - v. for the hiring of event entertainment providers or performance artists (excluding fun rides)
- 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 council {or relevant 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.

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

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

- a) [the Clerk], under delegated authority, for any items below [£1,000] excluding VAT or the Deputy Town Clerk in the Town Clerks absence subject to the actions being recorded in a delegations register.
- b) the Clerk, in consultation with the Chair of the Council {or Chair of the appropriate committee}, for any items below [£2,000] excluding VAT or the Deputy Town Clerk in the Town Clerks absence subject to the actions being recorded in a delegations register.
- c) The Deputy Town Clerk for any items below £500.00 (within budget)
- d) The Town Ranger Supervisor or in their absence the Town Ranger for any items below £350.00 (within budget) relating to the Town Ranger service and general maintenance and repairs for service areas within the Town Council.
- e) The Facilities Caretaker Supervisor or in their absence the Facilities Caretaker for any items below £200.00 (within budget) relating to maintenance, cleaning and repairs.
- f) {a duly delegated committee of the council for all items of expenditure within their delegated budgets for items under [£5,000] excluding VAT}
- g) {in respect of grants, a duly authorised committee within any limits set by council and in accordance with any policy statement agreed by the council.}
- h) the council 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.

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

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 a duly delegated committee acting within its Terms of Reference} except in an emergency.

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 [£4,500] excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to [the council] as soon as practicable thereafter.

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, Government borrowing approval has been obtained first.

5.20. An official order or letter shall be issued for all work, goods and services {above [£200] excluding VAT} unless a formal contract is to be prepared or an official order would be inappropriate. Orders shall only be placed for goods and services that will be used by the council and should be allocated to a budget at the time of ordering. Where relevant, a minute reference or authorisation reference in the case of officer

delegated expenditure shall be included in the purchase order. A division of duties must be evident in the ordering process.

5.21. Copies of orders shall be retained, along with evidence of receipt of goods.

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

6. Banking and payments

6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements shall not be delegated to a committee. The arrangements shall be reviewed annually for security and efficiency.

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

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 RFO]. {Where the certification of invoices is done as a batch, this shall include a statement by the RFO that all invoices listed have been 'examined, verified and certified' by the RFO}.

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 or by cheque, in accordance with a resolution of the Council or Finance committee or a delegated decision by an officer, unless the council resolves to use a different payment method.

6.6. For each financial year [the RFO] 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 council or a Finance committee may authorise in advance for the year.

6.7. A copy of this schedule of regular payments shall be signed by [two members] on each and every occasion when payment is made - to reduce the risk of duplicate payments.

6.8. A list of such payments shall be reported to the next appropriate meeting of the Council or Finance Committee for information only.

6.9. The Clerk and RFO shall have delegated authority to authorise payments only in the following circumstances and shall report the payments made under delegated authority to the next scheduled meeting of the Council or Finance Committee:

- i. any payments of up to [£2,500] excluding VAT, within an agreed budget

- ii. payments of up to [£3,000] excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
 - iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 {or to comply with contractual terms}, where the due date for payment is before the next scheduled meeting of [the council], where the [Clerk and RFO] certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council {or finance committee}.
 - iv. Fund transfers within the councils banking arrangements up to the sum of [£10,000], provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].
- 6.10. The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council or Finance committee. The council or Finance Committee shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting and shall include the payments made under delegated authority in accordance with Financial Regulation 6.9.

7. Electronic payments

- 7.1. Where internet banking arrangements are made with any bank, [the RFO] shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify the councillors who will be authorised to initiate and approve transactions on those accounts. The Clerk or RFO shall be an authorised signatory and can initiate and authorise a payment. 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 or authorised signatory shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to the authorised signatories. The authorised signatories shall be required to sign the invoice signatory field on the authorisation stamp for audit purposes.
- 7.5. In the prolonged absence of the Service Administrator an authorised signatory shall set up any payments due before the return of the Service Administrator.
- 7.6. The 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 council meeting and appended to the minutes.
- 7.9. With the approval of [the council] 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 council] at least every two years.
- 7.10. Payment may be made by BACS or CHAPS by resolution of [the council] provided that each payment is approved online by [two authorised bank signatories], evidence is retained and any payments are reported to [the council] 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 {or approved online} by [two members], evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by [the council] 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 and the RFO and two members of the council. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years, and any bank account details not used for the past 18 months will be deleted. Bank account details for one-off payments to a new payee shall not be stored.
- 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.
- 7.14. Remembered password facilities {other than secure password stores requiring separate identity verification} 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 authorised signatories.
- 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 committee} meeting}. Any signatures obtained away from council meetings shall be reported to the council {or Finance Committee} at the next convenient meeting.

