


Sandy Town Council

To: Cllrs P N Aldis, C Butterfield, C Osborne, M Pettitt, M Runchman, M Scott, D Sharman, R Smith, S Walsh and G White

Cc Cllrs J Ali, W Jackson, K Lynch, A Maycock, S Sutton.

You are hereby summoned to attend a meeting of the Policy, Finance and Resources Committee of Sandy Town Council which will be held in the Council Chamber at 10 Cambridge Road, Sandy, Bedfordshire on Monday 1 July 2013 at 7.30pm for the purpose of transacting the items of business below.



Delia Shephard, Town Clerk
10 Cambridge Road
Sandy
SG19 1JE
01767 681491
21 June 2013

AGENDA

Reports

1 Apologies for absence

2 Declarations of interest and requests for dispensations

Under the Localism Act 2011 members of Council are not required to make oral declarations of interest at meetings but may not participate in discussion or voting on any items of business in which they have a Declarable Pecuniary Interest (DPI) and under Sandy Town Council's Standing Orders must leave the room for the duration of all discussion on such items. (All members' register of interests are available on the Sandy Town Council website or on application to the Clerk.)

*This item is included on the agenda to enable members to declare new DPIs and also **those who wish to do so** may draw attention to their stated DPIs and also any non-declarable personal interests which they have declared under Sandy Town Council's adopted Code of Conduct and which may be relevant to items on the agenda.*

- i) Declarable Pecuniary Interests*
- ii) Personal Interests*

3 Minutes of previous meeting

To receive the minutes of the Policy, Finance and Resources Committee held on Monday 20 May 2013 and to approve them as a correct record of proceedings.

4 Sandy Town Council Financial Regulations

To consider revisions to the regulations

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5 Financial Matters

- i) To consider a detailed report of performance against budget for the financial year 2013-14 ✓
- ii) To note a report from the Town Clerk on matters connected with Town Council charges ✓
- iii) To consider arrangements for the Town Council's internal audit and review internal controls for the year 2013/14 ✓
- iv) To consider a report from the Clerk on potential revisions to the Town Council's accounts software ✓

6 Review of Leases

To receive an oral report from the Working Group established to review the terms and operation of the current leases between Sandy Town Council and Sandy Bowls Club and Sandy Town Council and Sandy Cricket Club following a meeting of the group on Thursday 27 June 2013. x

7 Review of Staff Structure and Premises at 10 Cambridge Road

To receive a report from the Town Clerk on progress of the working groups charged with reviewing staff structure and job descriptions and the use of premises at 10 Cambridge Road and to note a date for the joint meeting of these groups. To follow

8 Amplification in Chamber

To receive quotations for wireless amplification equipment for the Council chamber at 10 Cambridge Road and to consider purchase of equipment To follow when available

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REPORTS

4 Sandy Town Council Financial Regulations Clerk's Report

Sandy Town Council's financial regulations have not been fully reviewed since 2005 although amendments have been incorporated on many occasions since that date. A new set of model financial regulations from NALC has been promised but as changes to the legislation regarding payments are anticipated this has not yet been produced and may still be some time away.

A proposed revision of the regulations is enclosed with this report for consideration and recommendation to Town Council. The draft is adapted from the current SLCC recommended financial regulations and the 2004 NALC model and the existing Sandy Town Council Financial Regulations. Members are asked to note the following points:

- There are few substantive changes and large parts of the previous financial regulations remain unaltered but changes to wordings have been made for the sake of clarity and to comply with changes to legislation and practice
- The new financial regulations remove references to previous STC committee structures and have been devised to be compatible with any new schemes of delegation (as far as possible)
- The terms Clerk and RFO have both been used because although it is recognised that these roles are currently embodied by one individual this may not always be the case and specific responsibilities go with each role
- Regulation 2.5 is a strengthening of former regulation 11 and it is the Clerk's recommendation that a formal 3 year financial forecast should now be used on a regular basis given the size of the council
- Figures included in the financial regulations are those adopted by the Council in 2011 save for the figures in 11 (h) and 14.2 which are new. However the figures adopted in 2011 may be on the low side in some cases, eg 11(b) requires a full tender process for contracts of only £10,000 other towns in Bedfordshire eg Ampthill and Houghton Regis specify £50,000 or £60,000.
- Section 4 Banking arrangements and cheques now includes authority for the Clerk to transfer funds between council accounts following withdrawal of the bank's former sweep transfer arrangement. The appendix has been written for the sake of transparency and for the Clerk's and the Council's protection.
- Section 11 (h) clarifies rules on obtaining three quotes
- Section 16 has been included because many local councils are now acting as sole trustees, whilst it is not needed at present it

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may be in the future.

