



**COMMITTEE MEMBERSHIP:**

M. Gingell (Chair), S. Browne (Vice Chair) K. Murphy (Ex-officio), S. Olander (ex-officio), R. Peaty, J. Robertson, E. Taylor

**FOR INFORMATION:**

J. Welch, D. Collins, S. Kiddie, A. Kitchen, L. Sinfield  
Town Clerk

Diss Express

**DISS TOWN COUNCIL**

Council Offices, 11-12 Market Hill,  
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**DEPUTY TOWN CLERK/RFO**

Miss S French (CiLCA & Cert HE)

Our ref: EX 01.03.23

Date: 13/03/2024

**NOTICE OF MEETING**

Dear Members of the Public and Press,

You are cordially invited to attend a meeting of **Executive Committee** to be held in the **Council Chamber** at **Diss Corn Hall** on **Wednesday 13th March 2024** at **7.15pm** to consider the business detailed below.

Deputy Town Clerk/Temp RFO

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**AGENDA**

- 1. Apologies.**  
To receive and consider apologies for absence.
- 2. Nomination of Substitute Representatives**  
To note nominated substitute representatives attending in place of those who have sent their apologies.
- 3. Declarations of Interest and Requests for Dispensations**  
To note any declarations of members' pecuniary and/or non-pecuniary/other interests pertaining to items on the following agenda, to note any dispensations granted in respect of business to be discussed and to consider any requests for dispensations.
- 4. Minutes**  
To confirm as a true record, the minutes of the Executive Committee meeting held on Wednesday 6<sup>th</sup> December 2023 (copy herewith).
- 5. Public Participation**  
To consider a resolution under Standing Orders 3d to 3h to suspend the meeting to hear comments from members of the public on items to be discussed on the agenda To consider a resolution under Standing Orders 3d to 3h to suspend the meeting to hear comments from members of the public on items to be discussed on the agenda (*the period of designated*

*time for public participation is 20 minutes unless directed by the Chairman of the meeting and individual members of the public are entitled to speak for a maximum of five minutes each).*

**6. Items of URGENT business**

To discuss any item(s) of business which the Chair or Town Clerk has previously been informed at least 24 hours before the meeting and decides should be considered as a matter of urgency (*councillors are reminded that no resolutions can be made under this agenda item*).

**7. Policies (to be read in advance of the meeting, any comments to be sent to the Deputy Clerk)**

To approve a revised Data & Document Retention Policy. (copy details herewith).

**8. Progress report**

To note progress on decisions made at the last meeting of this committee (copy herewith).

**9. Finance**

To receive the 3<sup>rd</sup> finance quarterly report (report reference 54/2324 refers).

**10. Internal Control**

To receive a report and agree to the recommendations on the new and updated documents relating to Diss Town Council's internal controls (report reference 55/2324 refers).

**11. Member Forum**

To consider information or issues relevant to this committee from members for brief discussion, action or inclusion on a future agenda.

**12. Date of Next Meeting**

To note that the next meeting of the Executive Committee is scheduled to take place on Wednesday 26<sup>th</sup> June 2024 at 7.15pm.

**13. Public Bodies (Admissions to Meetings)**

To consider a resolution under the Public Bodies (Admissions to Meetings) Act 1960 and Standing Orders 3d to exclude members of the public and press in order to discuss the following item which is properly considered to be of a confidential nature.

**14. Acting RFO Update**

To receive a report on updates implemented by the new Acting RFO. (Report reference 56/2324 herewith).

**15. Community Governance Level 5 Fieldtrip**

To receive a report on an upcoming field trip and associated costs for Council and Deputy Town Clerk/COO/RFO. (Report reference 57/2324 herewith).

**NOTES**

1 - Council has a statutory legal duty under the Localism Act 2011 s2 and has adopted a code dealing with the conduct that is expected of members in order to promote high standards of conduct as required by the Act. Members' disclosable pecuniary interests are kept on a register available to view on the Council's website. Allegations about the conduct of a councillor may be made to the district council's monitoring officer. Diss Town Council has also adopted a dispensation policy.

The reports and enclosures referred to in this agenda are available (unless marked confidential) for public inspection on our website.

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## DISS TOWN COUNCIL

## MINUTES

**DRAFT**

Minutes of the meeting of the Executive Committee held in the **Marriage Room** at **Diss Town Council Offices** on **Wednesday 6<sup>th</sup> December 2023 at 7.15pm.**

Present: Councillors: M. Gingell (Chair)  
S. Browne (Vice-Chair)  
S. Olander (ex-officio)  
R. Peaty  
J. Robertson  
E. Taylor  
K. Murphy (ex-officio)  
J. Wooddissee  
J. Welch

In attendance: S. French (Chief Operations Officer/Deputy Town Clerk)  
S. Hurst (Responsible Finance Officer)

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- EX1223/01**     **APOLOGIES**  
There were none.
- EX1223/02**     **NOMINATION OF SUBSTITUTE REPRESENTATIVES**  
There were none.
- EX1223/03**     **DECLARATIONS OF INTEREST**  
There were none.
- EX1223/04**     **MINUTES**  
Members confirmed that the minutes of the Executive Committee meeting held on 20<sup>th</sup> September 2023, were a true record and signed by the Chairman.
- EX1223/05**     **PUBLIC PARTICIPATION**  
There were no members of the public present.
- EX1223/06**     **ITEMS OF URGENT BUSINESS**  
There were no items of urgent business.
- EX1223/07**     **FINANCE**  
Members received the 2<sup>nd</sup> quarterly financial report (ref 43/2223) and noted the contents.
- EX1223/08**     **BUDGET**  
Members considered the Executive committee budget recommendations for 2024/25 budget for approval by Full Council on 20<sup>th</sup> December 2023 (report ref 44/2223). It was
- RESOLVED:
- 1) To approve the budget allocation for the executive committee-related expenditure of £526,549 and income of £500 to Full Council on 20<sup>th</sup> December 2023 subject to changes regarding the agreement to new staffing proposals at item 14 on the agenda.
  - 2) To approve the total precept request of £645,390 to Full Council on 20<sup>th</sup> December including £18,000 to Tree Management Earmarked Reserves subject to agreement to new staffing proposals on item 14 on the agenda.
  - 3) To approve the transfer of £10,593 from the Street Cleaner EMR to the DYCC EMR.  
**(Action: RFO immediately)**

**EX1223/09**

**POLICIES**

- a) Members approved the revised sickness and absence policy.
- b) Members approved a revised Extreme Weather Policy.
- c) Members approved a recommendation by the Infrastructure Committee to adopt the Biodiversity policy as amended.
- d) The Green Corridor Network Action Group are to consider the implementation of the biodiversity policy specifically items b-d, f-l & k.

**(Action:COO/CEO immediately)**

**EX1223/10**

**HR EMPLOYMENT SERVICES**

Council members were presented with a report on professional employment services (report ref 45/2324). The consensus among the Council was that adopting these services would result in time savings for staff and equip the Council with specialised knowledge on all HR-related matters. It was

RESOLVED: To appoint Worknest to provide an employment law and HR support service from 7th December allocated to an HR support budget code from 1st April 2024 for 36 months at a total cost of £8,100.

**(Action: CEO; immediately)**

**EX1223/11**

**PROGRESS REPORT**

Members noted progress on decisions made at the last meeting of this committee.