9. Payment cards

- 9.1. The Council will not operate with any Debit Cards.
- 9.2. 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].
- 9.3. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk {and RFO} {specify other officers} and any balance shall be paid in full each month.
- 9.4. Personal credit or debit cards may only be used in exceptional circumstances to purchase or order items that shall be reimbursed on production of a receipt or invoice.

10. Petty Cash and Cash Handling

- 10.1. The council will not maintain any form of cash float for the Office Administration. All cash received must be banked intact. Any payments made in cash by a Council Officer or the Clerk or RFO (for example for postage or minor stationery items) shall be refunded by the council.
- 10.2. The RFO shall maintain any petty cash [float/imprest account] for the Room Hire refreshments and Bar Operations of [£100] and may provide petty cash to officers for the purpose of defraying operational and other expenses associated with Room Hire and the Bar Operations.
 - a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.
 - b) Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on any schedule of payments presented for approval.
- 10.3. The RFO shall retain overall responsibility for the £300.00 cash float for the Vicotria Hall Bar. The Bar Manager or a nominated members or Officer in their absence shall be responsible for counting the cash float at the start and end of the shift and shall be responsible for investigating and reporting any discrepancies to the RFO. Detailed records of cash counts shall be maintained by the Bar Manager or nominated member of Officer and reported to the RFO.
- 10.4. Council employees shall follow the cash controls as per Cash Handling Policy set out in Appendix 2.

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

- 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 council {or relevant committee}.
- 11.4. The Council may wish to outsource their payroll service to a payroll provider. The RFO shall continue to retain overall responsibility for payroll services and arrange the payment of salaries to the payroll providers bank account to make the payments to employees.
- 11.5. 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.
- 11.6. 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.
- 11.7. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the Chair or Vice-Chair of the Council and/or Finance or duly delegated committee to ensure that the correct payments have been made.
- 11.8. 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.
- 11.9. Before employing interim staff, the council must consider a full business case.
- 11.10. The Council will not pay any basic member's allowance to councillors.
- 11.11. Any lump-sum allowance paid to the Chairman shall be processed by payroll in accordance with the PAYE requirements.

12. Loans and investments

- 12.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.
- 12.2. Any financial arrangement which does not require formal borrowing approval from the [Secretary of State/Welsh Assembly Government] (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full council, following a written report on the value for money of the proposed transaction.
- 12.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must

written be 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 RFO.
- 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 RFO.
- 13.2. The Bar Manager shall be responsible for cashing up and printing the Z reading from the EPOS terminal and card terminal machines and completing the relevant paperwork set out in Appendix 3 and 4 that shall be submitted to the RFO at the end of each bar shift. Any discrepancies shall be documented by the Bar Manager and explanations provided. The RFO shall undertake any investigations to establish the cause of the discrepancy and to take any appropriate action following consultation with Council Members and/or the Finance Committee.
- 13.3. 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 RFO] shall be responsible for the collection of all amounts due to the council.
- 13.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council by [the RFO] and shall be written off in the year. The council's approval shall be shown in the accounting records.
- 13.5. All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 13.6. Personal cheques shall not be cashed out of money held on behalf of the council.
- 13.7. The RFO 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. VAT reclaims shall be submitted on a quarterly basis to HMRC.
- 13.8. Where significant sums of cash are regularly received by the council, the RFO shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.
- 13.9. 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 RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
- 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 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 officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 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 RFO shall be responsible for periodic checks of stocks and stores, at least annually.

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 RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.
- 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).
- 16.5. 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 RFO shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.
- 17.2. The Clerk shall give prompt notification to [the RFO] of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to [the council] at the next available meeting. The RFO shall negotiate all claims on the council's insurers {in consultation with the Clerk}.
- 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 [annually] by the council, or duly delegated committee.

