

Chesham Town Council

Bill Richards
Town Clerk



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4th July 2022

Dear Councillor,

I hereby give you notice that a **Meeting of the FINANCE COMMITTEE** to be held in the Council Chamber, the Town Hall, Chesham, on

MONDAY 11th JULY AT 7.30pm

when the business set out below is proposed to be transacted:

AGENDA

1. Election of Chairman and Vice Chairman for the Administrative Year 2022/2023
2. Apologies for Absence
3. Declarations of Interests.
4. To receive and confirm the Minutes of the meeting of 21st March 2022
5. To receive the Action Tracker of previous meetings of the Finance Committee
6. Financial Report to April 2022 (to follow)
7. Internal Audit report action update
8. Internal Controls and Annual Review of Financial Policies
9. Bank Account Mandate changes
10. Subscriptions review
11. Digitalisation progress - payslips
12. Forward Plan of the Finance Committee
13. Exclusion of the Public and the PressIT tender update (to follow)
14. Procurement of electricity (to follow)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'EPowley'.

Emma Powley
Interim Town Clerk

Councillor Circulation:



Chesham Town Council, Town Hall, Chesham, Bucks HP5 1DS
Twinned with Friedrichsdorf Germany; Houilles France; Archena Spain

Chesham Town Council

continued . . .

Councillor	Wilford Augustus	Councillor	Umar Hyyat
Councillor	Alan Bacon	Councillor	Jane MacBean
Councillor	Joseph Baum	Councillor	Francis Holly
Councillor	Simon Booth	Councillor	Fred Wilson
Councillor	Paul Harding		

Finance Committee**ACTION TRACKER FROM MEETINGS OF THIS COMMITTEE**

Key to colour is status column

BLUE = ACTION COMPLETE

GREEN = ACTION ON TRACK

AMBER = ACTION DELAYED

RED = ACTION SEVERELY DELAYED

Minute No.	Resolution	Target Completion	Responsible Officer	Status	Update
Monday 21 March 2022					
28	IT and Communication update - that the IT update be noted and that Committee agrees to commissioning Empiric to seeking submissions for the communications improvements as proposed in the draft tender.	Ongoing	Kathryn Hallett-Head of Finance		Update report of Finance Committee on 18 July 2022
30	Parks and Premises Staffing Matters – (Exempt report/minutes): that the Clerk be authorised to proceed in connection with this matter in the terms expressed at the meeting.	30.05.22	Town Clerk/ Chief Executive		Clerk authorised the actions set out in the exempt report

AGENDA ITEM NO: 6 – Financial Report to April 2022

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To receive an update on the finances to 30 April 2022.

Background Information

2. According to the Financial Regulations 4.8, the RFO shall regularly provide the Council with a financial report. This should be prepared at least every quarter and explain material variances. The Finance and Contracts Manager retired in February and was not replaced until April by the Head of Corporate Services. This has meant a lot of finance officer time has been spent training the new appointee. Officer time has also recently been spent preparing for the retirement of the outgoing Town Clerk and ensure the council's operations continue to run smoothly after his departure. This has meant delays inputting data into the Oracle System to produce reports.

Findings

3. The summary budget report attached shows at the end of April a surplus of £284,590. This figure is misleading because the April transactions include several accounting adjustments relating to the year end. There are reversals of accrual journals which were used to include expenditure at year end that we had not yet received invoices for. In some cost centres the related invoices were still not received in April which has resulted in a negative expenditure figure. This is because the inputting of the invoice was supposed to net off the negative accrual figure. An example is cost centre 102 where the invoice for repairing a wall did not come in until May.

Implications

4. Financial: it is difficult to monitor financial performance only using Month 1 data.
5. Strategic: accords with the Council's strategic objective five, 'continue the programme of improving the Council's finances and financial systems by embracing and adopting new technology and working practices to streamline efficiency, simplify the reporting process and ensure the continued professional management of local Council Taxpayers' monies.'
6. Environmental: no implications.
7. Equality Act: no implications.

Recommendations

6. The following recommendations are made:

- i) That the report is noted subject to any comments members want to make.

[illegible]

Chesham Town Council									
Budget Summary By Centre - Year To Date									
Company	C								
Period	1								
Year	2022								
		2021	2021	2022	2022	2022	2022	2022	2023
		LY Budget	LY Actual	Agreed Budget	Revised Budget	Actual YTD	Projected Actual	Next Year Budget	
THE ELGIVA									
301	Expenditure	814080	703072	810380	0	15247		0	0
301	Income	-680030	-492542	-671880	0	-39958		0	0
	Net Expenditure	134050	210530	138500	0	-24711	0	0	0
TEMPERANCE HALL									
303	Expenditure	0	3480	0	0	0		0	0
303	Income	-100	-100	-100	0	0		0	0
	Net Expenditure	-100	3380	-100	0	0	0	0	0
TOWN HALL									
304	Expenditure	104320	115507	94400	0	8442		0	0
304	Income	-43400	-44121	-42400	0	-1524		0	0
	Net Expenditure	60920	71387	52000	0	6918	0	0	0
ALLOTMENTS									
402	Expenditure	2575	2394	2775	0	140		0	0
402	Income	-4000	-4091	-4200	0	-2136		0	0
	Net Expenditure	-1425	-1696	-1425	0	-1996	0	0	0
TOWN CENTRE									
503	Expenditure	17340	24290	45320	0	-1350		0	0
503	Income	-1860	-3013	-1820	0	-225		0	0
	Net Expenditure	15480	21277	43500	0	-1575	0	0	0
DEVOLVED SERVICES									
504	Expenditure	0	0	0	0	0		0	0
504	Income	0	0	0	0	0		0	0
	Net Expenditure	0	0	0	0	0	0	0	0
ASSET MANAGEMENT									
599	Expenditure	600	0	0	0	0		0	0
599	Income	-3700	-192234	-3100	0	0		0	0
	Net Expenditure	-3100	-192234	-3100	0	0	0	0	0
INVESTMENT									
601	Expenditure	12500	0	52000	0	0		0	0
601	Income	0	0	0	0	0		0	0
	Net Expenditure	12500	0	52000	0	0	0	0	0