**EX1223/12**

**DATE OF NEXT MEETING**

Members noted that the next meeting of the Executive Committee is scheduled to take place on Wednesday 6<sup>th</sup> March 2024 at 7.15pm.

**EX1223/13**

**PUBLIC BODIES (ADMISSIONS TO MEETINGS)**

members considered a resolution under the Public Bodies (Admissions to Meetings) Act 1960 and Standing Orders 3d to exclude members of the public and press in order to discuss the following item which is properly considered to be of a confidential nature.

**EX1223/14**

**STAFFING UPDATE**

Council members were briefed on the current staffing situation through the presentation of a report (report ref 46/2324). All members had the opportunity to review the CEO's report beforehand. The Chair provided a historical context for the confidentiality of this item, and the report outlined various possibilities regarding staffing changes and corresponding recommendations. It was

RESOLVED:

Please note that this section of the minutes had confidential items discussed, and resolutions made in the confidential session are recorded separately. These minutes are kept in the Clerks Secure folder.

Meeting closed at:

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Chairman: Mark Gingell

**Data & Document Retention Policy  
Adopted March 2024**

## **1. Introduction**

- 1.1 Diss Town Council acquires a vast amount of information and data as part of its daily operations. This includes internally generated data as well as information obtained from individuals and external organisations.
- 1.2 The records created and maintained by the Town Council are an asset and require protective measures. Well-managed records serve as reliable evidence of the Council's transactions and are essential for demonstrating transparency and accountability.
- 1.3 Documents can exist in either physical paper form or electronic formats. For the purposes of this policy, the terms "document" and "record" encompass both hard copies and electronic records.
- 1.4 It is crucial to retain documents for an appropriate period. Premature destruction of documents could lead to prosecution for non-compliance with legislation, operational difficulties, reputational damage, and challenges in defending claims against the Town Council.
- 1.5 Conversely, the Town Council should not retain documents longer than necessary. Timely disposal is necessary to comply with the Data Protection Act 2018 and ensure that personal information is not retained longer than required. This will also optimise the utilization of limited storage space.

## **2. Scope and Objectives of the Policy**

- 2.1 The purpose of this document is to establish a practical framework for determining the appropriate course of action for different types of documents, namely:
  - Retention, including the designated time period for which they should be kept.
  - Disposal, specifying the method for discarding them.
- 2.2 Some records do not require retention at all, and can be routinely destroyed as part of regular business practices. This typically applies to duplicated information, unimportant data or items with short-term value. Examples of unimportant records include: -
  - Catalogues and trade journals.
  - Non-acceptance of invitations.
  - Insignificant email messages unrelated to Council business.
  - Requests for information such as maps, plans or advertising material.
  - Outdated distribution lists.
- 2.3 Duplicated and outdated materials such as stationery, manuals, drafts and forms. Copies of agenda's, minutes, annual reports be disposed of.
- 2.4 Records should not be destroyed if the information they contain serves as evidence to substantiate past events.

### **3. Roles and Responsibilities for Document Retention and Disposal**

- 3.1 It is the responsibility of councils to make decisions regarding the retention or disposal of documents. Regular documentation reviews, conducted at least annually, are necessary to identify and dispose of any unnecessary records being retained.
- 3.2 Councils should ensure that all employees are knowledgeable about the schedule for retaining and disposing of documents.

### **4. Document Retention Protocol**

- 4.1 Councils should have in place an adequate system for documenting the activities of their service. This system should consider the legislative and regulatory environments in which they work.
- 4.2 The records of each activity must be comprehensive and accurate enough to enable employees and their successors to take appropriate actions within the scope of their responsibilities. These records serve the following purposes: -
  - Facilitate audits or examinations of the council's operations by authorised parties.
  - Safeguard the legal and other rights of the council, its clients, and individuals affected by its actions.
  - Ensure the authenticity of the records, establishing their credibility and authority as a source of evidence.
- 4.3 To facilitate these objectives, the following principles should be adopted:
  - Records created and maintained should be organized with a record-keeping system that allows for swift and convenient retrieval of information.
  - Documents that are no longer required for operational purposes but still need to be retained should be stored in the strong room at the Town Council.
- 4.4 The retention schedules in Appendix A: titled "List of Documents for Retention or Disposal," provide a guidance on the recommended minimum retention periods for specific documents and record categories. These schedules have been developed based on recommended best practices from the Public Records Office, the Records management Society of Great Britain, and in compliance with relevant legislation.
- 4.5 Whenever there is a potential for litigation, records and information that may be involved should not be modified or disposed of until the threat of litigation has been resolved.

### **5. Document Disposal Protocol**

- 5.2 Documents should only be disposed of after a thorough review that considers the following: -
  - Is retention required to comply with statutory or other regulatory requirements?
  - Is retention necessary to meet the operational needs of the service?
  - Is retention necessary to provide evidence in the case of dispute?
  - Is retention necessary due to the document's historic interest or intrinsic value?
- 5.3 When documents are scheduled for disposal the method of disposal should be appropriate based on the nature and sensitivity of the documents.



5.4 Documents can be disposed of by any of the following methods:

- Non-confidential records: Place in waste-paper bin for disposal.
- Confidential records: Shred the documents.
- Deletion of computer records.
- Transmission of records to an external body such as the District Council.

5.4 When disposing of records, adhere to the following principles:

- All records containing personal or confidential information must be destroyed at the end of the retention period. Failure to do so could result in the Council being prosecuted under the Data Protection Act 2018, The Freedom of Information Act 2000, or facing reputational damage.
- When deleting computer records, take steps to ensure that the data is “virtually impossible to retrieve”, as advised by the Information Commissioner.
- If documents have historical significance, please place these in the strong room in the Town Council offices.
- Back-up copies of documents should also be destroyed (including electronic or photographed documents unless specific provisions exist for their disposal).

5.5 Maintain records of proper disposals: These records should include the following information:

- The name of the document that was destroyed.
- The date of the document’s disposal.
- The method of disposal.

## **6. Data Protection Act 2018 – Obligation to Dispose of Certain Data**

6.1 The Data Protection Act 2018 requires that personal information must not be retained longer than is necessary for the purpose for which it was originally obtained.

6.2 The Data Protection Act provides an exemption for information<sup>4</sup> about identifiable living individuals that is held for research, statistical or historical purposes to be held indefinitely provided that the specific requirements are met.

6.3 Councils are responsible for ensuring that they comply with the principles of the Data Protection Act 2018, namely:

- personal data is processed fairly and lawfully and shall not be processed unless specific conditions are met.
- Personal data shall only be obtained for specific purposes and processed in a compatible manner.
- Personal data shall be adequate, relevant, but not excessive.
- Personal data should be accurate and up to date.
- Personal data shall not be kept for longer than is necessary.
- Personal data shall be processed in accordance with the rights of the data subject.
- Personal data shall be kept secure.

- 6.4 IT companies that are holding Council documents via the cloud must also comply with the above principles of the Data Protection Act 2018.

## **7. Scanning of Documents**

- 7.1 In most cases, once a document has been scanned and stored in a document image system, the original physical copy becomes unnecessary. Whilst there is no specific legislation governing the format in which local government records should be retained after electronic storage, except for those specified by HM Revenue and Customs, it is generally understood that electronic copies are deemed sufficient and can replace the original documents.
- 7.2 Original documents required for VAT and tax purposes should be retained for six years unless a shorter period has been agreed with HM Revenue and Customs.