18. Charities

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

19. Suspension and revision of Financial Regulations

- 19.1. The council shall review these Financial Regulations [annually] and following any change of clerk or RFO. 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.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order [insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- 6) Where the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

CASH HANDLING POLICY & PROCEDURES

This policy sets out the expectations we expect from those who handle cash as part of their work duties. It also sets out the procedures that should be followed and any action that may be taken by us, in the event that cash shortages are found and any breach of this policy.

Theft: includes the unauthorised removal or use of our property (including cash) or an employee's property or the property of any other person or entity which is located at our premises.

Cash Handling: means the handling of cash, both within our premises and for other purposes such as depositing takings at a bank.

CASH HANDLING/TILL PROCEDURES

Strict cash handling procedures should be followed at all times, you should therefore familiarise yourself with the following cash handling procedures.

Care and diligence must be taken at all times, especially when dealing with cash transactions to ensure a high standard of accuracy.

Theft of cash or other property is a criminal offence, and we reserve the right to report any theft to the Police.

1. Under no circumstances should any cash be removed from the till or safe other than as change for purchases or to transfer cash from the till as instructed by the Bar Manager or RFO.
2. All discrepancies must be reported to the Bar Manager and RFO immediately so they can be rectified.
3. Under no circumstances should you have any cash on your person during working hours, this should be kept stored with your personal belongings.
4. Personal purchases must be taken by another member of staff.
5. It is strictly forbidden to amend the pricing of any items without permission from the RFO.
6. The only acceptable forms of payment are cash, credit card or debit card. No other form of payment is acceptable.
7. All notes should be checked for forgeries. Where a forgery is identified, please refer to the Forged Note procedure.

8. It is not permissible for members of staff to change money for customers or members of the public.
9. No money shall be left unattended or unlocked at any time.
10. You may also be required to sign a separate Cash Policy Agreement where applicable.
11. Two members of staff should always be present when cashing up.

CASH SHORTAGES

Any cash shortages identified during any changeover or end of shift will be the responsibility of the individuals on duty and in charge of the transactions and must be made good by those individuals. Any such shortages may be deducted from pay and/or service charges. This is an express written term of your contract of employment.

Where, in our opinion, more than one employee is responsible for any cash shortages, we shall determine the most equitable manner of distributing the shortages and recovery amongst those individuals present on shift and using the till/station in question. For the avoidance of doubt, this may involve any deductions from pay and/or service charges being taken equally from the staff in question.

The Council reserves the right to deduct any sums due under this Policy from any monies due to the employee.

In the event of any deductions in respect of cash shortages or stock deficiencies which have come to the Councils attention within the previous 12 months, we shall apply an agreed schedule of deductions. We shall notify the employee in advance of the first deduction of any potential liability.

No single deduction in respect of any cash shortages or stock deficiencies will exceed 1/10th of the gross wages payable to the employee each month. This limitation shall not apply to the final salary payment. In the event of such sums being due on the termination of employment, and if the final salary payment is insufficient to allow for the whole of any such deduction, the employee will be required to repay the outstanding amount due within one month of the date of the termination of employment.

Breach of these rules may also lead to disciplinary action being taken against you, which could, depending on the circumstances, include summary dismissal.

Signed:- _____ (Employee) Date:- _____

Signed:- _____ (Employer) Date:- _____

On Behalf of Middlewich Town Council

MIDDLEWICH TOWN COUNCIL DAILY CASHING UP SHEET			
Till Operator Reference:		Date:	
Float Amount:		Area:	
Z Reading Total:			
	In Till		Float
£50 Notes		£50 Notes	
£20 Notes		£20 Notes	
£10 Notes		£10 Notes	
£5 Notes		£5 Notes	
£2 Coins		£2 Coins	
£1 Coins		£1 Coins	
50p		50p	
20p		20p	
10p		10p	
5p		5p	
2p		2p	
1p		1p	
Total	£ -	Total	£ -
	Other		
Cheques			
Total			
		Name	
Total Takings	£ -	Position	
Balance	0.00	Signature	
Operatives			
Reason For Difference			

MIDDLEWICH TOWN COUNCIL DAILY CASHING UP SHEET			
Till Operator Reference:		Date:	
Float Amount:		Area:	
Z Reading Total:			
	In Till		Float
£50 Notes		£50 Notes	
£20 Notes		£20 Notes	
£10 Notes		£10 Notes	
£5 Notes		£5 Notes	
£2 Coins		£2 Coins	
£1 Coins		£1 Coins	
50p		50p	
20p		20p	
10p		10p	
5p		5p	
2p		2p	
1p		1p	
Total	£ -	Total	£ -
	Other		
Cheques			
Total			
		Name	
Total Takings	£ -	Position	
Balance	0.00	Signature	
Operatives			
Reason For Difference			