Chesham Town Council									
Budget Summary By Centre - Year To Date									
Company	C								
Period	1								
Year	2022								
		2021	2021	2022	2022	2022	2022	2022	2023
		LY Budget	LY Actual	Agreed Budget	Revised Budget	Actual YTD	Projected Actual	Next Year Budget	
VAT									
602	Expenditure	0	0	0	0	0			0
602	Income	0	-25146	0	0	0			0
	<u>Net Expenditure</u>	<u>0</u>	<u>-25146</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
IT TENDER									
603	Expenditure	0	0	0	0	0			0
603	Income	0	0	0	0	0			0
	<u>Net Expenditure</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GYM & SWIM EXTENSION									
604	Expenditure	0	0	0	0	0			0
604	Income	0	0	0	0	0			0
	<u>Net Expenditure</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ELGIVA EXTENSION									
605	Expenditure	0	0	0	0	0			0
605	Income	0	0	0	0	0			0
	<u>Net Expenditure</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NEIGHBOURHOOD PLAN									
606	Expenditure	0	0	0	0	0			0
606	Income	0	0	0	0	0			0
	<u>Net Expenditure</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRECEPT AND GRANT									
702	Expenditure	0	14734						0
702	Income	-963145	-977879	-1011100	0	25817			0
	<u>Net Expenditure</u>	<u>-963145</u>	<u>-963145</u>	<u>-1011100</u>	<u>0</u>	<u>-84260</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTALS									
<ALL>	Total Expenditure	2286875	2230158	2369277	0	139285			0
<ALL>	Total Income	-2172960	-2292842	-2244680	0	-423875			0
	<u>Total Net Expenditure</u>	<u>113915</u>	<u>-62684</u>	<u>124597</u>	<u>0</u>	<u>-284590</u>	<u>0</u>	<u>0</u>	<u>0</u>

AGENDA ITEM NO: 7 – Internal Audit Report Action Update

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To update the councillors on actions taken since the internal audit report was received.

Background Information

2. The annual internal audit report for year ending 30 March 2022 was circulated to members of the Finance Committee before the Council Meeting on 20 June 2022.
3. The auditor noted that all internal control objectives in the statement had been achieved. However, he made four observations ranked as medium. Officer's responses are attached.

Findings

4. Three of the observations related to balances and reconciliations not being signed off correctly at year end. This occurred because the Responsible Finance Officer post was vacant at the time this should have been done. This exercise has now been completed and the evidence sent to the internal auditor.
5. The other observation related to a missing year end bank statement. A copy has now been obtained which shows there was only a difference of £6.58 between the year-end bank statement and the previous one. The year-end bank statement has been sent to the internal auditor.

Implications

6. Financial: the internal auditor may require more evidence and want some further action to be taken. There has been no response yet to the evidence and answers I sent on 23rd June 2022.
7. Strategic: accords with the Council's strategic objective five, 'continue the programme of improving the Council's finances and financial systems by embracing and adopting new technology and working practices to streamline efficiency, simplify the reporting process and ensure the continued professional management of local Council Taxpayers' monies.'
8. Environmental: no implications.
9. Equality Act: no implications.

Recommendations

10. The following recommendations are made:

- i) That the report is noted subject to any comments members want to make.

Year End Internal Audit Observations

I Periodic bank account reconciliations were properly carried out during the year.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Cash floats & balances are supported with cashier's certificate (Year End)	<i>Year end cash floats & balances were not supported with a cashier's certificate</i>	Year end cash balances held should be supported with a cash statement stating the denomination and value of cash held. This should be signed and date by the cash custodian, and an independent person.	Medium	Cash floats have been signed by officers confirming balances at year end. Copies have been included in this PDF. This procedure will continue to be done on a regular basis.
2	Bank reconciliations have been signed and dated as evidence of independent review (Year End)	<i>As at the date of the year end Internal Audit the bank reconciliation had been prepared but had not yet been subject to independent review and approval.</i>	Prior to the approval of the Accounting Statements the year end bank reconciliation should be reviewed and signed and dated as evidence of this review.	Medium	A copy of the year end bank reconciliation signed by the Head of the Finance Committee has been included in this PDF. This will continue to be done on a regular basis.
3	Bank statements are available to for all bank accounts as at 31st March.	<i>The bank statement for the Natwest Business Reserve account supporting the year end bank reconciliation was dated 4th February 2022.</i>	Council to note	Medium	A copy of the bank statement covering the period to 31st March 2022 has been included in this PDF. This shows a difference of £6.58 interest between the council's accounting statements and the bank's balance.
4	Year End Cash balances have been subject to independent confirmation	<i>Year End Cash balances have not been subject to independent confirmation</i>	The Council should ensure that, in future, year end cash balances are subject to independent confirmation.	Medium	The copies of the year end floats mentioned in observation 1 have been countersigned by the Head of the Finance Committee. This is the blue signature. Going forward this will be done as part of the cash float balance confirmation process.

CHESHAM TOWN COUNCIL FLOATS 31st March 2022

TOWN HALL

Petty Cash Float	£455.27
General Float	£92.00
Emergency Float	<u>£330.00</u>
TOTAL	<u>£877.27</u>

Signed : 

Print: ADRIAN BIGNELL

Checked: 

Print: Colette Littley

ELGIVA THEATRE

Main Hall	£300.00
Box Office	£50.00
Petty Cash	£450.00
Kiosk-Cloak Room/Ice Cream	£110.00
Bar-Float 1	£100.00
Bar-Float 2	<u>£100.00</u>
TOTAL	<u>£1,110.00</u>

Signed : 

Print: BOOTM

Checked:

Print:

CHESHAM MOOR GYM AND SWIM

Emergency Float	£400.00
Petty Cash	£200.00
Till Float	£30.00
Machines	<u>£84.00</u>
TOTAL	<u>£714.00</u>

Signed : 

Print: DANNY ESSEX

Checked: 

Print: ALEX JONES

CHESHAM TOWN COUNCIL FLOATS 31st March 2022

TOWN HALL

Petty Cash Float	£455.27
General Float	£92.00
Emergency Float	£330.00
TOTAL	<u>£877.27</u>

Signed : Checked:

Print: Print:

ELGIVA THEATRE

Main Hall	£300.00
Box Office	£50.00
Petty Cash	£450.00
Kiosk-Cloak Room/Ice Cream	£110.00
Bar-Float 1	£100.00
Bar-Float 2	£100.00
TOTAL	<u>£1,110.00</u>

Signed : Checked: 

Print:  Print: 

CHESHAM MOOR GYM AND SWIM

Emergency Float	£400.00
Petty Cash	£200.00
Till Float	£30.00
Machines	£84.00
TOTAL	<u>£714.00</u>

Signed : Checked:

Print: Print:

Bank reconciliation

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree to Box 8 in the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis

Name of smaller authority: Chesham Town Council

County area (local councils and parish meetings only):

Buckinghamshire County Council

Financial year ending 31 March ~~20xx~~

Prepared by (Name and Role):

Kathryn Hallett RFO

Date:

06/06/2022

	£	£
Balance per bank statements as at 31/3/22:		
Lloyds Current Account 00091556	100.00	
Lloyds Business Call Account 00414010	9,816.92	
Lloyds Deposit Account 07040124	364,104.76	
Lloyds Money Market Account 00006222	15.27	
Lloyds 32 Day Account	592,101.15	
NatWest Business Reserve Account	406,858.60	
		1,372,996.70
Petty cash floats as at 31/3/22:		
Town Hall Petty Cash Float	455.27	
Town Hall Change Float	422.00	
Pool Cash Float	714.00	
Elgiva Cash Float	1110.00	
		2,701.27
Less: any un-presented cheques as at 31/3/22 (normally only current account)		
	0.00	
		0.00
Add: any un-banked cash as at 31/3/22		
Elgiva Theatre receipts 28/3/22 - 31/3/22	195.85	
Gym and Swim receipts 507323 23/3/22	16.00	
Gym and Swim receipts 507322 24/3/22	13.50	
Gym and Swim receipts 507326 26/3/22	33.00	
Gym and Swim receipts 507324 27/3/22	19.10	
Gym and Swim receipts 507325 28/3/22	6.00	
Gym and Swim receipts 507327 29/3/22	8.00	
		291.45
Net balances as at 31/3/22 (Box 8)		1,375,989.42



Account Transaction Details

CHESHAM TOWN COUNCIL
CHESHAM TOWN COUNCIL
TOWN HALL
CHESHAM
BUCKINGHAMSHIRE
HP5 1DS



Amersham
Oakfield Corner
Amersham
Bucks

HP6 5TD

At 15 June 2022 2:07 pm

Branch Sort Code: 522127

Account Number: 24416770 - Business Reserve Account

Page 01 of 01

Date	Type	Description	Withdrawn	Paid In	Balance
31-May-2022	Interest	31MAY GRS 24416770		£35.67	£406,929.16
06-May-2022	STATEMENT PRODUCED				
29-Apr-2022	Interest	29APR GRS 24416770		£28.31	£406,893.49
31-Mar-2022	Interest	31MAR GRS 24416770		£3.46	£406,865.18
28-Feb-2022	Interest	28FEB GRS 24416770		£3.12	£406,861.72
04-Feb-2022	STATEMENT PRODUCED				

Items with today's date have still to be confirmed and are included for information purposes only.

AGENDA ITEM NO: 8 – Internal Controls and Annual Review of Financial Policies

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To consider the annual review of the Investment Strategy, Risk Management and Financial Regulations

Background Information

2. The Council should review its Standing Orders and Financial Regulations annually (or if required by law sooner) to ensure that they are in line with latest changes in local government legislation and working practices. The last review took place at the Finance Committee on 26 July 2021. All changes need to be agreed and adopted by the full Council.

Findings

Investment Strategy

3. The investment strategy is attached. It was recommended in the Finance Committee on 3 March 2020 (minute 32) *“that current investment funds should be split more equally between the two existing banks, and potentially a third”*. As of 31 March 2022 (year-end) the NatWest bank had a balance of £406,861.7. There is also a Lloyds Treasury Deposit with a value of £592,101 and £364,105 in the Lloyds deposit account.
4. In the Finance Committee on 26 July 2021 (minute 6) that *“within the short term it was advisable to continue with existing investments”*. The continuing low interest rates to year ending 31 March 2022 meant there was no reason to change them. At this time all the Lloyds accounts had an interest rate of 0.01% and the NatWest account had an interest rate of 0.05%.
5. Interest rates are now increasing so active investment management will begin again. Problems have been found with reinvesting the sum in the NatWest bank due to the account set up, namely no signatories. This will be considered in the next agenda item, Bank Account Mandate Changes.

Financial Regulations

6. There are several changes which need to be made due to recent retirements and financial practices. The proposed changes are below:
 - a) In 1.8 the reference to the ***Finance and Contracts Manager*** needs to be changed to ***Head of Corporate Services***.
 - b) In 2.2 ***a Member other than the current mandated cheque signatories shall be appointed to verify bank reconciliations produced by the RFO***. Councillor Booth was elected to do this last year. He is now Chairman of the Finance Committee so another Member must be elected.

- c) In 4.1 change ***the Council for all items over £30,000;*** to ***the duly delegated committee of the Council and then Council for all items over £25,000;***. This brings the value in line with the required tender value, which is £25,000 or above.
- d) In 4.1 remove ***a duly delegated committee of the Council for items over £10,000 and below £30,000*** and replace with ***the RFO, in consultation with Chairman of Council or Chairman of the appropriate committee, for any items over £5,000 but below £25,000.***
- e) In 4.1 remove ***the Clerk, in consultation with Chairman of Council or Chairman of the appropriate committee, for any items over £5,000 but below £10,000*** and change word in sentence below from ***Clerk*** to ***RFO***.
- f) In 4.4 change ***Clerk*** to ***RFO***.
- g) In 5.8 change ***Clerk*** to ***RFO***.
- h) In 6.3 the authorised list of persons to sign payments should be changed to exclude ***previous past Town Mayor*** and include ***Vice Chairman of Finance Committee***.
- i) In 6.8 the whole paragraph should be removed and replaced with the following. ***Where a computer requires use of a Personal Identification Numbers (PINs) or other password(s) for access to the Council's records on that computer, the user must keep this information secure and not share with anyone, either verbally or in writing.***
- j) In 6.11 the following sentence needs to be replaced. ***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 alone, or with a stated number of approvals.*** It should be replaced with the sentence. ***All payments should be authorised by the Service Administrator and a Councillor.***
- k) In 6.13 change ***Clerk*** to ***RFO***.
- l) 6.14 and 6.15 should be removed as debit cards are not to be used by staff.
- m) In 6.17 the ***petty cash float of up to £500*** should be changed to ***£1,000***.
- n) In 7.3 prior consent of the staffing committee should be changed from ***staffing committee*** to ***staffing committee, and finance committee in exceptional circumstances.***
- o) In 9.2 change ***Clerk*** to ***RFO***.
- p) In 11.1 section e., the following sentence should be added. ***For online submissions, each tendering firm can upload their tender on to the specified secure portal.*** In section f, the following sentence should be added. ***All online tenders should also all be reviewed at the same time.***
- q) In 11.1 section h., the following paragraph should replace the existing paragraph. ***When it is to enter a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the RFO shall obtain 3 quotations. Where the value is below £5,000, one quote can be sought at the RFO's discretion. Otherwise, Regulation 10 (3) above shall apply.*** This is common practice in Councils currently.
- r) In 11.1 change all references to the ***Clerk*** to ***RFO***.
- s) In 15.1 change ***Clerk*** to ***RFO***.

Risk Management

7. The Financial and Cash Handling Risk Assessments must be reviewed and agreed annually by the Council. The cash handling risk assessment were considered and adopted by the Council at its meeting on 18 June 2018 and is attached. No further changes have been required since 2018 to this document. The latest Financial Risk Assessment has been updated in accordance with the internal auditor's previous recommendations and is also attached.