Sandy Town Council REVISED FINANCIAL REGULATIONS 2013 D R A F T

1 GENERAL

1.1 These financial regulations govern the conduct of the financial transactions and the financial management of Sandy Town Council and may only be amended or varied by resolution of the Council. Sandy Town Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial controls which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption.

1.2 The Responsible Financial Officer (RFO) shall be appointed by the Council. Under the policy direction of the Council, the RFO shall be responsible for the proper administration of the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.

1.3 The RFO shall be responsible for the production of financial management information.

1.4 The Council shall be responsible for ensuring that the financial management is adequate and effective and that the council has a system of internal controls which facilitates the effective exercise of its functions and which manages risk.

1.5 The Council shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts.

1.6 In these financial regulations, references to the Accounts and Audit Regulations shall mean the current Accounts and Audit Regulations issued under the Audit Commission Act 1998.

1.7 In these financial regulations the term "proper practices" shall refer to guidance issued in "Governance and Accountability in Local Councils in England and Wales - a Practitioners' Guide" 2010 which is published jointly by NALC and SLCC and any

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subsequent editions of this publication.

2 ANNUAL ESTIMATES

2.1 Each Committee shall formulate and submit proposals to be considered by the Council in respect of revenue and capital costs for the following financial year not later than the end of November each year.

2.2 Detailed estimates of all receipts and payments for the year including the use of reserves shall be prepared each year by the RFO in the form of a budget.

2.3 The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.

2.4 The annual budget shall form the basis of financial control for the ensuing year.

2.5 The Council shall prepare and have regard to a three year forecast of Revenue and Capital Receipts and Payments which shall be prepared at the same time as the annual Budget or Estimates.

3 BUDGETARY CONTROL

3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget for that class of expenditure.

3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget for that class of expenditure. The Clerk may, with the approval of Council, vire between subheads.

3.3 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budget, comparing actual expenditure and income against that planned. These statements are to be prepared at least at the end of each quarter.

3.4 The RFO, having consulted with the Mayor or Deputy Mayor, may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2,000. The Clerk shall report the action to the Council as soon as practicable thereafter.

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3.5 Unspent provisions in the revenue budget shall not be carried forward to the same budget heading in a subsequent year except by resolution of Council.

3.6 No expenditure shall be incurred 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, or the requisite borrowing approval has been obtained.

3.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4 ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations.

4.2 The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.

4.3 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the External Auditor appointed from time to time) and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations or set by the Auditor.

4.4 The RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.5 The Council shall carry out a review of the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations.

4.6 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The

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Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

4.7 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by the Accounts and Audit Regulations.

4.8 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5 BANKING ARRANGEMENTS AND CHEQUES

5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required, forming part of the agenda for the meeting, shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the Minutes of the Meeting.

5.3 Every cheque or other order for payment of money by the Council, drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4, shall be signed by two members of Council and counter-signed by the Town Clerk or a third member of the Council. The number of approved signatories permitted by the Council's bankers will determine the number of members authorised to sign cheques and members will be added to the mandate by resolution of Council. Members shall initial each cheque counterfoil of cheques they have signed.

5.4 The RFO is authorised to make electronic transfers of funds between the Council's deposit bank account and the Council's current bank account as required in accordance with the rules laid out in the Council's banking procedures which are attached to these regulations at Appendix I or following specific instruction by Council. Such transfers will be reported to the next meeting of the Council.

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6 PAYMENT OF ACCOUNTS

6.1 With the exception of petty cash, all payments shall be effected by cheque or other order drawn on the Council's bankers.

6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.

6.3 The RFO shall be responsible for the examination of invoices in relation to arithmetic accuracy and the analysis of them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.

6.4 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.

6.5 The RFO may provide petty cash for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:

a) The RFO shall maintain a petty cash float in the sum of £250 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 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.

7.2 Payment of salaries and payment of deductions from salary such

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as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting.

8 LOANS AND INVESTMENTS

8.1 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.

8.2 The Council's Treasury Management Policy shall be in accordance with relevant regulations, proper practices and guidance. The policy shall be reviewed at the Annual Meeting of the Council.

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

8.4 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.

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

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 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.

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

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

9.5 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.

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

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

9.8 The RFO shall be responsible for the prompt completion of 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.

9.9 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.

10.2 Order books shall be controlled by the RFO.

10.3 All members and officers are responsible for obtaining value for money as all times. An officer issuing an official order is to 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 the *de minimis* provisions in Regulation 11 (I) below.

10.4 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11 CONTRACTS

11.1 Procedures as to contracts are laid down as follows:

(a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided

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that these regulations shall 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 Mayor or Deputy Mayor of Council);
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b) Where it is intended to enter into a contract exceeding £10,000 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 shall invite tenders from at least three firms to be taken from an approved list of tenderers.
- (c) 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.
- (d) 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.
- (e) All sealed tenders shall be opened at the same time on the

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prescribed date by the Clerk in the presence of at least one member of Council.

