

FINANCIAL REGULATIONS

October 2007

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1. INTRODUCTION

1.1 The Need for Financial Regulations

Financial Regulations explain the procedures which we must all follow to ensure high standards of financial management. They tell us the things we cannot do, but also tell us the things we can do whilst keeping within the rules.

If you undertake an activity which affects the Council's finances you should ensure that you understand the requirements of this document so that you can comply with the approved arrangements.

1.2 Responsibility

The Council has overall responsibility for regulating and controlling the Council's finances.

1.3 Role of the Responsible Financial Officer (RFO)

The RFO is the person who has the statutory responsibility for the proper administration of the financial affairs of the Council. The RFO shall be the Finance Officer and in the absence of a Finance Officer it shall be the Town Clerk

The specific duties of the RFO include:

- Ensuring the accounting systems determined by the Council are observed.
- Ensuring the accounts and supporting records are kept up to date.
- The RFO shall produce financial management information as required by the council.

1.4 Internal Audit Reports on Breaches of Financial Regulations

The Chairman (and Vice Chairman where appointed) of the Finance Committee will carry out checks on the accounting procedures on a periodic basis to ensure that the accounting systems are being properly followed and the financial records are up to date.

This shall include following an audit trail of a random selection of payments back to the invoices, orders and minute numbers, and checking those minutes authorising payments have been actioned.

At least once a year, prior to approving the annual return, the council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.5 Acknowledgement of Receipt of Financial Regulations

The Town Clerk will maintain a list of all officers and members who are allocated a copy of the Financial Regulations. Each of these officers and members is required to formally acknowledge receipt of the document and is under an obligation to confirm that they have read and understood its contents and agree to abide by them. Any references to the Financial Regulations for these purposes will include the contents of any updates which have been issued at the time the declaration is made.

1.6 Compliance with the Financial Regulations

Compliance with the Financial Regulations is a compulsory requirement for all staff. Failure to comply may result in disciplinary action against the individual(s) responsible.

1.7 Items not Covered by the Financial Regulations

From time to time issues will arise which were not foreseen when these Regulations were drawn up. Officers and members are required to act prudently in such cases and where there is any doubt over the propriety of an action relating to a financial matter, the Council shall consider the matter prior to being committed to the action.

1.8 Partnerships with Other Organisations

Where the Council enters into a formal partnership agreement with another organisation, it must be made clear from the outset which organisation's Financial Regulations will apply to the partnership. Where the Financial Regulations adopted are not those of Llandeilo Fawr Town Council, the requirements must be at least as stringent as those set out in the Council's Financial Regulations.

2. BUDGET

2.1 Introduction

Good financial management is about proper stewardship of public funds and about using resources effectively to deliver services in accordance with agreed Council policy. This means ensuring that budgets are adequately managed to deliver performance which accords with that planned in terms of financial resources. The annual budgets shall form the basis of financial control for the ensuing year.

2.2 Roles and Responsibilities

Each Committee or Working Group (if any) shall formulate and submit proposals to the Council in respect of revenue and capital including the use of reserves and sources of funding for the following financial year not later than the end of November each year. Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the council.

The Council shall review the budget not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

The Council shall consider the need for and shall have regard to a three year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual Budget.

2.3 Budgetary Control

The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the

appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.
Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the council.

3. INCOME

3.1 Introduction

The Council is responsible for ensuring suitable arrangements are in place for the receipt of money.

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

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

3.2 Receipts

A receipt must be given whenever cash is received, unless the Council has agreed a specific dispensation. Such dispensation will normally be given for systems where receipts would be inappropriate, but alternative recording arrangements will be required for control purposes.

Receipts will not normally be despatched to debtors sending payment through the post unless requested.

3.3 Cheques

All cheques must be made payable to "Llandeilo Fawr Town Council", "Llandeilo Town Council", "Cyngor Tref Llandeilo Fawr" or "Cyngor Tref Llandeilo".

3.4 Manual Registers

Where a manual register is used, the following principles should be followed:

- Only officially approved registers should be used.
- When money is received, the register should be fully updated to show clearly the amount of cash collected and the person from whom it was received.
- At appropriate periods the amount recorded should be totaled and noted on the register.
- Bankings should be recorded and reconciled to the register.

3.5 Cash Holdings

Cash held should preferably be banked daily but at least weekly in order to minimise risk.

The Council shall not maintain any form of petty cash float and all cash received must be banked intact.