Assets and Insurance Review

8. The Internal Auditor has mentioned the need to review the asset register and level of insurance cover. The Head of Corporate Services has updated the Council's asset lists. An external valuer will be carrying out valuations of the council owned properties. This exercise when completed will be reported to the next Finance Committee.
9. The credit card policy will be revisited in accordance with members suggestions made in the Finance Committee of 18 October (minute 13). Officers will work with Councillor Wilson to revise the credit card policy, and Councillor Augustus will assist officers with best use of online payments and online marketing through social media.

Implications

10. Financial: the regulations need to be updated and reviewed on an annual basis. If this is not done, there could be issues with the internal and external auditors, and there will be problems getting the audits signed off. This could damage the council's reputation.
11. Strategic: accords with the Council's strategic objective five, 'continue the programme of improving the Council's finances and financial systems by embracing and adopting new technology and working practices to streamline efficiency, simplify the reporting process and ensure the continued professional management of local Council Taxpayers' monies.'
12. Environmental: no implications.
13. Equality Act: no implications.

Recommendations

14. The following recommendations are made:

- i) **That the Investment Strategy, Financial Regulations and Risk Assessments be noted and amended subject to further comments Members may have.**
- ii) **That a Member for this Committee be appointed to verify bank reconciliations.**

CHESHAM TOWN COUNCIL

ACTIVITY: Cash Handling, Town Hall

DATE: 1st July 2022

Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Theft	Council	<p>Money banked regularly during working week. Banking time and officers involved varies. Cash transfer to bank not made apparent, e.g. cash bags not visible. Staff instructed to hand money over if approached by miscreants. Officer banking money will inform other staff where he/she is going, so they will be missed if absent for an unusually long period.</p> <p>Credit/Debit card facilities installed at Town Hall, reducing the level of cash handling.</p> <p>Cash stored overnight in a safe, in a locked cupboard with an alarm. Minimal amounts of cash stored. Panic alarm in office.</p> <p>Petty cash tins are stored away from reception desk, out of public view.</p> <p>CCTV in building foyer, covering reception desk. CCTV in car park outside Town Hall.</p> <p>Good relationship established with local Police and PCSOs.</p> <p>Responsibility for cash at all sources determined. Receipts written for all income.</p> <p>Adequate insurance coverage for transporting money.</p>	U		Mi	Acceptable risk	

SIGNATURE OF RISK ASSESSOR: 

NAME OF RISK ASSESSOR:

Kathryn Hallett

REVIEW DATE: 1st July 2022

CHESHAM TOWN COUNCIL

Risk Rating Matrix Table

The table below shows a simple method, which is used for deciding whether the risks were tolerable. The risks were classified according to their estimated likelihood and potential severity of impact/harm.

LIKELIHOOD	IMPACT/SEVERITY		
	Minor	Moderate	Major
Probable	Moderate Risk (3)	Substantial Risk (4)	Intolerable Risk (5)
Possible	Tolerable Risk (2)	Moderate Risk (3)	Substantial Risk (4)
Unlikely	Acceptable Risk (1)	Tolerable Risk (2)	Moderate Risk (3)

When the level of the impact/severity and likelihood of harm have been determined this can be used to decide if the risk is tolerable.

MINOR – Injury requiring first aid or minor medical treatment not resulting in more than 1 day absent from work.

MODERATE – More serious injury e.g. fracture of major bone, injury resulting in more than 3 days absence from work etc

MAJOR – loss of eye/limb, permanent disability, fatality etc or moderate severity to a large number of persons in single incident

When the level of the severity and likelihood of harm have been determined this can be used to decide if the risk is tolerable.

The manager needs to think about:

- ♦ The information gathered with regard to defined activities
- ♦ The acceptability of the risk
- ♦ The level of understanding of the risk by persons exposed and their supervisors
- ♦ The level of training and information provided.

The following table is for guidance purposes; it sets out the means for establishing an order for the risks to be managed and controlled.

It must not be interpreted as a hard and fast rule, but as a guide which will depend on the individual circumstances of the assessment; where doubt exists consult the Health and Safety Practitioner

CHESHAM TOWN COUNCIL

Risk Rating		Action and time scale
1	Acceptable	No action is required.
2	Tolerable	No additional controls are required. Consideration may be given to a more cost effective solution or improvement that imposes no additional cost burden. Monitoring is required to ensure that the controls are maintained
3	Moderate	<p>Efforts should be made to reduce the risk but the costs of prevention should be carefully measured and limited. Risk reduction measures should be implemented within a defined time period.</p> <p>Where the moderate risk is associated with extremely harmful consequences, further assessment may be necessary to establish more precisely the likelihood of harm, and so any improved control measures.</p>
4	Substantial	Work/business activity should not start, or should be stopped until the risk has been removed or reduced. Considerable resources may also have to be allocated to reduce the risk. A Head of Service must be informed of this risk.
5	Intolerable	Work/business activity should not be started or continued until the risk has been reduced. If it is not possible to reduce risk even within unlimited resources the work has to remain prohibited. A Head of Service must be informed of this risk.

CHESHAM TOWN COUNCIL

FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the Council at its Policy and Resources Meeting held on 26th September 2016 and are reviewed at least once a year.

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for Members and officers. Financial regulations must be observed in conjunction with the Council's standing orders¹ and any individual financial regulations relating to contracts.
 - 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
 - 1.3. The Council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
 - 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
 - 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
 - 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
 - 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
 - 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Finance and Contracts Manager has been appointed as RFO for this Council and these regulations will apply accordingly.
 - 1.9. The RFO;
 - acts under the policy direction of the Council;
 - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
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- determines on behalf of the Council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Council up to date in accordance with proper practices;
 - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations².
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the Council; and
 - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
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- setting the final budget or the precept (Council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors,

shall be a matter for the full Council only.

1.14. In addition the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £60,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

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

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

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. On a regular basis, at least once in each quarter, and at each financial year end, a Member other than the current mandated cheque signatories shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The Member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance Committee.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or Member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The internal auditor shall:
 - be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
 - perform any operational duties for the Council;
 - initiate or approve accounting transactions; or
 - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. The RFO must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance Committee and the Council.
- 3.2. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.3. The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each Member with a copy of the approved annual budget.
- 3.4. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

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

- the Council for all items over £30,000;
- a duly delegated committee of the Council for items over £10,000 and below £30,000
- the Clerk, in consultation with Chairman of Council or Chairman of the appropriate committee, for any items over £5,000 but below £10,000.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

- An authorised Section Head for any item below £5,000.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2. During the budget year and, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year without prior approval from the relevant Committee or Council meeting.
- 4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme risk to the delivery of Council services, the clerk may authorise revenue expenditure on behalf of the Council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £10,000. The Clerk shall report such action to the chairman or appropriate working group 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 financial report which shall include a statement of receipts and payments. These shall be prepared at least of each financial quarter and shall explanations of material variances.

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

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO shall prepare a schedule of payments requiring ratification, forming part of the Agenda for the Council Meeting including the details of any petty cash or card payment over £500. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council. 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 Head of Service or Deputy 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 authorised Head of Service or Deputy 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 within 30 days.
- 5.5. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £60,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.6. 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.
- 5.7. 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.
- 5.8. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by the Clerk.