(f) If less than three tenders are received for contracts above £10,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

(g) When it is to enter into a contract less than £10,000 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 £2,000 and above £200? the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

(h) European Union Public Sector Procurement Rules will apply to contracts with a value in excess of £140,000 and advice will be sought.

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

12 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.

12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the contractor in writing before any work has begun, the Council being informed where the final cost is likely to exceed the financial provision.

13 STORES AND EQUIPMENT

13.1 The officer in charge of each section shall be responsible for the

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care and custody of stores and equipment in that section.

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

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

13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14 PROPERTIES AND ESTATES

14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations.

14.2 No property shall be 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 £200.

14.3 The Clerk 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.

15 INSURANCE

15.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers

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

15.3 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.

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15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16 CHARITIES

16.1 If the Council is sole trustee of a Charitable body the Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk/RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17 RISK MANAGEMENT

17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk /RFO shall prepare and promote risk management policy statements in respect of all activities of the Council.

17.2 When considering any new activity the Clerk/RFO shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

17.3 The Council shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations. The minutes shall record such review of the financial risks.

18 REVISION OF FINANCIAL REGULATIONS

18.1 It shall be the duty of the Council to review the Financial Regulations of the Council at the Annual Meeting of the Council. 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.

Appendix I

Bank Transfer Procedures

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All financial transactions undertaken on behalf of Sandy Town Council are subject to the financial regulations above.

The RFO is authorised to make regular electronic transfers (using online banking) of Town Council funds between the Town Council's regular deposit account in which the balance of the annual precept is held and the Town Council's current account from which all routine Council payments are made.

The purpose of such transfers is to maximise interest on the deposit account whilst keeping sufficient funds in the current account to meet day to day operating requirements.

A routine transfer of up to one twelfth of the annual precept (including any additional grant income) will be made each month and recorded in the Town Council's accounts.

If additional internal transfers between these two accounts are considered necessary by the RFO, the RFO/Clerk will consult with the Mayor or Deputy Mayor before effecting any such a transfer.

All such transfers will be brought to the attention of the Town Council at the next meeting following the transfer by means of a statement reporting payments made from the Town Council's deposit account.

The Town Clerk is not authorised to make any transfers of funds between other Town Council bank accounts or investment vehicles save by resolution of the Town Council and in compliance with the financial regulations above.

		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
401	Staff							
4101	Gross Salaries	102,411	25,629	107,134	81,505		81,505	23.9 %
4102	Gross Wages	77,644	20,089	75,254	55,165		55,165	26.7 %
4113	Employers NI	10,647	2,548	12,730	10,182		10,182	20.0 %
4114	Employers Pension Contrib.	20,717	5,800	21,630	15,830		15,830	26.8 %
4116	Miscellaneous Staff Costs	644	56	1,000	944		944	5.6 %
	Staff :- Expenditure	212,063	54,122	217,748	163,626	0	163,626	24.9 %
	Net Expenditure over Income	212,063	54,122	217,748	163,626			
402	Administration-Office							
4203	General Rates	5,664	2,946	5,355	2,410		2,410	55.0 %
4204	Water Charges	401	105	360	255		255	29.0 %
4205	Electricity	1,247	1,759	1,440	-319		-319	122.1 %
4206	Gas	1,583	198	1,645	1,447		1,447	12.0 %
4207	Insurance (Excluding Vehicles)	18,171	5,040	19,673	14,633		14,633	25.6 %
4217	Office Maintenance/Security	3,608	1,477	3,430	1,953		1,953	43.1 %
4218	Cleaning Materials	1,169	249	1,200	951		951	20.7 %
4219	Telephone	3,145	834	2,600	1,766		1,766	32.1 %
4220	Print & Stationery etc	4,409	327	4,000	3,673		3,673	8.2 %
4221	Postage incl Members Delivery	1,136	753	1,000	247		247	75.3 %
4223	Refreshments	219	33	150	117		117	22.2 %
4225	Equipment Maintenance/Purchase	3,676	853	2,000	1,147		1,147	42.6 %
4226	Audit & Accounts Fees	3,170	1,093	3,250	2,157		2,157	33.6 %
4227	Legal & Land Agents Costs	1,379	708	0	-708		-708	0.0 %
4228	Subscriptions	2,812	71	2,575	2,504		2,504	2.8 %
4229	Publications	85	4	300	296		296	1.2 %
4230	Mayors Allowance	1,267	557	1,900	1,343		1,343	29.3 %
4231	Deputy Mayors Allowance	-182	0	0	0		0	0.0 %
4232	Members Conference Fees/Exp.	474	163	500	337		337	32.7 %
4233	Council Grants/Donations	3,485	650	1,500	850		850	43.3 %
4234	Photocopying	1,550	553	1,400	847		847	39.5 %
4235	Sevice Agreements	11,330	3,663	8,800	5,137		5,137	41.6 %
4236	Election Costs	6,090	4,418	2,000	-2,418		-2,418	220.9 %
4237	Training/Conferences Staff	3,128	95	3,000	2,905		2,905	3.2 %
4238	Miscellaneous Admin Costs	7,170	106	2,000	1,895		1,895	5.3 %
4239	Other pay (Mileage etc) Admin	0	130	500	370		370	26.0 %
4260	Contingency	7,269	0	5,000	5,000		5,000	0.0 %
	Administration-Office :- Expenditure	93,455	26,783	75,578	48,795	0	48,795	35.4 %
7101	Precept	412,412	220,434	440,868	-220,434			50.0 %