## **8. Review of Document Retention**

- 8.1 It is planned to review, update and where appropriate amend this document on a regular basis (at least every three years in accordance with the *Code of Practice on the Management of Records* issued by the Lord Chancellor).

## **9. List of Documents**

- 9.1 The comprehensive inventory of Council documents, along with the procedures for their retention or disposal, can be accessed in Appendix A: List of Documents for Retention and Disposal.

This list is regularly updated to align with any modifications in legal obligations.

APPENDIX A

RECORD TYPE	PUBLIC ARCHIVE	RETENTION PERIOD
ACCIDENT REPORTS	NO	15 YEARS FEROM FILED- DATE
ACCOUNTING LEDGERS		

## Appendix A: List of Documents for Retention or Disposal

Document	Minimum Retention Period	Reason	Disposal
Minutes	Indefinite	Archive	Original signed paper copies of Council minutes of meetings must be kept indefinitely in safe storage.
Agendas	Indefinite	Archive	Same as above.
Accident/incident reports	20 years	Potential claims	Confidential waste
Scales of fees and charges	<del>7 years</del> 6 years	<del>Town Clerk</del> Management	Bin
Receipt and payment accounts	Indefinite	Archive	N/A
Receipt books of all kinds	<del>7 years</del> 6 years	VAT	Bin
Bank statements including deposit/savings accounts	Last completed audit year	Audit	Confidential waste
Bank paying-in books	Last completed audit year	Audit	Confidential waste
Cheque book stubs	Last completed audit year	Audit	Confidential waste
<u>Credit card records</u>	<u>7 years</u>	<u>Audit</u>	<u>Confidential waste</u>
Quotations and tenders	<del>7</del> 6 years	Limitation Act (as amended)	Confidential waste
Paid invoices	<del>7 years</del> 6 years (After current-year)	VAT	Confidential waste
Paid cheques	<del>7 years</del> 6 years	Limitation Act (as amended)	
VAT records	<del>7 years</del> 6 years	VAT	Confidential waste

Document	Minimum Retention Period	Reason	Disposal
Timesheets	3 years	Audit (requirement) Personal injury (best practice)	Bin
Wages books/payroll	7 years	Superannuation	Confidential waste
Insurance policies	While valid (but see next two items below)	<u>Town Clerk</u> Management	Bin
<u>Health &amp; Safety Documentation</u>	<u>Indefinite</u>	<u>Legal reasons</u>	<u>N/A</u>
Insurance company names and policy numbers	<u>Indefinite</u>	<u>Town Clerk</u> Management	N/A
Certificates for insurance against liability for employees	40 years from date on which insurance commenced or was renewed	The Employers' Liability (Compulsory Insurance) Regulations 1998 (SI 2753) Management	Bin
<u>Insurance Claims</u>	<u>Indefinite</u>	<u>Legal reasons</u>	<u>N/A</u>
<u>Specialist consultant reports</u>	<u>7 years</u>	<u>Legal</u>	<u>Confidential waste</u>
Playground equipment inspection reports	21 years		Bin
Investments	<u>Indefinite</u>	Audit, <u>Town Clerk</u> Management	N/A
Title deeds, leases, agreements, contracts	<u>Indefinite</u>	Audit, <u>Town Clerk</u> Management	N/A

Members' allowances register.	6 years	Income tax act 2007 (as amended)	Confidential waste
Local/historical information	<b>Indefinite</b> – to be securely kept for benefit of the Town	Councils may acquire records of local interest and accept gifts or records of general and local interest to promote the use for such records.	N/A
Magazines and journals	The council may wish to keep its own publications.  For others retain for as long as they are useful and relevant.	The Legal Deposit Libraries Act 2003 (the 2003 Act)	Bin if applicable
<b>Record-keeping</b>			
To ensure records are easily accessible it is necessary to comply with the following: <ul style="list-style-type: none"> <li>• A list of files stored in cabinets will be kept.</li> <li>• Electronic files will be saved using relevant file names</li> </ul>	<del>The electronic files will be backed up daily on a portable hard drive.</del> <u>All files are kept in the cloud and backed up daily.</u>	<u>Town Clerk Management</u>	Documentation no longer required will be disposed of, ensuring any confidential documents are destroyed as confidential waste.

General correspondence	Unless it relates to specific categories outlined in the policy, correspondence, both paper and electronic, should be kept. Records should be kept for as long as they are needed for reference or accountability purposes, to comply with regulatory requirements.	<u>Town Clerk Management</u>	Bin ( <del>shred</del> confidential waste)
<u>Grant Applications</u>	<u>7 years from finance year end</u>	<u>Town Clerk</u>	<u>Confidential waste</u>

Document	Minimum Retention Period	Reason	Disposal
<del>Correspondence relating to staff</del>	<del>Should be kept securely and personal data in relation to staff should not be kept for longer than is necessary for the purpose it was held. Likely time limits for tribunal claims between 3-6 months. Recommend this period be for 3 years</del>	<del>After an employment relationship has ended, a council may need to retain and access staff records for former staff for the purpose of giving references, payment of tax, national insurance contributions and pensions, and in respect of any related legal claims made against the council.</del>	
<u>Employee Contracts</u>	<u>5 Years from end of Employment</u>	<u>References</u>	Confidential waste
<u>Employee Expenses</u>	<u>7 Years from Finance Year End</u>	<u>Legal Purposes</u>	<u>Confidential waste</u>
<u>Employee Payroll</u>	<u>7 Years from Finance Year End</u>	<u>Legal Purposes</u>	<u>Confidential waste</u>
<u>Employee Pensions</u>	<u>Indefinite</u>	<u>Legal Purposes</u>	<u>N/A</u>
<u>Employee Records</u>	<u>5 Years from end of Employment</u>	<u>Legal Purposes</u>	<u>Confidential waste</u>
<u>Employee Timesheets</u>	<u>7 Years from Finance Year End</u>	<u>Legal Purposes</u>	<u>Confidential waste</u>
<p><b>Documents from legal matters, negligence and other torts</b></p> <p>Most legal proceedings are governed by the Limitation Act 1980 (as amended). The 1980 Act provides that legal claims may not be commenced after a specified period. Where the limitation periods are longer than other periods specified the documentation should be kept for the longer period specified. Some types of legal proceedings may fall within two or more categories. If in doubt, keep for the longest of the three limitation periods.</p>			
Negligence	6 years		Confidential waste



Defamation	1 year		Confidential waste
Contract	6 years		Confidential waste
Leases	12 years		Confidential waste
<b>Document</b>	<b>Minimum Retention Period</b>	<b>Reason</b>	<b>Disposal</b>
Sums recoverable by statute	6 years		Confidential waste
Personal injury	3 years		Confidential waste
To recover land	12 years		Confidential waste
Rent	6 years		Confidential waste
Breach of trust	None		Confidential waste
Trust deeds	Indefinite		N/A
<b>For Halls &amp; Recreation Grounds</b>			
<ul style="list-style-type: none"> <li>• Application to hire.</li> <li>• Invoices</li> </ul>	6 years	VAT	Confidential waste
Terms and Conditions	6 years	<u>Town Clerk Management</u>	Bin
For Allotments			
Register and plans	Indefinite	Audit, <u>Town Clerk Management</u>	N/A
Minutes	Indefinite	Audit, <u>Town Clerk Management</u>	N/A
Legal papers	Indefinite	Audit, <u>Town Clerk– Management</u>	N/A
<b>For Burial Grounds</b>			
All cemetery documents	Indefinite	Archives, Local Authorities Cemeteries Order 1977 (SI 204)	N/A