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. All payments shall be effected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of the Council.
- 6.3. BACS ,Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or committee shall be signed in accordance with the bank mandate. 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. Authorised persons to sign payments as follows:

One Councillor, either the Town Mayor, Deputy Town Mayor, previous past Town Mayor, Chairman of Finance Committee or Chairman of the Community, Assets, Recreation and Environment Committee together with one officer either the Town Clerk or Responsible Finance Officer.'

- 6.4. 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 sign the payment schedule.
- 6.5. 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.
- 6.6. 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, in accordance with the Council's Bank Mandate.
- 6.7. 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.
- 6.8. 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 Town Clerk in a sealed dated envelope. This envelope may not be opened other than in the presence of the Town Clerk.
- 6.9. 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.
- 6.10. 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.

- 6.11. Where internet banking arrangements are made with any bank, the Clerk or 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.
- 6.12. 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.
- 6.13. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk and a Member. A programme of regular checks of standing data with suppliers will be followed.
- 6.14. 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 Council or Finance Committee in writing before any order is placed.
- 6.15. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance Committee. Transactions and purchases made will be reported to the Finance Committee and authority for topping-up shall be at the discretion of the Council following recommendations from the Finance Committee.
- 6.16. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by Section Heads only and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of Members or staff shall not be used under any circumstances.
- 6.17. The RFO may provide petty cash to Section Heads 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 Section Heads shall maintain a petty cash float of up to £500 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Staffing Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a confidential record. 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. 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 employing interim staff, the Staffing Committee and/or delegated Working Party must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.4. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2. The Council will review all fees and charges at least annually, following a report of the Clerk.
- 9.3. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.4. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.5. The origin of each receipt shall be entered on the paying-in slip.
- 9.6. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.7. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.8. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained in accordance with the Council's adopted 'Record Retention' policy.
- 10.2. Order books shall be controlled by the RFO.
- 10.3. All Members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4. A Member may not issue an official order or make any contract on behalf of the Council.

11. CONTRACTS

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

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more and/or the Utility Contracts Regulations 2016, the Council shall comply with the relevant requirements of the Regulations.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in the Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one Member of Council.

- g. Any invitation to tender issued under this regulation shall be subject to any relevant Standing Order and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £10,000 and above £5,000 the Clerk or RFO shall strive to obtain 3 estimates and below £5,000, a minimum of two estimates shall be sought at the Town Clerk's discretion. Otherwise, Regulation 10 (3) above shall apply.
- i. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. Should it occur that the Council, or duly delegated Committee/working group, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

12. ASSETS, PROPERTIES AND ESTATES

- 12.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 12.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £5,000.
- 12.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 12.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 12.5. Subject only to the limit set in Reg. 12.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a full business case.
- 12.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

13. INSURANCE

- 13.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 13.2. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 13.3. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 13.4. 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/working group.

14. RISK MANAGEMENT

- 14.1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 14.2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

15. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 15.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.
- 15.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all Members of Council.

16. OPENNESS OF LOCAL BODIES REGULATIONS 2014

- 16.1 The value that is deemed to 'materially' affect the Council under the Openness of Local Bodies Regulations 2014 and therefore, when exceeded, would require any decisions made by officers under their delegated powers to be recorded (this recording to include the decision taken, and the date the decision was made, the reasons for the decision, any alternative options considered and rejected and any other background documents) be set at £8,000.

July 2021

CHESHAM TOWN COUNCIL

ACTIVITY: Financial Management

DATE: 1st July 2022

Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Incurring expenditure without proper legal authority	Council	<p>The Council has continued with the adoption of the General Power of Competence at the Annual Meeting of the Council held on the 18th May 2015 minute number 11. Section 1 of the Parish Councils (General Power of Competence) (Prescribed Conditions) order 2012 Act says that a local authority has power to do anything that individuals generally may do.</p> <p>Appropriate statutory authorities are used wherever possible.</p> <p>A list of all payments is reported to the Council.</p> <p>Part of the duties of the Responsible Finance Officer (RFO) is to ensure compliance and payment of any sums due.</p> <p>All cheques /BACS are signed/approved by the Town Clerk or the RFO, in addition to one councillor.</p>	Un		Mi	Acceptable	
Failure to comply with HMRC Regulations	Council	<p>Comprehensive records are kept of all calculations of income tax and national insurance deducted from pay. Regular returns are made to HMRC. Returns are prepared by the Payroll system and checked by the RFO. There is prompt payment of all sums due.</p>	Un		Mo	Tolerable	

CHESHAM TOWN COUNCIL

Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Failure to comply with HMRC Regulations	Council	VAT is properly administered. Guidance in HMRC Notice 749 is referred to and further guidance is sought from HMRC where necessary. A VAT expert is also available for consultation. All input tax and output tax is properly recorded. VAT claims are completed and submitted promptly and on a regular basis. Claims are reconciled to cashbook.	Un		Mo	Tolerable	
Failure to maintain record of Council assets	Council	The Responsible Finance Officer (RFO) and Managers maintain an up to date property, asset and inventory register. All acquisitions/disposals are accurately and promptly recorded. Periodical inventory checks are conducted.	Un		Mo	Tolerable	
Failure to maintain an effective payments system	Council	All payments are made in accordance with the Council's current financial regulations. All payments must be supported by an authorised invoice/voucher. All details to be checked and payment entered into a cashbook. All payments to be approved by Council and recorded in the minutes. All BACS/cheques to be signed by at least one authorised member and one authorised officer. Signatories to check payments against invoices/payment vouchers. A list of all BACS/cheques to be prepared and signed by authorised signatories for each, weekly BACS/cheque run. All expenditure to be the subject of sound budgetary control.	Un		Ma	Moderate	

CHESHAM TOWN COUNCIL

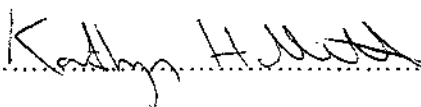
Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Failure to keep proper financial records	Council	The RFO is responsible for ensuring proper records of accounts are kept. Appropriate standing orders and financial regulations are in place and are subject to periodic review. Effective independent internal audit is implemented. Regular financial reports are made to Council/Finance Committee	Un		Ma	Moderate	Training on Pegasus to be rolled out to Heads of Service for better budget control. This is following recommendation in external consultant's report in March 2021.
Poor financial management	Council	The RFO is responsible for the management of the financial affairs of the Council. The Standing Orders and Financial Regulations are periodically reviewed. An effective budgetary control/financial reporting system is maintained. An effective internal audit is maintained.	Un		Ma	Moderate	
Failure to set a precept within sound budgeting arrangements	Council	The RFO is responsible for compiling the estimates. Presentation to Committee/Council follows an agreed timetable. The precept is set as a result of consultation with appropriate staff members and a full report detailing requirements for the forthcoming year for all heads of income and expenditure. All charges made by the Council are reviewed annually. The adequacy of all balances and reserves is reviewed. Effective budget monitoring is in place throughout the year.	Un		Ma	Moderate	