Month No : 3

Cost Centre Report

		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
7201	Rent Received Etc	3,398	532	2,500	-1,968			21.3 %
7202	Photocopying Income	86	28	50	-22			56.6 %
7204	Sale of Council Minutes	0	0	182	-182			0.0 %
7205	Miscellaneous Income	383,242	2,530	0	2,530			0.0 %
	Administration-Office :- Income	799,138	223,524	443,600	-220,076			50.4 %
	Net Expenditure over Income	-705,683	-196,742	-368,022	-171,280			
403	Administration-Works							
4303	General Rates	1,868	958	1,950	992		992	49.1 %
4304	Water Charges	9	0	300	300		300	0.0 %
4305	Electricity	873	95	1,200	1,105		1,105	8.0 %
4307	Vehicle Insurance & Licences	2,103	0	2,500	2,500		2,500	0.0 %
4309	Vehicle Maintenance	948	756	1,500	744		744	50.4 %
4337	Maintenance of Buildings	1,822	1,018	1,600	582		582	63.6 %
4338	Equipment Maintenance	4,229	55	4,000	3,946		3,946	1.4 %
4339	New Purchases	1,972	0	1,600	1,600		1,600	0.0 %
4340	Fuel	2,746	299	3,500	3,201		3,201	8.5 %
4341	Planting Contract Etc.	5,628	2,248	5,450	3,202		3,202	41.3 %
4342	Consumables & Small Tools	1,160	400	1,200	800		800	33.4 %
4343	Protective/Corporate Clothing	1,262	160	1,400	1,240		1,240	11.4 %
4344	Disposal of Rubbish	3,334	862	3,500	2,639		2,639	24.6 %
4345	Health/Safety & Environmental	760	10	1,000	990		990	1.0 %
	Administration-Works :- Expenditure	28,712	6,862	30,700	23,838	0	23,838	22.4 %
7211	Sale of Machinery	800	0	0	0			0.0 %
	Administration-Works :- Income	800	0	0	0			
	Net Expenditure over Income	27,912	6,862	30,700	23,838			
404	Allotments							
4404	Allotment Water Charges	240	0	500	500		500	0.0 %
	Allotments :- Expenditure	240	0	500	500	0	500	
7216	Allotment Rents	283	0	0	0			0.0 %
	Allotments :- Income	283	0	0	0			
	Net Expenditure over Income	-44	0	500	500			
405	Footway Lighting							
4545	Energy Charges (Lighting)	4,112	1,190	5,750	4,560		4,560	20.7 %
4546	Lighting Maintenance	2,940	0	3,805	3,805		3,805	0.0 %
	Footway Lighting :- Expenditure	7,052	1,190	9,555	8,365	0	8,365	12.5 %
	Net Expenditure over Income	7,052	1,190	9,555	8,365			

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
406 Cemetery							
4603 Cemetery Rates	2,070	1,062	2,200	1,138		1,138	48.3 %
4604 Cemetery Water Charges	35	21	180	159		159	11.5 %
4650 Cemetery Maintenance	93	0	300	300		300	0.0 %
4651 Chapel Maintenance	92	0	500	500		500	0.0 %
4652 Cemetery Footpaths & Mtce	511	0	0	0		0	0.0 %
4654 Plants/Bulbs Etc.	184	0	200	200		200	0.0 %
4656 Grave Digging	5,685	2,600	6,200	3,600		3,600	41.9 %
Cemetery :- Expenditure	8,670	3,683	9,580	5,897	0	5,897	38.4 %
7226 Burials/Memorials Income	17,227	5,784	17,600	-11,816			32.9 %
7228 Interest on Investment	26	26	53	-27			49.8 %
Cemetery :- Income	17,253	5,810	17,653	-11,843			32.9 %
Net Expenditure over Income	-8,583	-2,127	-8,073	-5,946			
407 Churchyard							
4758 Churchyard Plants	0	0	150	150		150	0.0 %
Churchyard :- Expenditure	0	0	150	150	0	150	0.0 %
Net Expenditure over Income	0	0	150	150			
408 Car Park (Including Market)							
4803 Car Park Rates	13,053	6,712	14,400	7,689		7,689	46.6 %
4808 Loan Repayments	608	0	608	608		608	0.0 %
4844 Market waste collections	563	0	0	0		0	0.0 %
4860 Car Park Maintenance	1,154	115	840	725		725	13.7 %
4862 Car Park Rates	1,080	332	1,250	918		918	26.5 %
Car Park (Including Market) :- Expenditure	16,459	7,159	17,098	9,939	0	9,939	41.9 %
7236 Friday Market Fees	2,802	1,109	1,800	-691			61.6 %
7237 Saturday Market Fees	416	128	450	-322			28.4 %
7238 Other Income Car Park	250	200	300	-100			66.7 %
Car Park (Including Market) :- Income	3,468	1,437	2,550	-1,113			56.3 %
Net Expenditure over Income	12,991	5,722	14,548	8,826			
409 Public Toilets - Car Park							
4903 General Rates	2,205	1,132	2,264	1,132		1,132	50.0 %
4904 AWA Charges	1,371	353	1,200	847		847	29.4 %
4905 Electricity	391	73	320	247		247	22.9 %