Appendix 4 – Bar Takings Reconciliation Sheet

Date of Event:		Event Type:																																																																																																				
Date Money Banked:		PIB Slip:																																																																																																				
Bar Operatives:																																																																																																						
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;">£50 Notes</td> <td style="width:20%;"></td> <td style="width:20%;">Card Takings Reported</td> <td style="width:20%;">Card Machine Z Report</td> <td style="width:20%;">Card Machine Z Report</td> <td style="width:20%;">Card Machine Z Report</td> <td style="width:20%;">Totals</td> <td style="width:20%;">Comments / Refunds</td> </tr> <tr> <td>£20 Notes</td> <td></td> <td>DOJO Card Machine</td> <td>£</td> <td>£</td> <td>£</td> <td>£</td> <td></td> </tr> <tr> <td>£10 notes</td> <td></td> <td>DOJO App Payments (if applicable)</td> <td>£</td> <td>£</td> <td>£</td> <td>£</td> <td></td> </tr> <tr> <td>£5 Notes</td> <td></td> <td colspan="4" style="text-align: right;">Card Takings Grand Total</td> <td>£</td> <td></td> </tr> <tr> <td>£2 Coins</td> <td></td> <td colspan="5"></td> </tr> <tr> <td>£1 Coins</td> <td></td> <td colspan="3">Event Grand Total Sales Reconciled £</td> <td colspan="2">Card Total: £</td> <td>Cash £</td> </tr> <tr> <td>50p</td> <td></td> <td colspan="3">Event Grand Total Sales Reported by Bar Manager</td> <td colspan="2">Card Total: £</td> <td>Cash £</td> </tr> <tr> <td>20p</td> <td></td> <td colspan="2">Till Z Reading Total (Cash & Card]</td> <td colspan="3"></td> </tr> <tr> <td>10p</td> <td></td> <td colspan="5">Discrepancies / Comments:</td> </tr> <tr> <td>5p</td> <td></td> <td colspan="5"></td> </tr> <tr> <td>2p</td> <td></td> <td colspan="5"></td> </tr> <tr> <td>1p</td> <td></td> <td colspan="5"></td> </tr> <tr> <td>Total Cash Takings £</td> <td></td> <td colspan="5"></td> </tr> </table>	£50 Notes		Card Takings Reported	Card Machine Z Report	Card Machine Z Report	Card Machine Z Report	Totals	Comments / Refunds	£20 Notes		DOJO Card Machine	£	£	£	£		£10 notes		DOJO App Payments (if applicable)	£	£	£	£		£5 Notes		Card Takings Grand Total				£		£2 Coins							£1 Coins		Event Grand Total Sales Reconciled £			Card Total: £		Cash £	50p		Event Grand Total Sales Reported by Bar Manager			Card Total: £		Cash £	20p		Till Z Reading Total (Cash & Card]					10p		Discrepancies / Comments:					5p							2p							1p							Total Cash Takings £											
£50 Notes		Card Takings Reported	Card Machine Z Report	Card Machine Z Report	Card Machine Z Report	Totals	Comments / Refunds																																																																																															
£20 Notes		DOJO Card Machine	£	£	£	£																																																																																																
£10 notes		DOJO App Payments (if applicable)	£	£	£	£																																																																																																
£5 Notes		Card Takings Grand Total				£																																																																																																
£2 Coins																																																																																																						
£1 Coins		Event Grand Total Sales Reconciled £			Card Total: £		Cash £																																																																																															
50p		Event Grand Total Sales Reported by Bar Manager			Card Total: £		Cash £																																																																																															
20p		Till Z Reading Total (Cash & Card]																																																																																																				
10p		Discrepancies / Comments:																																																																																																				
5p																																																																																																						
2p																																																																																																						
1p																																																																																																						
Total Cash Takings £																																																																																																						
Reconciliation Carried out By: _____			Signed: _____																																																																																																			
Reconciliation Carried out By: _____			Signed: _____																																																																																																			
Dated: _____			Dated: _____																																																																																																			