<b>Planning Papers</b>			
Applications	1 year	Management	Bin
Appeals	1 year	Management	Bin
Trees	1 year	Management	Bin
Local Development Plans	Retained as long as in force	Reference	Bin
Local Plans	Retained as long as in force	Reference	Bin
Town/Neighbourhood Plans	<b>Indefinite – final adopted plans</b>	Historical purposes	N/A
Photographs/digital prints	31 days	Data protection	Confidential waste



Progress Report

Item 8

Committee	Minute Ref	Subject	Action	Assigned to	Timescale	Comments or further action
Executive	EX1221/09	Strategic Plan	Town Clerk/Councillors Browne and Murphy to work on action to reduce carbon footprint by 25%, reporting actions back to Executive Committee in March 2022.	Town Clerk, Cllrs Browne and Murphy	No Timescale at this time	This is to be discussed with the current strategy action plan group.
Executive	EX0923/07	Asset Register Variances	That the Executive Committee review the asset register and valuation policy	RFO/Clerk	By Jul 2024	
Executive	EX1223/09	Policies	a. Members approved the revised sickness and absence policy b. members approved a revised Extreme Weather Policy. c. members approved a recommendation by the infrastructure committee to adopt the biodiversity policy as amended. d. The green corridor network action group are to consider the implementation of the biodiversity policy specifically items b-d, f-l & k.	COO COO CEO CEO	Immediately Immediately Immediately Immediately	Completed Completed Completed Completed
Executive	EX1223/14	Staffing Update - Confidential	See Confidential minutes held in Clerk Secure	CEO/TC	Immediately	Completed
Executive	EX0318/10	STAFFING Update	a) Leavers – receiving reports of exit interviews from both staff and councillors; b) New starters – to receive results of probationary assessments c) Time Off In Lieu - status against policy d) Appraisal schedule / Salary scale increases approved e) Report on implementation of HR policies to deal with issues including disciplinary, grievance, sickness and absence f) Recorded accidents at work g) Sickness / Occupational health issues h) Status of volunteers/self-employed contractors	Deputy Town Clerk	Every meeting	a) Admin Officer has left after long term sickness. Vacancy to be filled internally. b) Nothing to report. c) All in order. d) Performance reviews are currently being undertaken and sent to Exec Chair. e) Nothing to report. f) Nothing to report. g) Executive Chair and Leader aware of all staff absences. h) No volunteers at this present time.



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Report Number:  
**52 / 2324**

Report to:	Executive
Date of Meeting:	6 <sup>th</sup> March 2024
Authorship:	Temp RFO
Subject:	Quarter 3 Financial Report

### 1. Introduction

- 1.1 I would like to bring members' attention to the budget spending as of 31/12/2023, representing the third quarter of the financial year ending 31/03/2024. Appendix A provides the detailed Income and Expenditure Report for the year, including the percentage of revenue budget spent, ideally at 75% by the end of month 9. The report also accounts for amounts spent from the EMR, with further explanations provided if applicable.
- 1.2 Overspends or underspends exceeding 15% will be reported following Financial Regulations, specifically clause 4.8, which addresses material variances from the budget. In this report, exceptions that necessitate explanations pertain to codes falling outside the range of 63.75% to 86.25% (or under £100). Budget headings beyond these tolerances, if unexplained in the following sections, are anticipated due to the timing of payments, such as annual insurance premiums or biannual business rates
- 1.3 This report aims to contextualise contributions and spending in the day-to-day revenue budgets and EMR transactions, distinguishing between the remaining funds in the annual budget and the existing funds.
- 1.4 The final section of this report details the income and expenditure compared to the budget, and its effect on the balance sheet which is the statement of the council's financial position.

### 2. Amenities

- 2.1 The amenities income is currently standing at 176.1% which indicates that this was underestimated during the budget process.
- 2.2 Play equipment R&R is currently at 97.8% this budget was underestimated during the budgeting process and any further works required on the park will come out of CIL funds.
- 2.3 The boardwalk is showing as 428.2% of the budget being spent this is due to essential work being undertaken which is being taken out of the boardwalk EMR and therefore the actual spend is 100%.
- 2.4 The Van running costs are currently at 117.1%, the overspending is due to the budget being underestimated, the previous year was overspent, and an additional van was purchased with no increase in budget.
- 2.5 Van insurance currently sits at 116.1%, due to extra insurance costs this was underbudgeted during the previous budget process.
- 2.6 As yet the budget for Mere drainage has not been required, but as this is seasonal and weather-dependent, year-end costs are a more reasonable indicator of annual expenditure.

- 2.7 The Mere Fountain, Mere Kiosk, Mere's mouth rent & business rates, and Park Insurance are currently sitting at 100% this is due to these being paid at the beginning of the financial year, therefore at the end of the financial year these will still sit at 100%.
3. Bank Interest
- 3.1 Income from interest is higher than budgeted due to the diversification of money into savings accounts.
4. Cemetery
- 4.1 Cemetery income is currently 82.54% of the estimated budget for the year.
- 4.2 Works to repair the cemetery roof have been completed with £11,456 from the EMR, and the balance of £33,874 coming from General Reserves, this was the excess costs which had not been budgeted.
5. Corn Hall
- 5.1 Due to added maintenance costs relating to the Corn Hall the budget is currently sitting at 104.1% across both maintenance R& R and Insurance budget codes.
- 5.2 Clerk and Councillor Peaty meeting with Corn Hall to discuss ongoing lease agreement and associated costs.
6. Council Properties
- 6.1 Office R&R at 120% due to the previous budget of £4,500 which historically has always been spent being reduced to £2,500 to allow for a 0% precept in the previous year. This budget was an unworkable amount.
- 6.2 Office Building maintenance is showing 480% overbudget due to no budget given in 23/24. £7,000 was allocated to this budget in previous years, this has been amended for this year to £1,000 to allow for emergency repairs to the building whilst awaiting monies from the sale of the Cemetery Bungalow.
- 6.3 Cemetery bungalow is 122.2% as fixed utility costs have taken this budget over due to the sale of the bungalow taking longer than originally expected.
- 6.4 The H&S budget sits at 34% but monies will be spent over the next 3 months on H&S equipment for the maintenance team.
- 6.5 Park Toilets servicing is currently at 58.2% but some costs will be attributable to this code in the next 3 months. This is due to our cleaning contractor utilising their cleaning products to service the toilets.
- 6.6 The RFO has recently changed our electricity supplier and we are awaiting further bills, once these have been received this amount will change and be within the set budget parameters.
- 6.7 Staff uniforms are awaiting to be purchased and this budget code will be spent by the end of budget years 2023/24.
7. Administrative Overheads
- 7.1 This budget will go over this year due to extra equipment needing to be purchased.
8. Promotion
- 8.1 The budget for this year was only £250.00, but council agreed to the Visit Diss Domain and Website from the general reserves on this code. The resolution number is FC0923-19.
- 8.2 Website budget is currently over due to insufficient budgeting which has been rectified for years 2024/25.
9. General Expenditure