Month No : 3

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
4964 Maintenance	436	33	515	482		482	6.5 %
Public Toilets - Car Park :- Expenditure	<u>4,403</u>	<u>1,591</u>	<u>4,299</u>	<u>2,708</u>	<u>0</u>	<u>2,708</u>	<u>37.0 %</u>
Net Expenditure over Income	<u>4,403</u>	<u>1,591</u>	<u>4,299</u>	<u>2,708</u>			
500 Bedford Road Open Space							
5004 Water Charges	769	0	620	620		620	0.0 %
5005 Electricity	596	0	1,628	1,628		1,628	0.0 %
5064 Maintenance Public Convenience	55	0	525	525		525	0.0 %
5066 Maintenance Play Area	2,975	156	4,000	3,844		3,844	3.9 %
5067 General Maintenance	0	0	310	310		310	0.0 %
Bedford Road Open Space :- Expenditure	<u>4,395</u>	<u>156</u>	<u>7,083</u>	<u>6,927</u>	<u>0</u>	<u>6,927</u>	<u>2.2 %</u>
7241 Sandy FC Rent	425	0	800	-800			0.0 %
7242 Ice cream rent	314	0	270	-270			0.0 %
7244 Miscellaneous income	464	0	0	0			0.0 %
Bedford Road Open Space :- Income	<u>1,202</u>	<u>0</u>	<u>1,070</u>	<u>-1,070</u>			<u>0.0 %</u>
Net Expenditure over Income	<u>3,192</u>	<u>156</u>	<u>6,013</u>	<u>5,857</u>			
501 Sund.Rd Open Space & Pavilion							
5104 Water Charges	1,114	0	2,000	2,000		2,000	0.0 %
5105 Electricity	1,573	462	2,000	1,538		1,538	23.1 %
5106 Pavilion Gas	4,056	1,023	3,100	2,077		2,077	33.0 %
5166 Management Fee	19,500	0	19,500	19,500		19,500	0.0 %
5167 Building Maintenance	1,836	204	1,000	796		796	20.4 %
5168 Play Area Maintenance	5,783	80	3,200	3,120		3,120	2.5 %
5171 Bowling Green	2,486	873	2,850	1,977		1,977	30.6 %
5172 Cricket Square	1,907	143	2,070	1,927		1,927	6.9 %
Sund.Rd Open Space & Pavilion :- Expenditure	<u>38,254</u>	<u>2,785</u>	<u>35,720</u>	<u>32,935</u>	<u>0</u>	<u>32,935</u>	<u>7.8 %</u>
7251 Pitch Rental	86	0	0	0			0.0 %
7252 Pavilion Rental	6,027	-6,000	5,000	-11,000			-120.0 %
7253 Bowls Club Rental	368	378	378	0			99.9 %
7255 Cricket Club Rental	0	0	253	-253			0.0 %
7256 Scouts ,ACF and SSLA	175	169	175	-6			96.6 %
7260 Misc Sunderland Road	0	150	0	150			0.0 %
Sund.Rd Open Space & Pavilion :- Income	<u>6,656</u>	<u>-5,303</u>	<u>5,806</u>	<u>-11,109</u>			<u>-91.3 %</u>
Net Expenditure over Income	<u>31,599</u>	<u>8,089</u>	<u>29,914</u>	<u>21,825</u>			