CHESHAM TOWN COUNCIL

Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Loss of money through theft/ misappropriation	Council	Responsibility for cash at all sources is determined. Receipts are issued for all income. Secure arrangements are in place for all monies held pending banking. Proper arrangements are in place for prompt recording and banking of all cash received. Regular bank reconciliation take place. Regular reports to Council. Council holds adequate fidelity guarantee insurance. Internal checks and internal audit conducted.	Un		Mo	Tolerable	With the increasing use of credit cards for payment, the internal auditor recommended a credit card policy. The details of this are being discussed with Members on the Finance Committee.
Failure to ensure proper use of funds under specific powers	Council	All grant applications are fully completed and fully supported prior to submission to Committees/Council. All approvals are properly recorded in Council minutes. It is ensured that no other statutory authority is available. The Council has continued with the adoption of the General Power of Competence at the Annual Meeting of the Council held on the 18 th May 2015 minute number 11. Section 1 of the Parish Councils (General Power of Competence) (Prescribed Conditions) order 2012 Act says that a local authority has power to do anything that individuals generally may do.	Un		Mo	Tolerable	

CHESHAM TOWN COUNCIL

Hazard	Who is affected	Existing controls	L	x	S	Residual Risk Rating	Further Action Required
Risk to a third party as a consequence of providing a service	Third party	Appropriate insurance cover/policy is in force	Un		Mo	Tolerable	Valuation of property assets is being organised and will be reported at next Finance Committee

SIGNATURE OF RISK ASSESSOR: 

NAME OF RISK ASSESSOR: Kathryn Hallett

REVIEW DATE: 1st July 2022

CHESHAM TOWN COUNCIL

Risk Rating Matrix Table

The table below shows a simple method, which is used for deciding whether the risks were tolerable. The risks were classified according to their estimated likelihood and potential severity of impact/harm.

LIKELIHOOD	IMPACT/SEVERITY		
	Minor	Moderate	Major
Probable	Moderate Risk (3)	Substantial Risk (4)	Intolerable Risk (5)
Possible	Tolerable Risk (2)	Moderate Risk (3)	Substantial Risk (4)
Unlikely	Acceptable Risk (1)	Tolerable Risk (2)	Moderate Risk (3)

When the level of the impact/severity and likelihood of harm have been determined this can be used to decide if the risk is tolerable.

MINOR – Injury requiring first aid or minor medical treatment not resulting in more than 1 day absent from work.

MODERATE – More serious injury e.g. fracture of major bone, injury resulting in more than 3 days absence from work etc

MAJOR – loss of eye/limb, permanent disability, fatality etc or moderate severity to a large number of persons in single incident

When the level of the severity and likelihood of harm have been determined this can be used to decide if the risk is tolerable.

The manager needs to think about:

- ♦ The information gathered with regard to defined activities
- ♦ The acceptability of the risk
- ♦ The level of understanding of the risk by persons exposed and their supervisors
- ♦ The level of training and information provided.

The following table is for guidance purposes; it sets out the means for establishing an order for the risks to be managed and controlled.

It must not be interpreted as a hard and fast rule, but as a guide which will depend on the individual circumstances of the assessment; where doubt exists consult the Health and Safety Practitioner

CHESHAM TOWN COUNCIL

Risk Rating		Action and time scale
1	Acceptable	No action is required.
2	Tolerable	No additional controls are required. Consideration may be given to a more cost effective solution or improvement that imposes no additional cost burden. Monitoring is required to ensure that the controls are maintained
3	Moderate	<p>Efforts should be made to reduce the risk but the costs of prevention should be carefully measured and limited. Risk reduction measures should be implemented within a defined time period.</p> <p>Where the moderate risk is associated with extremely harmful consequences, further assessment may be necessary to establish more precisely the likelihood of harm, and so any improved control measures.</p>
4	Substantial	Work/business activity should not start, or should be stopped until the risk has been removed or reduced. Considerable resources may also have to be allocated to reduce the risk. A Head of Service must be informed of this risk.
5	Intolerable	Work/business activity should not be started or continued until the risk has been reduced. If it is not possible to reduce risk even within unlimited resources the work has to remain prohibited. A Head of Service must be informed of this risk.

TREASURY MANAGEMENT POLICY STATEMENT (TMP)

1. This organisation defines its treasury management activities as: The management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

TMPI RISK MANAGEMENT

General statement

“The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. To ensure compliance with these objectives the following risks are to be considered:

(1) liquidity risk management

“This organisation will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.”

(2) interest rate risk management

This organisation will consider short, medium and long term investments/borrowings, together with interest rates (both fixed and variable) and their proportions

(3) exchange rate risk management

Not applicable at the current time

(4) inflation risk management

“This organisation will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the organisation as an integral part of its strategy for managing its overall exposure to inflation.

It will achieve these objectives by prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. The above subject at all times to the consideration and, if required, approval of any policy or budgetary implications.”

(5) credit and counterparty risk management

“This organisation regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in *TMP4 Approved instruments, methods and techniques*.

(6) refinancing risk management

“This organisation will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationship with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.”

(7) legal and regulatory risk management

“This organisation will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 (5) *credit and counterparty risk management*, it will ensure that there is evidence of counterparties’ powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This organisation recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.”

(8) fraud, error and corruption, and contingency management

“This organisation will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.”

(9) market risk management

“This organisation will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.”

TMP2 BEST VALUE AND PERFORMANCE MEASUREMENT

“This organisation is committed to the pursuit of best value in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation’s stated business or service objectives. It will be the subject of regular examination methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements.”

TMP3 DECISION-MAKING AND ANALYSIS

“This organisation will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purpose of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.”

TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

“This organisation will undertake its treasury management activities by employing only those instruments, methods and within the limits and parameters defined in TMP1 *Risk Management*.”

TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

“This organisation considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this organisation intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The responsible officer will fulfil all such responsibilities in accordance with the organisation’s policy statement and TMPs and if a CIPFA member, the *Standard of Professional Practice on Treasury Management*.”

TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

“This organisation will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the organisation Policy & Resources Committee will receive;

- an annual report on the strategy and plan to be pursued in the coming year
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation’s treasury management policy statement and TMPs.

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

“The responsible officer will prepare, and this organisation will approve and, if necessary from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *TMP1 Risk Management*, *TMP2 Best value and performance measurement*, and *TMP4 Approved instruments, methods and techniques*. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with *TMP6 Reporting requirements and management information arrangements*.

This organisation will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

This organisation will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.”