- 9.1 Previously reported in quarter 2 the payroll budget was expected to go over budget, with staff leaving and sickness the budget is now on course to be within the budget parameters for years 2023/24.
- 9.2 Audit is currently at 111.1% this is due to underbudgeting in the previous year's budget. No further spending on this code for the current year.
- 9.3 Training budget is currently at 89.9% of budget, there are no further expected training courses for this financial year.
- 9.4 Staff mileage is 113.8% of budget, this is due to all staff going onto a training course in Norwich.
- 9.5 Annual Town meeting is underbudget at 48.1% and will stay at this amount for the remainder of this current financial year.
- 10. Sports Ground
- 10.1 Track maintenance cleaning has been completed by staff members and we are currently awaiting a quote for some repairs to be completed before year-end.
- 10.2 General Sports Ground Maintenance is 42.4% this is due to Buildings & Facilities maintenance team undertaking some of the work, previous RFO budgeted for skatepark CCTV to come from this code and the CCTV code therefore creating a larger budget than required. This has been changed back for year 2024/25.
- 10.3 Ground Maintenance is currently sitting at 57.8% due to contractors ending the contract earlier than specified, there is currently an invoice in dispute will update council at year end.
- 11. Quarter 3 Financial Summary
- 11.1 Revenue expenditure is £614,352 which is 78.8% of total income.

<b>Recommendation</b>
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To note the contents of this report.
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**DISS TOWN COUNCIL**

Council Offices, 11-12 Market Hill,  
Diss, Norfolk, IP22 4JZ.  
Telephone & Fax: (01379) 643848  
Email: [towncouncil@diss.gov.uk](mailto:towncouncil@diss.gov.uk)  
Website: [www.diss.gov.uk](http://www.diss.gov.uk)

Report Number: <b>55 / 2223</b>
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Report to:	Executive Committee
Date of Meeting:	6th March 2023
Authorship:	Acting Responsible Finance Officer (RFO)
Subject:	Review of Internal Controls

Introduction

1. As a statutory body (Local Government Act 1972 (LGA) s 9(4)(b)) in receipt of public funds, the Town Council must, in accordance with proper practices maintain adequate and effective financial management systems, a sound system of internal controls and arrangements for the management of risk (Audit & Accountability Act 2014 (A&A), s4(1) and annually review their effectiveness (A&A, s4(2) &(3)(b)).
2. Risk management is an ongoing activity that comprises four elements:
  - Identify the risk
  - Assess the risk
  - Treat the risk
  - Monitor and Report on the risk

Internal Control Documents

3. The Council relies on various documents to establish its internal controls, enabling it to meet its obligations in managing risks and financial controls. These measures are crucial for ensuring accountability in the responsible handling of public funds.
4. I would like to inform Council that since becoming the Acting RFO I have changed, rewritten and updated our internal control documents to align with our current practices. The revisions incorporate the latest regulations ensuring that our documents meet and exceed the required standards.
5. These updates will strengthen our internal controls, promoting accountability, transparency, and efficiency in our operations.
6. The following documents constitute the Council's internal controls which incorporates the new documents :
  - a) Standing Orders – reviewed and adopted in November 2022.
  - b) Asset Register – approved in June each year.
  - c) The budget document – prepared in accordance with proper practices and approved in January each year.
  - d) The end-of-year statement of accounts and Annual Return – approved in June 2023.
  - e) The insurance schedule – **(Appendix A)**
  - f) Financial Regulations Mar 2024 – These regulations, have been reviewed and amended to align with Diss Town Council's current practices and terminology and are derived from 2019 model regulations from the National Association of Local Councils (NALC). **(Appendix B)**.



- g) External & Internal Audit Policy revised Mar 2024 (**Appendix C**)
- h) Financial Reserves Policy revised Mar 2024 (**Appendix D**)
- i) Financial Statement Control Policy revised Mar 2024 (**Appendix E**)
- j) Governance & Risk Management Policy and Register revised Mar 24 (**Appendix F**)
- k) Investment Strategy revised Mar 24 (**Appendix G**)

#### Internal Audit

- 7. The first internal audit report of the year (interim) was completed by the Council's internal auditor, Victoria Waples, and was presented to Full Council in December 2023 with two recommendations.
- 8. The proposed recommendations were agreed by council and have been actioned accordingly.

#### Insurance

- 9. In September 2022 Council's decision (EX0322/09) agreed to lock in the insurance cost for five years until 2026 and therefore the cost would stay the same at £14,721 p/a.

#### Conclusion

- 10. Conducting an annual assessment of internal controls stands as a crucial duty for both councillors and the Council collectively.
- 11. The 'Council meeting as a whole' must officially agree on the internal control documents

Recommendation: To recommend to Full Council the adoption of the following internal control documents as appended to this report:

- a) Insurance Schedule
- b) Financial Regulations 2024
- c) External & Internal Audit Policy
- d) Financial Reserves Policy
- e) Financial Statement Control Policy
- f) Governance and Risk Management Policy
- g) Investment Strategy



Mrs Sarah Richards  
 Diss Town Council  
 Council Offices  
 11/12 Market Hill  
 Diss  
 Norfolk  
 IP22 4JZ

## Select for Local Councils Policy Schedule

This insurance policy, which meets your demands and needs, has been based on the latest information obtained from you. The Policy, the Policy Schedule, any Certificates of Insurance and Endorsements form one document and should be read together. This Schedule replaces any previous Schedule.

Policy Number	YLL-272003-4853
Insured	Diss Town Council
Business	Parish / Town Council
Period of Insurance	
From	01 <sup>st</sup> April 2023
To	31 <sup>st</sup> March 2024
and any other period for which cover has been agreed.	
Renewal Premium	£ 16,097.33

Premiums are inclusive of Insurance Premium Tax and/or VAT as appropriate.

Schedule Number	110063120
Long term agreement active until	01 <sup>st</sup> April 2027
Preparation Date	21 <sup>st</sup> February 2023
Prepared by	Mr Jonathan Meiseles
Policy Form Reference	MLAACF07

### Policy Cover Declaration:

You, the Insured, are not aware of any known losses or events that could give rise to a claim, or circumstances that would be prejudicial to us, the Insurer, should the basis of cover on the below given insurance product (s) be changed.

This is important information, please read it carefully and check that the facts given about you are correct and that we have included all the covers that you require. We are unable to give you advice so it is your responsibility to check the cover is correct for your organisation.

## Important information

### **Taking reasonable care**

We require that you take reasonable care in managing your activities. Where appropriate this requires you to do the following:

- Keep written risk assessments for your key activities
- Keep written records of your staff and volunteer training. For example, manual handling training, or for use of tools and machinery
- Abide by any rules, guidelines or advice that is given to you by any relevant authority, such as a Local Authority, or the Health and Safety Executive

We want you to be confident about your insurance and understand what is required of you. Please contact us if you have any questions relating to the above.