		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
502	Beeston Green							
5273	General Maintenance	281	-108	1,000	1,108		1,108	-10.8 %
	Beeston Green :- Expenditure	<u>281</u>	<u>-108</u>	<u>1,000</u>	<u>1,108</u>	<u>0</u>	<u>1,108</u>	<u>-10.8 %</u>
	Net Expenditure over Income	<u>281</u>	<u>-108</u>	<u>1,000</u>	<u>1,108</u>			
503	The Pinnacle							
5375	Pinnacle Maintenance	3,000	0	3,700	3,700		3,700	0.0 %
	The Pinnacle :- Expenditure	<u>3,000</u>	<u>0</u>	<u>3,700</u>	<u>3,700</u>	<u>0</u>	<u>3,700</u>	<u>0.0 %</u>
	Net Expenditure over Income	<u>3,000</u>	<u>0</u>	<u>3,700</u>	<u>3,700</u>			
504	Tourist Information Centre							
5401	Staff Costs Salaries	24,269	6,238	25,500	19,262		19,262	24.5 %
5402	Staff Uniforms	248	0	200	200		200	0.0 %
5405	Services	37	50	0	-50		-50	0.0 %
5419	Communications	119	62	270	208		208	23.0 %
5420	Printing & Stationery	1,287	172	1,235	1,063		1,063	13.9 %
5421	Postage	105	0	175	175		175	0.0 %
5422	Petty Cash	78	0	0	0		0	0.0 %
5424	Ticket Sales/Merchandise	9,460	236	7,500	7,264		7,264	3.1 %
5425	Stock Movement	737	0	0	0		0	0.0 %
5428	Membership Fees	0	0	100	100		100	0.0 %
5430	Transfer Costs (Contingency)	71	0	0	0		0	0.0 %
	Tourist Information Centre :- Expenditure	<u>36,413</u>	<u>6,758</u>	<u>34,980</u>	<u>28,222</u>	<u>0</u>	<u>28,222</u>	<u>19.3 %</u>
7402	Sales	11,413	1,296	12,325	-11,029			10.5 %
	Tourist Information Centre :- Income	<u>11,413</u>	<u>1,296</u>	<u>12,325</u>	<u>-11,029</u>			<u>10.5 %</u>
	Net Expenditure over Income	<u>25,000</u>	<u>5,462</u>	<u>22,655</u>	<u>17,193</u>			
505	Grass Cutting							
5584	Grass Cutting	3,749	0	9,650	9,650		9,650	0.0 %
	Grass Cutting :- Expenditure	<u>3,749</u>	<u>0</u>	<u>9,650</u>	<u>9,650</u>	<u>0</u>	<u>9,650</u>	<u>0.0 %</u>
	Net Expenditure over Income	<u>3,749</u>	<u>0</u>	<u>9,650</u>	<u>9,650</u>			
506	Litter Bins, Seats & Shelters							
5680	Maintenance Street Furniture	508	-125	310	435		435	-40.3 %
	Litter Bins, Seats & Shelters :- Expenditure	<u>508</u>	<u>-125</u>	<u>310</u>	<u>435</u>	<u>0</u>	<u>435</u>	<u>-40.3 %</u>
	Net Expenditure over Income	<u>508</u>	<u>-125</u>	<u>310</u>	<u>435</u>			

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
507 Annual Report & Newsletter							
5785 Printing Costs	2,618	476	3,500	3,024		3,024	13.6 %
Annual Report & Newsletter :- Expenditure	2,618	476	3,500	3,024	0	3,024	13.6 %
Net Expenditure over Income	2,618	476	3,500	3,024			
508 S.E.G.							
5886 Council Contribution (SEG)	224	40	1,276	1,236		1,236	3.1 %
S.E.G. :- Expenditure	224	40	1,276	1,236	0	1,236	3.1 %
Net Expenditure over Income	224	40	1,276	1,236			
509 Christmas Lights							
5987 Christmas Illuminations	8,483	0	6,000	6,000		6,000	0.0 %
5988 Community Christmas Event	0	0	3,000	3,000		3,000	0.0 %
Christmas Lights :- Expenditure	8,483	0	9,000	9,000	0	9,000	0.0 %
7365 Christmas Lights	3,627	10	3,000	-2,990			0.3 %
Christmas Lights :- Income	3,627	10	3,000	-2,990			0.3 %
Net Expenditure over Income	4,857	-10	6,000	6,010			
510 Fallowfield							
5175 Maintenance	770	38	3,000	2,962		2,962	1.3 %
Fallowfield :- Expenditure	770	38	3,000	2,962	0	2,962	1.3 %
Net Expenditure over Income	770	38	3,000	2,962			
600 The Riddy							
6001 Drainage Costs	38	0	50	50		50	0.0 %
6002 Riddy Maintenance	25	0	500	500		500	0.0 %
6003 Riddy Management Fee	5,665	0	5,863	5,863		5,863	0.0 %
The Riddy :- Expenditure	5,728	0	6,413	6,413	0	6,413	0.0 %
7306 Countryside Stewardship Grant	1,712	0	1,000	-1,000			0.0 %
7307 Angling Licence Rent	462	0	474	-474			0.0 %
The Riddy :- Income	2,174	0	1,474	-1,474			0.0 %
Net Expenditure over Income	3,555	0	4,939	4,939			