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.

3.6 Personal Cashing of Cheques

Under no circumstances should any Council monies be used to cash personal or third party cheques.

3.7 Personal Borrowing of Monies

Under no circumstances should any employee borrow money from cash income collected.

3.8 Shortages and Surpluses

Any shortages or surpluses arising when reconciling the cash collected with receipts, etc. should be clearly noted in the appropriate control record e.g. "Collections and Deposit Book". Shortages and surpluses must be reported exactly as they occur and not used to balance each other out.

Staff will not normally be expected to make good shortages due to error. If errors are frequent or significant in value, disciplinary action may be appropriate regardless of whether the individual has offered to make good the value of the shortages.

3.9 Transfer of Monies Between Officers

Where monies are transferred between officers for accounting or paying-in, the transfer of money must be acknowledged in a permanent written record a copy of which is to be retained by both the individual handing over the money and the receiving officer.

3.10 Paying-in to the Council's Bank Account

All money collected must be paid in promptly to the Council's bank account. Money can be paid in via any branches of the Council's appointed bankers. In order to minimise the risks to staff and cash, banking of cash should be carried out as safely as possible. Issues for consideration include:

- Regular banking reduces the amount of cash being carried at any one time.
- Varying the banking arrangements (e.g. time, people involved) can help reduce the risk.

3.11 Completion of Bank Paying-in Slips

Bank paying-in slips must be completed showing separate totals for cash and cheques.

Each cheque must be individually listed on the paying-in slip clearly showing the drawer, the account and sufficient information, such as receipt number or description to identify the cheque and the debt to which it relates.

3.12 Write-Off Procedures

Where Council is satisfied that a debt is irrecoverable/ uneconomic to pursue, consideration will need to be given to writing off the amount concerned. Only the Council can authorize the writing off of debts in every instance

3.13 Cancellation of Debts

The RFO is authorised to cancel debts only where the debt has been raised in error.

3.14 Direct Debit Income Facilities

Direct debit income facilities may only be set up by the RFO with the specific authorisation of the Council, who may specify procedural requirements for such a scheme to be implemented.

3.15 Companies Holding Money on Behalf of the Council

Where a company is in a position of holding money on behalf of the Council, e.g. where they have been appointed as agents for the disposal of surplus assets, adequate checks should be undertaken prior to the arrangement taking place in order to ensure that the company is financially sound.

4. PURCHASING

4.1 Introduction

The Council have a duty to ensure they obtain value for money when purchasing goods and services. The procedures to be adopted will to a large extent be determined by the nature and value of the purchase.

4.2 Purchasing Policy

The following procedures will apply dependent upon the value of the goods or services being purchased. All sealed tenders shall be opened at the same time on the prescribed date by the Technical Officer (or the Town Clerk in the absence of a Technical Officer) in the presence of at least two members of the Council.

Up to £1,000

The Council should be satisfied that reasonable care has been taken to obtain goods or services of adequate quality and at a competitive price.

£1,000 to £5,000

A minimum of 3 telephone/verbal quotations should be sought. These should be confirmed by fax/ email or noted in writing. Details of all quotations must be recorded in the Council minutes.

If less than three tenders are received for contracts of this value or if all tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or services or executing the works.

£5,000 +

A minimum of 3 written quotations should be sought from competitive sources (based on the same specification and closing date). Details of all quotations must be recorded in the Council Minutes.

If less than three tenders are received for contracts of this value or if all tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or services or executing the works.

In order to ensure that all potential suppliers are treated fairly, quality factors should as far as possible be built in to the specification, which should be sufficiently detailed to enable quotations to be compared on a basis which is primarily related to cost. Any quality factors to be considered in the evaluation process should be defined prior to the receipt of quotations.

Where a supplier other than the cheapest is chosen, the reason for making the choice must be recorded in the Council Minutes.

Valuation of a Contract

The valuation of a contract should be based upon the amount to be paid by the Council over the term of the contract

4.3 Exceptions to Purchasing Rules

In certain circumstances it may be the case that compliance with the normal purchasing procedure does not offer the best value for money.

For example, there may be no identifiable alternative suppliers, or there may be substantial initial costs involved in a change of supplier.

Where the Council approve alternative arrangements, the provisions of the Regulations relating to purchasing may be varied.