## Lines of Cover applying

### Part A – Material Damage

#### Table Headings

Contents (a)	Furniture, fixtures, fittings and tenants improvements
Contents (b)	Other contents and consumable stock not specified below including printed books and unused stationery
Contents (c)	Computer equipment, other office equipment and sports equipment
Contents (d)	Televisions, audio-visual and photographic equipment (excluding videos), beer, wine, spirits, tools and gardening equipment
Contents (e)	Tobacco
Contents (f)	Camcorders, videos and gaming machines
Contents (g)	Civic Regalia

#### Sums Insured

Premises Address	Buildings Sum Insured	Loss of Rent	Contents (a)	Contents (b)	Contents (c)	Contents (d)	Contents (e)	Contents (f)	Contents (g)
1. Council Offices, Address, 11-12 Market Hill, Diss, Norfolk, IP22 4JZ	£676,710.00	£13,718.00	£20,444.17	£1,744.14	£0.00	£0.00	£0.00	£0.00	£0.00
2. Park Pavillion, Address, Diss, Norfolk, IP22 4JZ	£62,400.00	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
3. Public Convenience, Address, Park Road, Diss, Norfolk, IP22 4AS	£86,400.00	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
4. Corn Hall, Address, St. Nicholas Street, Diss, Norfolk, IP22 4LB	£5,823,241.90	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
5. Cemetery Bungalow, Address, Diss, Norfolk, IP22 4DL	£300,000.00	£8,406.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
6. Sports Pavillion, Address, Shelfanger Road,, Roydon, Diss, Norfolk, IP22 5XT	£534,509.94	N/A	£10,267.15	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
7. 2 x Cemetery Chapels, Address, Diss, Norfolk, IP22 4DL	£694,862.95	N/A	£0.00	£5,973.52	£0.00	£0.00	£0.00	£0.00	£0.00
8. Diss Youth and Community Centre, Address,	£1,833,884.10	N/A	£21,924.96	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Shelfanger Road,, Diss, Norfolk, IP22 4EH									
9. The Shambles, Address, 4- 5 Market Place, Diss, Norfolk, IP22 4AB	£159,600.00	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
10. Public Conveniences - interest of South Norfolk Council is noted, Address, Mere's Mouth, Mere Street, Diss, Norfolk, IP22 4AG	£394,200.00	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

**For Premises:** 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

**Insured Perils applicable to Material Damage :** 1-13, 15 & 16

**Excesses Applicable to Premises**

The following Excesses apply to each and every loss arising in respect of each and every separate premises:

Accidental Damage	£100
Theft	£100
Riot civil commotion and Malicious Persons	£250
Storm or Flood	£250
Escape of Water	£250
Falling Trees or Branches	£250

**Operative Endorsements:** 1, 2, 3, 5, 6, 7, 8 & 9 (please refer to the Endorsement section of the policy wording)

**Part B – Business Interruption**

Premises Address	Additional Expenditure	Indemnity Period (Months)	Loss of Data	Indemnity Period (Months)	Loss of Gross Revenue	Indemnity Period (Months)
11-12 Market Hill, Diss, Norfolk, IP22 4JZ	£30,000	24	£5,000	24	£46,802	24
Diss, Norfolk, IP22 4DL	N/A		N/A		N/A	
Shelfanger Road,, Roydon, Diss, Norfolk, IP22 5XT	N/A		N/A		£16,834	24
Shelfanger Road,, Diss, Norfolk, IP22 4EH	N/A		N/A		£34,000	24

**For Premises:** 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

**Insured Perils applicable to Business Interruption :** 1-13, 15 & 16

**Operative Endorsements:**

None

**Part C – All Risks**
**Table Headings**

Contents (a)	Furniture, fixtures, fittings and tenants improvements
Contents (b)	Other Contents and consumable stock not specified below including printed books and unused stationery
Contents (c)	Computer Equipment, other office equipment and sports equipment
Contents (d)	Televisions, audio-visual and photographic equipment (excluding videos), beer, wine, spirits, tools and gardening equipment
Contents (e)	Tobacco
Contents (f)	Camcorders, videos and gaming machines
Contents (g)	Civic Regalia

**Additional Items:**

Where no premises address is shown, the item is not based at one location and cover is provided anywhere within the territorial limits.

Item Description	Sum Insured	Excess
Machinery, Equipment and Hand Tools	£7,416.00	£100
Paintings	£7,353.49	£100
Christmas lights	£22,252.18	£100
Town Sign	£6,152.42	£100
Seats	£5,347.42	£100
Bins	£5,502.32	£100
Chairmans Chain of Office	£10,266.79	£100
Deputy Town Mayors Pendant	£1,012.63	£100
Mayoral Robes	£1,375.18	£100
Fountain in Middle of Mere at Diss Park	£34,922.75	£100
Floodlighting	£53,451.86	£100
Park Lighting	£40,781.30	£100
Information boards	£2,071.57	£100
Millennium Stone of Carved Granite	£3,667.18	£100
Entrance Stone to Garden of Rest at the Cemetery	£816.16	£100
10 Benches	£4,034.50	£100
5 x Picnic Tables	£3,266.29	£100
Sign	£458.39	£100
Skatepark	£135,086.28	£100
Polished Granite Commemorative Stone	£4,323.38	£100
Cast Iron Finger Posts	£15,055.19	£100
Junior Swings including safety surfacing	£13,424.47	£100
MUGA and associated equipment	£87,841.33	£100
Toddler Play equipment including safety surfacing and perimeter fencing	£80,760.76	£100
Twinfly including safety surfacing	£22,953.35	£100
4 Metal picnic benches	£3,994.36	£100
2 x Lighting Collumns and 2 x Control Boxes - Skateboard Park	£7,753.40	£100

20 x 8 Cut-down Container, Situated at Sports Ground, Shelfanger Road, Diss IP22 4JG	£2,472.00	£100
Allotment Sheds	£7,753.40	£100
Fountain Kiosk	£9,304.07	£100
Town Freedom Carved Granite Commemorative Stone	£3,763.78	£100
7 Panel Full Pod Shelter / Adult Gym Equipment	£35,848.82	£100
100 Fold Up Chairs stored at Park Pavilion but also used in Park	£2,192.50	£100
Duck Suit	£2,270.56	£100
Canon Camera and Accessories	£351.26	£100
Projector and Accessories	£421.51	£100
20 Fold Up Tables	£2,810.09	£100
Walk Clock by S Newman	£3,070.64	£100
Corn Hall Clock by AT Marsh	£4,605.98	£100
Running Track and Fencing	£155,484.54	£100
7 Toblerones	£19,475.81	£100
6 Benches	£25,040.32	£100
4 Cycle Racks	£4,173.40	£100
Viewing Platforms and Boardwalk	£202,591.58	£100
Container Storage	£3,315.10	£100
Container Storage	£2,154.05	£100
18x Steel Engine Bines - Planters for Streetscape	£1,260.35	£100
Junior Play Equipment	£182,987.42	£100
Cemetery Benches x 8	£4,073.86	£100
Market Place Noticeboard	£1,857.42	£100
Flagpole outside Council Offices	£1,750.15	£100
New Play Equipment and Associated Items	£69,600.00	£100
Office Computer and Sports Equipment including Laptops	£82,383.80	£100
Beacon of Hope	£1,560.00	£100
New Chairs	£2,635.20	£100
Hired In Plant and Equipment	£20,000.00	£100
14 new Ipads	£4,305.00	£100
Hexagonal Tree Bench	£749.17	£100
Pressure Washer	£4,186.25	£100
5 x Staff Ipads	£1,537.50	£100

The excess stated applies to each and every loss.