Month No : 3

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% of Budget
601	Miscellaneous (Incl Interest)						
6177	Parish Clock	195	0	200	200	200	0.0 %
6178	Village Hall Loan	2,500	0	0	0	0	0.0 %
6184	CCTV Fees	20,114	575	22,000	21,425	21,425	2.6 %
	Miscellaneous (Incl Interest) :- Expenditure	22,809	575	22,200	21,625	0	2.6 %
7319	Interest Precept A.c	41	0	4,500	-4,500		0.0 %
7320	Interest Santander Ac	3,769	0	3,000	-3,000		0.0 %
7321	Interest Barclays Active Saver	203	0	0	0		0.0 %
7351	Miscellaneous	792	0	0	0		0.0 %
	Miscellaneous (Incl Interest) :- Income	4,806	0	7,500	-7,500		0.0 %
	Net Expenditure over Income	18,004	575	14,700	14,125		
700	Capital A/c						
6188	Capital a/c Expenditure	32,426	0	0	0	0	0.0 %
6191	S106 Expenditure	1,681	0	0	0	0	0.0 %
	Capital A/c :- Expenditure	34,107	0	0	0	0	
7364	S106 Money Received	9,426	-4,760	0	-4,760		0.0 %
	Capital A/c :- Income	9,426	-4,760	0	-4,760		
	Net Expenditure over Income	24,681	4,760	0	-4,760		
702	Reserve A/c						
6189	Reserve Fund	4,417	0	0	0	0	0.0 %
	Reserve A/c :- Expenditure	4,417	0	0	0	0	
7363	Reserve fund income	0	0	7	-7		0.0 %
	Reserve A/c :- Income	0	0	7	-7		
	Net Expenditure over Income	4,417	0	-7	-7		

Sandy Town Council

5 Financial Matters

ii) Clerk's Report – Charges for 2014/15

At the meeting of Policy Finance and Resources held on 20 May 2013 the Clerk was asked to undertake various actions to address issues to do with the charges and storage arrangements at Sunderland Road. These matters are in hand but it has not been possible to progress them far enough for a report to be relevant at this time and this item will be carried forward to a future meeting.

iii) Clerk's Report – Internal audit

The Accounts and Audit (England) Regulations 2011 Regulation 6 requires that the council has an adequate and effective system of internal audit carried out by an independent internal auditor. The Council is also required to review and report on the effectiveness of its internal audit and internal controls. This work can be undertaken at any time of year and has been conducted in February/March during the last two financial years. However it may be better to undertake this work earlier in the municipal year so that any findings can be considered and incorporated into the instructions to be given to the internal auditor for the coming year whilst they are freshly in mind following the year end.

The Council is responsible for appointing its own internal auditor and for providing instructions about the scope of the audit to the auditor. Sandy Town Council has used HW Chartered Accountants for a number of years and although a written letter of engagement was no doubt provided at the time of their initial appointment, the scope and focus of their internal audit has not been subject to any specific documented instructions from the Town Council in the last three years.

As Town Council has now received the final internal audit report for the year 2013/14 from HW Chartered Accountants it should determine whether it wishes to retain the services of this company for the present financial year and whether any changes to the audit arrangements are necessary. It would be prudent to issue some instructions in writing.

A draft review of the effectiveness of the Council's internal controls and audit is attached for consideration in order to bring the review timetable to a more sensible time of year.

Members are asked to determine audit arrangements for the forthcoming year and to review the effectiveness of the internal audit/internal controls for 2013/14.

Sandy Town Council

Review of Effectiveness of Internal Audit/Internal Controls 2013-14

Standards

Expected Standard	Evidence of Achievement	Areas for Development
<p>Scope of internal audit</p>	<p>Terms of reference and audit plan were reviewed at a meeting of the Policy, Finance and Resources Committee of Sandy Town Council on 1 July 2013 and it was agreed to issue new instructions to the auditor following this review.</p> <p>The committee was satisfied that two audit visits in October/November and immediately after the year end were still appropriate.</p>	
<p>Independence</p>	<p>The Council has reviewed its relationship with its internal auditor HW Chartered Accountants and has considered alternative provision. A new member of staff undertook the year end audit for 2012/13 and the Council is confident that the individual and the firm undertaking the audit are both fully independent.</p> <p>The internal auditor has direct access to the RFO, all staff and members. Two written reports are made annually in the auditor's own name and reported to Council. There are no known connections between the council members/staff</p>	<p>Keep under review given length of relationship with HW Chartered Accountants.</p>

	and H W Chartered Accountants.	
Competence	HW Chartered Accountants has undertaken previous internal audits for the Council which have been conducted by appropriately qualified staff. Audit reports have been detailed and helpful.	
Relationships	<p>The RFO was consulted on the internal audit plan and on the scope of each audit and the work arising from each visit was recorded on the audit file.</p> <p>The auditors were made aware of job descriptions of RFO and other staff and working practices, financial regulations and risk management procedures.</p> <p>Responsibilities of council members have been explained to them by the RFO through previous training. One new member has been elected since the last review of the effectiveness of internal controls and the RFO has provided new councillor induction training which included financial and risk management content. All councillors have been provided with the Good Councillor Guide (4th edition).</p>	
Audit Planning and reporting	Audit Visits are planned in October/November 2013 and in May 2014.	