4.4 Inducements

Employees must be aware that it is a serious criminal offence for them corruptly to receive or give any gift, loan, fee, rewards or advantages for doing or not doing anything or showing favour, or disfavour, to any person in their official capacity. If an allegation is made it will be for the employee to demonstrate that any such rewards have not been corruptly obtained.

4.5 Staff Sales - Private or Personal Consumption

The Council's purchasing arrangements must not be used under any circumstances to obtain goods or services for the personal use of individual employees regardless of whether the employee concerned intends fully reimbursing the Authority all costs incurred.

5. ORDERS FOR GOODS, SERVICES AND WORKS

5.1 Introduction

Official Orders must be issued for all goods, services and works to be supplied to the Council unless the Council has specifically and formally approved alternative arrangements.

Official Orders are not required for items such as electricity, gas, water, rates, and rents

5.2 Authorisation of Orders

All orders must be issued in writing and signed by an Authorised Signatory. A copy of the order must be retained, showing the authorisation.

The order must be sufficiently detailed to fully identify the exact item being ordered.

5.3 Authorised Signatories for Orders

The Town Clerk, Finance Officer and Technical Officer have authority to certify Official Orders.

5.4 Budget Provision

Orders must be based on the actual price which is to be paid. This must be clear at the time of ordering and be noted on the Official Order.
Prior to placing an order, the officer authorising the order shall be totally satisfied that authority exists for the expenditure and that sufficient funds are available from appropriate budget heads to meet it.

5.5 Verbal Orders

Where the Council has approved estimates or quotations verbal orders can be issued.

6. PAYMENT OF ACCOUNTS

6.1 Introduction

The Council shall establish appropriate systems of control to ensure the proper payment of accounts.

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.

All payments shall be effected by cheque or other order drawn on the Council's bankers. No payments shall be made in cash.

6.2 Passing Invoices for Payment

Prior to obtaining final approval (Regulation 6.3), the following appropriate checks must be undertaken

- Each invoice checked against an Official Order (where appropriate).
- The goods have been received, the work carried out or the service rendered satisfactorily.
- The prices are correct and appropriate discounts have been deducted.
- The inventory / stores records have been updated (where appropriate).
- Payment has not been made previously.
- The arithmetic has been checked

6.3 Final Approval

Final approval of accounts for payment rests with the Council. All payments shall be signed by two members of the Council authorised under the provisions of paragraph 10.6 of these Regulations

6.4 VAT

In order for the Council to reclaim VAT on individual payments, the Council is required under VAT Regulations to obtain an account from the Supplier in a prescribed form which must include the supplier's VAT registration number. The account must be issued in the name of the Council in order for it to qualify for reclaim.

6.5 Urgent Payments

In the event of an Emergency, the RFO, with the agreement of the Mayor or his appointed Deputy, will be empowered to make a payment where it is essential to meet any urgent needs created by the individual situation subject to such action being subsequently reported to the Council.

6.6 Statements of Account

Under no circumstances should statements of account be approved and passed for payment. Only invoices should be passed for payment.

6.7 Financial Allocation

The Council will require that all expenditure be properly coded to appropriate budget headings.

6.8 Prepayments

Payment in advance for goods and services is to be discouraged under normal circumstances. However, where it is necessary for payment to be made in advance, adequate checks should be made to ensure that the supplier is financially sound. The nature and extent of such checks should depend on the amount of the proposed prepayment.

7. SALARIES AND WAGES

7.1 Introduction

The Council will establish appropriate systems of control to ensure the proper payment of salaries and wages. The Finance Committee will monitor any differences between the record of hours worked and hours expected to be worked and this will be reconciled at quarterly intervals or at such other intervals that the Council shall decide.

7.2 Variation of Pay

The Council will only authorise payments of salaries or wages outside the provisions of the normal payroll in the following circumstances:

- Where an employee will be leaving the service of the Authority before the day on which remuneration would normally be paid.
- Where the Council considers there are exceptional circumstances.

The RFO must ensure that advances of salaries or wages are properly processed and that no duplication of payment will occur and that no payment is in excess of the amount due to the employee at the time of payment.

8. TRAVELLING AND SUBSISTENCE EXPENSES

8.1 Introduction

Staff are eligible to claim travel and subsistence expenses in accordance with their Conditions of Service.

8.2 Promptness of Claims

Claims in writing should be made during the month following the incurring of the expenditure.

8.3 Value for Money

All staff are expected to travel in the most economical manner appropriate to the discharge of their duties.