**Operative Endorsements:** 1, 2, 3 & 7 (please refer to the Endorsement section of the policy wording)



**Part D – Money**

	<b>Limit any one loss</b>
1. Loss of Non-Negotiable Money in the situations specified in items 2(a), 2(b), 2(c)(i) and 2(c)(ii):	£250,000
2. Loss of other Money:	
(a) in transit in the custody of any <b>Member</b> or <b>Employee</b> or in transit by registered post (limit £250), or in a Bank Night Safe	£10,000
(b) in the private residence of any <b>Member</b> or <b>Employee</b>	£500
(c) in the <b>premises</b>	
(i) in the custody of or under the actual supervision of any <b>Member</b> or <b>Employee</b>	£10,000
(ii) in locked safes or strongrooms	£10,000
(iii) in locked receptacles other than safes or strongrooms	£500

**Excess:** £50 each and every loss

**Personal Accident Assault Limits:** Stated in Section 3(c) of the policy wording

Operative Endorsements:

1. In respect of **Section 1 – Special Definitions**, the definition of Person Insured is extended to include any person between the ages of 16 and 90.

## Part E – Public Liability

**Limit of Indemnity:** £15,000,000

**Excess:** £100 each and every claim in respect of Section 2(d)(ii)

### Operative Endorsements:

1. Environmental Clean Up Costs. The following Special Definitions are added to Section 1:

#### Clean Up Costs

- a) Testing for or monitoring of Pollution or Contamination
- b) the costs of Remediation required by any Enforcing Authority to a standard reasonably achievable by the methods available at the time that such Remediation commences.

#### Remediation

Remedying the effects of Pollution or Contamination including primary, complementary and compensatory actions as specified in the Environmental Damage (Prevention and Remediation) Regulations 2009.

#### Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within the territorial limits.

#### Cover

With effect from 01 July 2009 or the inception of the policy if later, the **insurer** will indemnify the **insured** in respect of all sums including statutory debts that the **insured** is legally liable to pay in respect of Clean Up Costs arising from environmental damage caused by Pollution or Contamination where such liability arises under an environmental directive, statute or statutory instrument.

Provided always that:

- a) liability arises from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance. All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the same time such incident takes place
- b) the **insurer's** liability under this Extension shall not exceed £1,000,000 for any one occurrence and in the aggregate in any one Period of Insurance and will be the maximum the insurer will pay inclusive all costs and expenses. This limit will form part of and not be in addition to the Limit of Indemnity stated in the Schedule
- c) immediate loss prevention or salvage action is taken and the appropriate authorities are notified

## Exclusions

The **insurer** shall be under no liability:

1. in respect of Clean up Costs for **damage** to the **Insured's** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **insured's** care, custody or control
2. for **damage** connected with pre-existing contaminated property
3. for **damage** caused by a succession of several events where such individual event would not warrant immediate action
4. in respect of removal of any risk of an adverse effect on human health on the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **insured's** care, custody or control
5. in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences
6. in respect of costs for prevention of imminent threat of environmental damage where such costs are incurred without there being Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident
7. for **damage** resulting from an alteration to subterranean stores of groundwater or to flow patterns
8. in respect of costs for the reinstatement or reintroduction of flora or fauna
9. for **damage** caused deliberately or intentionally by the **insured** or where they have knowingly deviated from environmental protection rulings or where the **insured** has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which they are responsible
10. in respect of fines or penalties of any kind
11. for **damage** caused by the ownership or operation on behalf of the **insured** of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
12. for **damage** which is covered by a more specific insurance policy
13. for **damage** caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
14. for **damage** caused by disease in animals belonging to or kept or sold by the **insured**.

**Part F – Hirers' Liability**

**Limit of Indemnity:** £2,000,000

**Excess:** £100 each and every claim for damage to the premises or contents caused other than by fire or explosion

**Operative Endorsements**

None

**Part G – Employers Liability**

**Limit of Indemnity:** £10,000,000

**Operative Endorsements:**

None

**Part H – Libel and Slander**

**Sum Insured**

£250,000

**Excess:** 10% each and every claim or £1,000 whichever is the lower

**Operative Endorsements**

None

**Part I – Motor Vehicles**

<b>Insured Vehicle:</b> All as described in <b>Persons Entitled to Drive:</b> the Certificate of <b>Limitation as to Use:</b> Motor Insurance	<b>Cover:</b> Section 22  A. Comprehensive
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<b>Excess : Section 23</b>	
<b>Amount</b>	<b>Description</b>
£ 150	Accidental Damage , Fire , Theft , Windscreen , Theft total loss
£ Nil	Third party
Additional to any other Excess which applies	

<b>Age and Inexperienced Driver Excess: Section 11</b>		
(a)	Under 25 years	£150
(b)	Over 25 years inexperienced	£150
Additional to any other Excess which applies		

<b>Repair Limit:</b> £Nil  Section 12
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<b>Damage to Property Limit:</b>  £5,000,000 Applicable to any Commercial Vehicle, Minibus, Agricultural Vehicle and Special Type  £50,000,000 Applicable to any Private Motor Car
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<b>Personal Effects Limit:</b> £150  Section 13
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<b>Medical Expenses Limit:</b> £250  Section 14
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**Additional Cover : Section 25**

U. Occasional Business Use	Not Operative
V. Loss of No Claim Discount/Excess	Not Operative

**Operative Endorsements:**

None

**Part J – Motor Legal Expenses and Uninsured Loss Recovery**

**Limit of Indemnity:**

£100,000 per insured incident

### Part N – Fidelity Guarantee

<b>Persons Guaranteed:</b>	<b>Sum Guaranteed</b>
All members and employees	£1,000,000

**Excess:** £100 each and every loss

### Part O – Personal Accident

Cover is limited to £500,000 any one person and £2,000,000 any one incident.

#### Persons Insured:

##### Employees

Capital Sum	£50,000.00
Weekly Sum	£400.00
Cover	Sections 2 and 3 - Accident and Assault Cover

##### Volunteers

Capital Sum	£50,000.00
Weekly Sum	£400.00
Cover	Sections 2 and 3 - Accident and Assault Cover

##### Directors/Councillors

Capital Sum	£50,000.00
Weekly Sum	£400.00
Cover	Sections 2 and 3 - Accident and Assault Cover

#### Operative Endorsement:

1) Special Condition 4 of Section 5 is inoperative provided always that the **insurer** will not make any payment of any benefit or in respect of any expense or loss arising from any Person Insured who has attained the age of 90 years unless such expense or loss arises during the period of insurance during which the Person Insured attains the age of 90



## Part P – Legal Expenses

### Section:

3. Employment Disputes and Compensation Awards	Operative
4. Legal Defence	Operative
5. Property Protection and Bodily Injury	Operative
6. Tax Protection	Operative
7. Contract Disputes - £5,000 Limit	Operative
8. Statutory Licence Protection	Operative
<b>Limit of Indemnity:</b>	£200,000

### Operative Endorsements

The following is also operative: Debt Recovery

#### Insured Incident

The **insurer** will negotiate for the **insured's** legal rights including enforcement of judgment to recover money and interest due from the sale or provision of goods or of services, provided always that:

- a) the amount of the debt exceeds £250 (incl VAT)
- b) the claim under this Part is made within 90 days of the money becoming due and payable
- c) the **insurer** has the right to select the method of enforcement, or to forego enforcing judgment if the **insurer** is not satisfied that there are, or will be, sufficient assets available to satisfy judgment.