Effectiveness

Characteristics of Effectiveness	Evidence of Achievement	Areas for Development
Internal audit work is planned	See above, audit work is based on corporate risk assessment and designed to assist members and RFO to complete the annual statement of governance with confidence.	Members and officers could be more proactive in encouraging scrutiny of specific areas of concern, this is to be addressed through the Council's programme of member training.
Understanding the whole organisation its needs and objectives	See above. The Council has recently produced a new strategic plan which is to be made available to the internal auditors during 2013/14 and is well understood by members and officers who participate in the audit process.	
Add value and assist the organisation in achieving its objectives.	Internal audit recommendations have been specific and have been reported to Town Council and implemented.	
Be forward looking	Changes and potential changes in practice and day to day activity have been communicated to the internal auditor and audit implications of any new procedures have been reviewed on an on-going basis. Financial regulations were changed in June 2013 to incorporate the requirement to produce a three year financial forecast which should assist anticipation of financial risks.	The Council is working towards longer term forecasting and planning in maintaining its assets and services.

<p>Be challenging</p>	<p>The Policy, Finance and Resources Committee continues to scrutinize financial reports in detail and take the greater role in evaluating risk management whilst the Council retains overall responsibility for governance and risk management and still approves all accounts and financial transactions. Summary financial reports are scrutinized at every Council meeting.</p> <p>The current financial climate is also encouraging greater public scrutiny of expenditure and value for money.</p>	<p>Council could be more specific in costing services and activities and in publishing its intentions about spending to the community. Use of the Council's refreshed website should allow this to happen during 2013/14.</p>
<p>Ensure the right resources are available</p>	<p>Adequate staff time has been made available for internal audit to complete its work. The internal auditor has experience in the local council sector and has knowledge of Sandy Town Council. However time for financial work and the operation of internal controls is often at a premium.</p> <p>Limited CPD has been provided for the RFO during the past year.</p> <p>Enhancements to the existing account management software have previously been considered ie a ledger system but not introduced for reasons of time. If reconsidered these should establish greater control over financial planning and committed expenditure.</p>	<p>Ensure CPD training is made available for the RFO including risk management and accounting topics. Ensure adequate staffing levels for the numbers of transactions. Ensure opportunity for additional training of all staff involved in financial transactions.</p> <p>Ensure accounts management system is adequate for the workload, introduce ledger system and provide appropriate training for staff. A review of cost codes and hence the simplification of financial management information output</p>

		<p>from the system would be beneficial to councillors and could reduce input errors.</p>
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LEAFLET

Sandy Town Council

iv) Clerk's Report - potential revisions to the Town Council's accounts software

As specified in the draft review of the effectiveness of the internal audit the Town Clerk perceives a need to simplify and reconstruct the expense codings used within the Town Council's accounts system in order to improve user accuracy and to provide more meaningful and comprehensible output from the system for the benefit of members, officers and public. There are too many computer codes in many instances and too few in some others. A re-coding exercise would involve a significant piece of work with input from staff and support from RBS software in order to adjust the computer system (as this is beyond the technical capacity of the staff team). In order to achieve the transition from one set of codes to another it would be best to effect any change at year end 2014. Ideally given the increased number of transactions ledgers should also be introduced; this has not yet been done because of the initial workload implications. It is hoped to have up to date costings for these potential revisions to the system in time for the meeting.



QUOTATION

Prepared for: Sandy Town Council

Dated 24th June 2013

1.a Omega Sales Ledger Software

Sales Ledger and Invoicing	£295
Annual support and software maintenance Multi User	£126
Sub Total	£421

1.b Omega Purchase Ledger Software

Sales Ledger and Invoicing	£295
Annual support and software maintenance Multi User	£126
Sub Total	£421

1.c Recommended 1 days Training:

At clients site	£399**
**Mileage @ 45p per mile	

Grand Total for Ledgers £1241**

2. Restructure Coding for Chart of Accounts

1 day on site to work with client to restructure chart of accounts coding and enter previous years comparatives.	£399**
**Mileage @ 45p per mile	

Total for Restructure £399**

Prices subject to VAT at 20%

This quotation is valid until 31.03.2014