8.4 Basis of Claim

The following rules must be observed when completing a claim:

- The mileage claimed must not exceed the actual mileage of the journey.
- The normal starting and finishing place for journeys undertaken during working hours will be the location where the individual is based.
- Where an Officer travels direct from home to a location other than his/her base, he/she shall be entitled to reimbursement of actual mileage providing the distance travelled does not exceed the distance that would have been travelled had he/she travelled from his/her base. A similar interpretation would apply for journeys from locations other than the Officer's base to the Officer's home.
- For official journeys undertaken outside normal working hours (i.e. weekends or evenings) the actual journey may be claimed e.g. Officer's home to destination and return journey home. Staff working overtime during evenings and weekends, and who are paid for such duty, are not entitled to claim travelling expenses to or from their place of work.
- Where an Officer opts to travel in his/her own vehicle in circumstances where a cheaper suitable mode of transport should have been used, the claim should not exceed that which would have been paid if the alternative transport had been used.

9. GRANT APPLICATIONS AND CLAIMS

9.1 Introduction

The Council must ensure that appropriate systems are in place to identify grant opportunities that exist in respect of their areas of responsibility. The Council must ensure that appropriate steps are taken to maximise their potential grant entitlement through the submission of accurately costed applications and the subsequent prompt and accurate claiming of monies due. Applications should only be made for assistance on schemes which are consistent with the Council's objectives. Where a potential grant will only cover part of the expenditure to be incurred, due consideration must be given to how the remainder (Council's contribution) can be financed. In addition, any ongoing revenue consequences of undertaking the scheme must be identified.

9.2 Donations & Grant Funding

Applications for donations or grants will be considered from organisations and individuals. When considering whether or not to grant an award the Council shall specify the power under which the award is made. It is a requirement that an organisation provide a recent balance sheet. The cases of individuals and small groups can be considered on the basis of a statement giving the reasons for their request for financial assistance.

9.3 Donation Guidelines

The Council will refer to the following guidelines when deciding how much to give different categories of organisations. The amounts will be reviewed periodically in the light of the number of applications and the budget. Applications from individuals, by their nature, will be treated individually.

Band A	Organisations based outside the county, offering services which Llandeilo people could benefit from	Up to £100
Band B	Organisations based within Carmarthenshire, offering a service to Llandeilo people. Where the organisation has several branches, we would prefer to support the most accessible one. This section includes local branches of national organisations	Up to £200
Band C	Llandeilo based organisations	Up to £300 (or greater in exceptional circumstances)

10. BANKING

10.1 Introduction

The RFO administers the Council's banking arrangements. The RFO shall ensure that money is placed in appropriate accounts to obtain the best interest and lowest charges.

10.2 Opening New Accounts

The opening of any additional bank accounts for the deposit of official funds must only be undertaken with the specific approval of the Council.

10.3 Special Banking Arrangements

Any payments from the Authority's bank accounts using direct debits, standing orders, etc. can only be established by the RFO with the authorisation of the Council. Similarly any direct income collection methods, such as direct debit income facilities can only be established by the RFO with the authorisation of the Council.

10.4 Custody of Cheques

The RFO shall ensure that there are proper arrangements to ensure the secure custody and control of blank cheques and cheques awaiting despatch.

10.5 Bank Reconciliation

The RFO shall ensure that appropriate arrangements are in place to facilitate the periodic reconciliation of the Council's Bank Accounts.

10.6 Cheque Signatories

The Council shall determine those Members authorised to sign individual cheques or transactions on the Council's Bank Accounts and shall review them periodically.

11. LEASING

11.1 Introduction

The RFO will be responsible for arranging all leasing agreements. Note that the term "Leasing" in this regulation includes rental, hire (including contract hire) and deferred purchase agreements.

11.2 Maintenance of Records

The RFO must ensure that appropriate records are maintained in respect of all lease agreements and that all property which is subject to such agreements is identifiable.

12. INSURANCE AND RISK MANAGEMENT

12.1 Introduction

The RFO is responsible for the administration of the Council's insurance arrangements and risk management. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it. 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.

12.2 Risk Management

The Council are required to ensure that an active approach is taken to risk management. Consideration should be given to means by which risks can be minimised on at least an annual basis.

The council is responsible for putting in place arrangements for the management of risk. The RFO 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.