TMP8 CASH AND CASH FLOW MANAGEMENT

“Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with *TMP1 [1] liquidity risk management*.

TMP9 MONEY LAUNDERING

“This organisation is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions.”

TMP10 STAFF TRAINING AND QUALIFICATIONS

“This organisation recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.”

TMP11 USE OF EXTERNAL SERVICE PROVIDERS

“This organisation recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the responsible officer.”

TMP12 CORPORATE GOVERNANCE

“This organisation is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This organisation has adopted and implemented the key recommendations of the Treasury Management in the Public Services Code of Practice. This is considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.”

ANNUAL INVESTMENT STRATEGY 2020/2021

1. This Annual Investment Strategy is subject to the Councils Treasury Management Policy and states which investments the Council may use for prudent management of its treasury balances during the financial year.
2. **Investment Objectives**
 - 2.1 In balancing risk against return, this Council is more concerned to avoid risks than to maximise returns.
 - 2.2 All investments will be in sterling.
 - 2.3 The policy objective for this Council is the prudent investment of its treasury balances.
 - 2.4 The Council's investment priorities are the security of reserves and liquidity of its investments.
 - 2.5 The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.
 - 2.6.1 The ODPM maintains that the borrowing of monies purely to invest or to lend and make a return is unlawful and this Council will not engage in such activity.
3. **Investment Balances / Liquidity of Investments**
 - 3.1. Before committing any investment the Council will take into consideration its current level of balances; estimated levels of future balances; the current interest rate; market forecasts; the need for liquidity; its spending commitments and provision for contingencies
 - 3.2 In order to maintain sufficient security and liquidity the Council will manage any surplus funds through the major High Street banks and building societies which provide a secure high yield rate of interest.
4. **Investment Strategy to be followed in house**
 - 4.1 The Finance Working Group is delegated to deal with any future reviews and investment issues, including the receiving of any company presentations.
 - 4.2 The Council will consider both short and long term investments in order to achieve an optimum return but that any investment of more than one year will be subject to the agreement of the Finance Working Group.
5. **Investment Report**

- 5.1 During the budget process the Responsible Finance Officer will report on investment received and forecasts.

- 6. **Adoption of Strategy**

- 6.1 This Investment Strategy was adopted at a meeting of the Finance Committee on 2nd March 2020 and is to be reviewed annually by the Council before 1st April each year.

AGENDA ITEM NO: 9 – Bank Account Mandate Changes

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To consider the signatories required to approve transactions for the Council's bank accounts, in particular the NatWest bank account

Background Information

2. Due to the retirement of the Finance and Contracts manager and imminent retirement of the Town Clerk an exercise was conducted into investigating and updating the signatories on the Council bank accounts.

Findings

3. It was discovered that the NatWest bank account has no signatories. The NatWest bank account had a year-end balance of £406,861.72 which cannot be moved. As this balance is being held for investment purposes it means the Council are missing opportunities to maximum interest. The Head of Corporate Services recommends that the following roles will be signatories on the account:
 - a) Chief Executive Officer
 - b) Head of Corporate Services

Implications

4. Financial: the Council must maximum interest from monies being held within savings accounts.
5. Strategic: accords with the Council's strategic objective five, 'continue the programme of improving the Council's finances and financial systems by embracing and adopting new technology and working practices to streamline efficiency, simplify the reporting process and ensure the continued professional management of local Council Taxpayers' monies.'
6. Environmental: no implications.
7. Equality Act: no implications.

Recommendations

8. The following recommendations are made:
 - i) That signatories are decided in this meeting.
 - ii) The minute for this decision then be sent to the bank to set up the signatories.

AGENDA ITEM NO: 10 – Annual Subscriptions Review

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To consider restarting membership of Buckinghamshire Association of Local Councils (BALC).

Background Information

2. The Council are intending to begin two large capital projects this year at the Gym and Swim and the Elgiva Theatre. This will require borrowing significant amounts of money. The Council are restricted to borrowing from the PWLB.
3. The current subscriptions budget is £1,490 for the financial year 1 April 2022 to 31 March 2023.
4. The Council subscribes to several national professional bodies that provide advice, support, and training to officers responsible for delivering the various services the Council offers. In addition, the Council subscribes to several local groups and associations that are key to achieving positive outcomes for Chesham.

Findings

5. When investigating applying for a loan from the PWLB officers found the Council must make an initial approach to the County Association of Local Councils. In the case of Chesham Town Council, this is BALC. The PWLB document confirming this has been attached. BALC have quoted a cost of £3,410 for annual membership (the email with the quote has been included for information). This will be over the value of the subscriptions budget.
6. The Head of Corporate Services has reviewed the annual subscriptions. In the past some subscriptions have been paid using the Power of General Competence, these are indicated using + on the chart below. Where indicated by a * on the chart below, this amount is the minimum subscription payable to the organisation concerned. The Council may increase the subscription, by resolution.
7. The Head of Corporate Services is recommending the following are paid by the Council:

Organisation	£ per year
Bucks Business	150
Bucks Playing Fields Association *+	20
Chiltern Chamber +	100
Institute of Cemetery & Crematorium Management	90
Council for the Protection of Rural England *+	36
National Association of British Market Authorities	318
Bucks Association of Local Councils	3,410

Society of Local Council Clerks	364
Southeast Employers	326
The Chesham Society +	15
The Chiltern Society *+	30
The Open Spaces Society +	45
The Woodland Trust *+	48
Total	4,952

Implications

8. Financial: Council will need to fund additional subscription costs from reserves.
9. Strategic: Accords with the Council's strategic aims as flows:
 - a) Aim 1 'To enable residents to enjoy high-quality social, recreational, and cultural facilities within the town and to seek the continuing improvement and development of these facilities in accordance with the desires expressed by the residents.'
 - b) Aim 2 'To encourage and promote the economic and commercial vitality of the town'
 - c) Aim 3 'To preserve the unique identity of Chesham and promote its heritage.'
10. Environmental: no implications.
11. Equality Act: no implications.

Recommendations

12. The following recommendations are made:
 - i) That BALC membership is to restart as soon as possible to take advantage of borrowing opportunities for capital works.
 - ii) That the subscriptions listed in table 1 are paid.
 - iii) That the Council funds £3,462 additional subscription costs from reserves.



**United Kingdom
Debt Management
Office**

PWLB lending facility

T 020 7862 6610
E pwlb@dmo.gov.uk
www.dmo.gov.uk

LOANS TO PARISH, TOWN AND COMMUNITY COUNCILS

1. Powers to Lend

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury and provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury. This borrowing is mainly for capital projects. HM Treasury are responsible for the lending policy and for setting interest rates for PWLB loans. The day to day lending activities including advancing new PWLB loans and collecting repayments are delegated to the DMO. The DMO's responsibilities are for timely administration of the function within the set framework.