12.3 Variations to Insurance Requirements

Where a new project/ initiative may give rise to new insurance requirements, the Council's insurers should be consulted before the Council is committed to the risk.

12.4 Action to be Taken Upon Receipt of a Claim

Claims made verbally by telephone or personal visits:

Advise the claimant that claims need to be submitted in letter form, or by completion of a claim form (where a suitable form exists).

On receipt of a Completed Claim Form, Claim Letter or County Court Summons:

Claim Forms, Claim Letters or County Court Summonses should be referred immediately to the Council's Insurers unless the Council resolve otherwise.

13. INTERNAL AUDIT

13.1 Introduction

The Internal Audit function shall be provided by a suitable person external to the Council who shall be appointed annually.

It is a statutory requirement upon the Council to maintain an adequate and effective internal audit and for the internal auditor to have access to any information from the Council which he/she requires to carry out these duties.

13.2 Scope

The Auditor may review any area of operations and must be given unlimited access to records, assets, premises or personnel.

14. ACCOUNTING AND AUDIT

14.1 Introduction

The RFO shall complete the annual financial statements of the Council, including the council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.

The RFO shall complete the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.

The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers and for the display or publication of any Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations.

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.

15. FRAUD

15.1 Introduction

Llandeilo Fawr Town Council is committed to the establishment of the highest standards of financial probity for all its officers and members and to ensuring that the Council is seen to be above reproach when dealing with any case of suspected fraud or corruption within the Council.

15.2 Fraud Reporting Procedures

Any case of suspected fraud or corruption by any officer or member of the Council must be reported immediately to the Council.

The Council will arrange for the necessary investigation to be carried out, and will request a report of the investigation for their consideration. The Member or Officer under investigation shall not participate in any meeting at which the matter is discussed unless the Council resolve otherwise.

Where, as a consequence of the investigation, there appears to be reasonable grounds to indicate that an officer or member has been guilty of fraud or corruption, the Council will discuss the matter and decide whether the matter should be referred to the Police for criminal proceedings to be considered.

16. STOCKS AND STORES

16.1 Introduction

The Council are responsible for determining items for which formal stores systems should be in place. Consideration should be given to the quantity and value of the items and to the extent to which the use made of them needs to be accurately and formally identified.

16.2 Stores Systems

The level of control placed over individual items will to a large extent depend upon their value and nature. Control systems should be appropriate to the items, the risks faced and the costs of the controls.

16.3 Valuations

The Council shall be entitled to receive from the RFO, on request, such information as they require relating to the levels of stock held and valuations of stock.

16.4 Significant Increases in Levels of Stocks/ Stores Held

Where the level of stocks and stores identified by periodical stocktakes identifies a significant increase such that the level is more than double the level at the start of the financial year, the Council are required to ensure that this is reported to them and adequate explanations are obtained.

17. LAND AND BUILDINGS

17.1 Introduction

The RFO is responsible for the maintenance of a Register of Land and Buildings owned, leased or rented by the Council.

17.2 Title Deeds

The RFO shall be responsible for making appropriate arrangements for the safe custody of all Title Deeds and lease and rental agreements.

17.3 Disposal of Land and Buildings

Where Land and Buildings are identified by the Council as being surplus to requirements, disposal shall be managed by the RFO in accordance with the Councils instructions.

17.4 Minimising Risks in Council Premises

Individual members of staff are required to behave responsibly on and in respect of Council premises so as not to put the health and safety of themselves or others at risk.

Employees not authorised or qualified to carry out works to buildings should not take any such work upon themselves without first consulting the Technical Officer.

Employees may find themselves personally liable to civil or criminal proceedings if they carry out works, however minor, which endanger others. For example, drilling holes for new shelving could release asbestos into the office environment.

Any significant risks which are identified in relation to Council premises should be referred to the Technical Officer.

18. OTHER ASSETS

18.1 Introduction

All Officers are required to take reasonable measures to ensure that all assets are adequately secured from risk of theft or damage.

18.2 Inventories

The RFO is required to ensure that appropriate records are maintained of equipment, furniture, plant and machinery held by the Council and their locations. The aim of such records (inventories) will be to assist in the management of such items and to catalogue items at risk as the records may be used to identify any losses which occur. All inventories must be physically verified and updated on at least an annual basis.

18.3 Portable High-Value Items

In the case of items which are portable and of high-value, and where these are regularly removed from Council offices by members or staff, the Council is required to ensure that there are adequate arrangements to ensure which member or officer is responsible for such items at any point in time.

18.4 Disposal of Assets

Method of Disposal

Items will be disposed of in a manner which is most economically beneficial to the Council. Account must be taken of:

- Restrictions relating to the ownership of the asset.
- Opportunities for utilising the asset elsewhere within the Council.
- Appropriate use of tendering procedures.
- Fairness in allowing the public, employees and other parties to bid.
- Information security requirements.
- Safety requirements.
- The costs of disposal arrangements relative to the expected income.

19. LOANS & INVESTMENTS

19.1 Introduction

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.

19.2 Investment Policy

The council shall consider the need for an Investment Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Policy shall be reviewed at least annually.

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

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

19.3 Borrowings

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 terms and conditions of borrowings shall be reviewed at least annually.

20. SECURITY

20.1 Introduction

Officers are responsible for maintaining proper security, custody and control at all times for buildings, stocks, stores, furniture, equipment, cash, incoming and outgoing mail and other assets appertaining to the Council.

20.2 Incoming Mail

Incoming mail should be delivered to a secure, theft proof environment. The receipt of cash, cheques or other valuable items should be recorded.

20.3 Outgoing Mail

Outgoing mail should be adequately protected whilst in the custody of the Council. The level of protection required will be influenced by the nature of the items to be dispatched, i.e. the extent to which valuables or payments are likely to be included.

20.4 Receipt of Goods

Officers shall ensure that goods are adequately safeguarded from the moment the Council takes delivery of them.

20.5 Personal Security of Council Staff

The Council must consider matters relating to the personal security of staff under their control.

Reasonable measures must be taken to ensure that risks to staff are minimised. Measures taken should be appropriate in relation to the extent of the risk and the cost of the measures.

20.6 Access to Buildings

The Council are required to implement reasonable security measures for Council premises.

Staff are required to comply with the measures implemented. For example, doors must be closed/ locked where specified, staff must not let unidentified persons through security doors (e.g. by holding the door open for them), visitors must be accompanied within secure areas.

20.7 Background Checks on Employees

The following requirements will apply for all employees who have responsibility for any of the following activities:

- Handling money
- Purchasing or disposal of goods

The Council shall obtain satisfactory references in writing to confirm the honesty of each employee involved in these activities.

Such references shall be obtained directly from former employers for the three years immediately preceding engagement and before the employee is entrusted without supervision.

References need not be obtained in respect of employees who have satisfactorily and continuously served the Authority for at least one year in another capacity before being entrusted with the duties referred to above.

In respect of employees joining directly from school or government-sponsored training schemes, two character references shall be obtained. The Council should ensure that it is reasonable to place reliance on these referees.

The original copy of each written reference shall be retained.

21. PERSONAL USE OF COUNCIL EQUIPMENT

21.1 Introduction

Subject to certain specified exceptions (see 19.2 below), Council equipment is solely for use on the business of the Authority.

21.2 Permitted Personal Use of Council Equipment

Instances in which staff are entitled to make personal use of Council equipment are strictly limited to the following:

Equipment (e.g. photocopiers) where the personal use is specifically authorised by the Council. To protect the parties involved, prior to the service being used, there should be a written record of the approval and the terms for reimbursement.

21.3 Reimbursement for Personal Use of Council Equipment

In all cases, the full cost of personal use of Council equipment must be fully reimbursed to the Council.

21.4 Hiring Out of Council Equipment or Facilities

The hiring of Council equipment or facilities to the public, members of staff or members of the Council should be approved in advance by the Council, either specifically or by a policy decision.

The Council should have regard to safety and insurance issues in granting approval for such uses.

22. RETENTION OF FINANCIAL RECORDS

22.1 Introduction

Care must be exercised to retain financial records for a number of years beyond the financial years to which the individual documents relate. The records concerned may need to be retained for a number of purposes e.g. statutory requirements, audit.

22.2 Retention Periods

The following policy will operate unless the written approval of the Council has been obtained authorising disposal of the records concerned.

Type of Record - Retention Period

Financial Ledgers - Permanent

Payroll Documentation - Current Financial Year plus the Previous 7 Financial Years

Other - Current Financial Year plus the Previous 6 Financial Years
In addition, any records relating to a year for which the external audit of the Authority's accounts has not been finalised must be retained.

22.3 Disposal of Records

Records due for disposal must be disposed of in an appropriate manner depending on the content of the documents.