2. Purposes for which loans may be made

Loans may be made to finance capital payments for which a council has a formal borrowing approval. A council may also apply for a loan to replace short-term borrowings (including a bank overdraft) or revenue balances used temporarily for the purpose stated in the approval.

3. Borrowing Approval

HM Treasury will only lend once a borrowing approval has been obtained. The letters are issued by the Department for Levelling Up, Housing & Communities - formerly MHCLG, or, in the case of Welsh councils, the Welsh Government (WG). Borrowing approvals state, amongst other things, the purpose of a loan, the amount and the maximum period over which it can be taken.

The related borrowing may only be undertaken within the terms and time limit of the approval. It is not obligatory for the approval to be taken up in a single loan, and separate applications may be made in respect of a scheme where, for example, the expenditure is spread over several months, provided that the loans are covered by a valid approval.

The initial approach for a borrowing approval should be made to the [redacted]
[redacted]. In the case of Welsh councils, the approach is direct to the Welsh Government.

4. Security for Loans

Under the provisions of the Public Works Loan Acts of 1965 and 1967, loans from HM Treasury are secured by an automatic charge on the revenues of the council and not on the council's property.

Kathryn Hallett

From: BALC Mailbox <BALC@bucksalc.gov.uk>
Sent: 01 July 2022 16:25
To: Kathryn Hallett
Subject: RE: [EXTERNAL] Membership Enquiry

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Kathryn

Welcome to Chesham Town Council. I'd be delighted to have Chesham back with us again and happy if it would be helpful, to come over and present to Council why I believe being part of the BMKALC family would add value.

The last figures I received from the Electoral Office reported an electorate of 16798. At £0.128p per elector the BMKALC element would be £2151.82 and the NALC element which is £0.075 per elector is would be £1258.17 equating to a total of £3409.99.

What do get for your subscription?

- Access to NALC legal topic notes and briefings
- Access to BMKALC information and seminars
- Preferential rates for BMKALC training courses and membership status when joining other CALC courses (still being rolled out, Beds and Oxford agreed)
- Membership Services incl:
 - 15 min free with Wellers Hedley on legal matters and reduced rates thereafter
 - Financial and VAT support from Steve Parkinson and Associates
 - Preferential rates on Council Hive Membership with Breakthrough Communications
 - HR Support through Personnel Advices Services
- Weekly Updates from me
- Lobbying at Principal Authority and also a Government level on matters important to us.

Do let me know if there is anything else I can help with.

Kind regards
Mel

Mel Woof

County Officer - Bucks and Milton Keynes
Association of Local Councils.

County Office, Walton Street, Aylesbury
www.bucksalc.gov.uk



I work part time hours, flexibly with compressed hours over longer days - I may email you outside of your working hours, this does not mean I am expecting a reply at that time.

AGENDA ITEM NO: 11 – Digitalisation Progress, Payslips

Reporting Officer:

Kathryn Hallett

Head of Corporate Services

01494 583825

kathryn.hallett@chesham.gov.uk

Purpose of Report:

1. To report to councillors that an opportunity to digitalise services had been discovered and will be implemented.

Background Information

2. Council payslips are currently printed and distributed by hand. This is not efficient use of officer time and poses a security risk. Officers have also requested receiving their payslips by email.
3. Currently the Council uses 'earnie' payroll system. The Council use a separate system called Pegasus/Opera for financial accounting. Officers have to rekey information into the nominal ledger of Pegasus/Opera for budget reporting purposes, once they have completed the payroll. This takes up a lot of officer time.

Findings

4. The Pegasus/Opera software has a payroll module which has the facility to produce emailed payslips. The Council are not currently using the payroll module despite the fact it is already included in the subscription paid by the Council for the package. Using only the Pegasus/Opera payroll system to produce payroll information and payslips will save officers time, as it will not be necessary to rekey the information into the nominal ledger for budget reporting purposes.

Implications

5. Financial: the Council are working hard to identify and implement efficient methods of work.
6. Strategic: accords with the Council's strategic objective five, 'continue the programme of improving the Council's finances and financial systems by embracing and adopting new technology and working practices to streamline efficiency, simplify the reporting process and ensure the continued professional management of local Council Taxpayers' monies.'
7. Environmental: no implications.
8. Equality Act: no implications.

Recommendations

7. The following recommendations are made:

- i) That the report is noted subject to any comments members want to make,

FINANCE COMMITTEE

AGENDA FOR MEETINGS OF THIS COMMITTEE

Agenda

Key- * refers to standing items of Finance agenda

Matter for Consideration	Responsible Officer	Purpose of Report
11 July 2022		
*Finance Action Tracker	Emma Powley-Interim Town Clerk	*To update the Committee on the RAG status of actions from previous meetings of the Finance Committee
Financial Report to April 2022	Kathryn Hallett- Head of Finance	Committee to note the financial update on the finance to April 2022
Internal Audit – action update	Kathryn Hallett- Head of Finance	To note the actions following the Internal Audit
Internal Controls and Annual Review of Financial Policies	Kathryn Hallett- Head of Finance	To receive the Annual Review (last reported to the Committee 26/7/21)
Bank Account Mandate changes	Kathryn Hallett- Head of Finance	Committee to agree the mandate changes to the Bank Account
Subscriptions review	Kathryn Hallett- Head of Finance	To note the current subscriptions and agree to any new/renewed subscriptions considered necessary
Digitalisation progress – payslips	Kathryn Hallett- Head of Finance	To note the digitalisation of Town Council pay slips.
IT tender update	Kathryn Hallett- Head of Finance	To note the exempt information within the report pertaining to the IT tender process
Procurement of electricity	Kathryn Hallett- Head of Finance	To note the exempt information within the report pertaining to the procurement of electricity
*Finance Committee Forward Plan	Emma Powley-Interim Town Clerk	*To note and update the Committee Forward Plan for the municipal year.

17 October 2022		
*Finance Action Tracker	Emma Powley-Interim Town Clerk	*To update the Committee on the RAG status of actions from previous meetings of the Finance Committee
Finance Reporting changes	Kathryn Hallett- Head of Finance	To note changes to the reporting of the Councils finance.
*Finance Committee Forward Plan	Emma Powley-Interim Town Clerk	*To note and update the Committee Forward Plan for the municipal year.
5 December 2022		
*Finance Action Tracker	Emma Powley-Interim Town Clerk	*To update the Committee on the RAG status of actions from previous meetings of the Finance Committee
*Finance Committee Forward Plan	Emma Powley-Interim Town Clerk	*To note and update the Committee Forward Plan for the municipal year.
20 March 2023		
*Finance Action Tracker	Emma Powley-Interim Town Clerk	*To update the Committee on the RAG status of actions from previous meetings of the Finance Committee
*Finance Committee Forward Plan	Emma Powley-Interim Town Clerk	*To note and update the Committee Forward Plan for the municipal year.