All documents relating to personal data must be disposed of in a manner which preserves their confidentiality.

Confidential records which are not of a personal nature must also be disposed of securely.

23. CONTROLLED FINANCIAL STATIONERY

23.1 Introduction

The following forms must be used at all times for the relevant functions:

Bank Paying-in Books

Official Order Books/ Forms

Receipt Books

24. DECLARATION OF PERSONAL INTERESTS

24.1. Introduction

As a public body, Llandeilo Fawr Town Council is accountable to the public it serves. The Council must be able to demonstrate to the public that the decisions it makes are not unfairly influenced by any personal considerations of either its employees or its members.

24.2 Financial and Non-Financial Interests

The Council requires that the following be declared in writing by all employees

- Any non-financial interests that they consider could bring about conflict with the Council's interests.
- Any financial interests which could conflict with the Council's interests.
- Membership of any organisation not open to the public without formal membership and commitment of allegiance and which has secrecy about rules or membership or conduct.

24.3. Gifts and Hospitality

All offers of gifts and hospitality (whether accepted or not) with a value estimated to exceed £25.00 (twenty five pounds) which arise as a direct result from an employee's duties with the Authority must be formally declared.

25. VALUE ADDED TAX

25.1 Introduction

The RFO shall establish appropriate systems of control for the proper accounting of Value Added Tax.

25.2 VAT Reclaim

In order for the Authority to reclaim VAT on individual payments, suppliers must submit accounts in a prescribed form which must include the supplier's VAT registration number.

Claims for the reimbursement of VAT shall be made annually as soon as practically possible after the end of the financial year.

25.3 Responsibility

It will be the responsibility of the RFO to

- Retain all VAT related records for 6 years for possible inspection by Customs and Excise.

26. DATA PROTECTION ACT

26.1. Introduction

The Data Protection Act 1998 came into force on 1st March 2000 and replaces the Act of 1984. The Act is similar to the 1984 Act in some respects, but there are important changes, for example:

- The 1998 Act extends the scope of the requirements to include some categories of manual records.
- At least one of a set of conditions must be met in order for legitimate processing to take place.
- Additional requirements are imposed in relation to sensitive data.
- Under certain circumstances there is a requirement to inform the data subject that information about him/her is being processed and to give reasons for the processing.
- The data subject has the right to object to the lawful processing of personal data in certain circumstances.

The 1998 Act will be phased in over a period of years. In respect of automated data all transitional exemptions cease as of 23rd October 2001. In some cases in relation to manual data further exemptions apply until 23rd October 2007.

26.2 Responsibility for Data Protection

Officers are individually responsible for ensuring that the requirements of the 1998 Act are fully complied with.

Individual members of staff are responsible for ensuring that they do not improperly disclose personal information, for example in response to telephone enquiries.

Individual members of staff are responsible for ensuring that any personal data of which they are in control (in whatever medium it is held) is securely stored.

Personal data (in whatever medium) which is being disposed of must be rendered unreadable (e.g. in the case of paper by shredding) before it leaves the Authority's control.

Individual members of staff should take care when requesting information in order to ensure that the amount of personal data obtained is the minimum necessary for the purpose.

Data Protection is a wide-ranging and complex area. Staff should only act in ways which they know to be correct under the Act.

27. INFORMATION SECURITY

27.1 Introduction

Information is a vital asset to the Council's operations, in whatever form it is stored or transmitted.

Information security is the preservation of the following features of a set of information:

- Confidentiality: ensuring that information is accessible only to those authorised to have access to it.
- Integrity: safeguarding the accuracy and completeness of information and processing methods.
- Availability: ensuring that authorised users have access to information and associated assets when required.

27.2 Third Party Access to Information and Systems

Where it is necessary for a third party, e.g. an engineer from a supplier, to have access (remote or physical) to the Authority's information and/ or systems, it is necessary to ensure that adequate controls are in place to ensure that the confidentiality, integrity and availability of information is maintained. The controls necessary should be set out in the contract with the third party.

27.3 Confidential Information

In addition to the requirements in relation to personal information, it is also a requirement that all other confidential information is dealt with in a secure manner. Employees must not disclose confidential information to any party not authorised to receive it.

All media (including paper) containing confidential information which is being disposed of must be rendered unreadable before it leaves the Council's control.

28 REVISION OF FINANCIAL REGULATIONS

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.