#### Exceptions

We will not provide indemnity in respect of or arising from or relating to:

- a) any debt arising from an agreement entered into prior to the inception date of the indemnity provided by this section if the debt is due within the first 90 days of the indemnity provided by this section
- b) the recovery of money and interest due from another party where the other party intimates that a defence exists
- c) any claim relating to:
  - i) any settlement payable under an insurance policy
  - ii) any lease, licence or tenancy of land or buildings
  - iii) any motor vehicle owned by, or hired or leased to you other than agreements relating to the sale of motor vehicles where you are engaged in the business of selling motor vehicles
- d) any dispute which arises out of the purchase, hire, sale or provision of computer hardware, software, systems or services.

## General Notes

### 1. Fair presentation of the risk

You must make a fair presentation of the risk to us at inception, renewal and variation of your policy. This means that we must be told about all facts and circumstances which may be material to the risks covered by the policy and that you must not make a misrepresentation to us about any material facts. As part of your duty of fair presentation, you must ensure that the information detailed within the schedule is correct and complete. A material fact is one which would influence the acceptance or assessment of the risk. If you have any doubt about facts considered material, it is in your interests to disclose them to us.

Failure to make a fair presentation of the risk could result in the policy either being avoided, written on different terms or a higher premium being charged, depending on the circumstances surrounding the failure to present the risk fairly.

This policy is compliant with the principles of the Insurance Act 2015 law reforms. It also incorporates an 'opt out' which has the aim to promote good customer outcomes. We have opted-out of the 'proportionate reduction of claim remedy' available to insurers under the Insurance Act 2015. This means that in cases of non-disclosure or misrepresentation which are neither deliberate nor reckless, if we would have charged an additional premium had we known the relevant facts, we will charge that premium and pay any claims in full rather than reducing claims payments in proportion to the amount of premium that would have been charged.

We believe that our 'additional premium approach' should, in most situations, be more favourable to our customers when compared to the proportionate reduction of claim remedy. Our additional premium approach does not affect our right to apply the other remedies available under the Act for non-disclosure or misrepresentation.

### 2. Cancellation

All insurance policies run for a fixed period of time. The Insured can terminate an insurance contract verbally or in writing at any time by calling 0800 917 9531 or emailing [Customers.team@uk.zurich.com](mailto:Customers.team@uk.zurich.com). Zurich may cancel the policy by giving 30 days' notice in writing. In such an event the insured will be entitled to a return of premium in respect of the unexpired portion of the period of insurance.

If you cancel your policy before the start date, you will be entitled to a full refund of premium. If you cancel within 14 days of the start date, you will be entitled to a full refund of premium, providing no claim has been made. After 14 days, if no claim has been made, we may offer a full or partial refund, depending on the time the policy was on risk and the circumstances at the time of the cancellation request. Please note, a cancellation charge of £50 may be applied.

### 3. Bonus and fee structure

Employees and businesses who work for ZIC UK are remunerated in various different ways for selling insurance contracts. Employees receive a basic salary and also receive a bonus based on a number of factors, including the achievement of sales and quality targets. Businesses which work for the insurer on an outsourced basis receive a fee and also additional payments based on a number of factors, including the achievement of sales and quality targets.

## Claims contact information

If you need advice on a claim, it is important that you speak to the appropriate specialist. Claims specialists are available to discuss your cover and advise you on how to make a claim. Their contact details are:

Type of Claim	Claims team	Claims contact details	
Buildings, contents including "All Risks" Items	Property Claims	Tel:	0800 028 0336
Business interruption		Email:	<a href="mailto:farnboroughpropertyclaims@uk.zurich.com">farnboroughpropertyclaims@uk.zurich.com</a>
Money		Address:	Zurich Municipal Property Claims, Zurich Financial Services, PO Box 3303, Interface Business Park, Swindon, SN4 8WF
Works in progress			
Public liability	Liability Claims	Tel:	0800 876 6984
Employers liability		Email:	<a href="mailto:fnlc@uk.zurich.com">fnlc@uk.zurich.com</a> (new claims) <a href="mailto:zmflc@uk.zurich.com">zmflc@uk.zurich.com</a> (subsequent correspondence)
Personal assault under Money			
Personal accident		Address:	Zurich Municipal Casualty Claims, Zurich House, 1 Gladiator Way, Farnborough, Hampshire, GU14 6GB (DX 140850, Farnborough 4)
Financial and administrative liability			
Professional negligence			
Hirers liability			
Fidelity guarantee			
Libel and slander			
Engineering insurance			
Engineering – Deterioration of stock			
Business travel			
Motor	Motor Claims	Tel:	0800 916 8872 (new motor claims) 0800 232 1913 (customer damage)
		Email:	<a href="mailto:zmmotorclaimsoffice@uk.zurich.com">zmmotorclaimsoffice@uk.zurich.com</a>
		Address:	Zurich Municipal Motor Claims, PO Box 3322, Interface Business Park, Swindon, SN4 8XW
Legal Expenses	DAS Legal Claims	Tel:	0117 934 2116 (Switchboard)

## General claims procedure

This is a description of the general claims procedure you will need to follow:

1. Contact the relevant claims office, to notify the claim
2. If necessary, a claim form will be sent out to you for completion, or you will be asked to send details in writing
3. In the event of uncertainty, please call the relevant office for guidance.
4. Out of hours/Emergency Property losses - please contact 0800 028 0336
5. Track open claims on-line at: <https://www.zurich.co.uk/municipal/existing-customers>

**DAS Head and Registered Office:**

DAS Legal Expenses Insurance Company Limited | DAS House | Quay Side | Temple Back | Bristol | BS1 6NH  
Registered in England and Wales | Company Number 103274 Website: [www.das.co.uk](http://www.das.co.uk)  
DAS Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority  
and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

**DAS Law Limited Head and Registered Office:**

DAS Law Limited | North Quay | Temple Back | Bristol | BS1 6FL  
Registered in England and Wales | Company Number 5417859 Website: [www.daslaw.co.uk](http://www.daslaw.co.uk)  
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## DISS TOWN COUNCIL

# Financial Regulations

These Financial Regulations to be adopted by the Council at its Meeting held on 6<sup>th</sup> March 2024

**These Financial Regulations are based on the NALC Model Regulations (2019) and were adopted by Council at its meeting held on 13<sup>th</sup> March 2024**

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## 1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents<sup>1</sup> providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective, and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council.
- 1.9. The RFO;
  - acts under the policy direction of the Council;
  - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Council its accounting records and accounting control systems;
  - ensures the accounting control systems are observed;
  - maintains the accounting records of the Council up to date in accordance with proper practices;
  - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the Council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from

time to time comply with the Accounts and Audit Regulations<sup>1</sup> and the Audit and Accountability Act.

- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Council; and
  - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include procedures to:
- ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
  - enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identify the duties of officers dealing with financial transactions and division of responsibilities of those officers.
  - ensure that uncollectable amounts, including any bad debts, are not submitted to the Council for approval to be written off except with the approval of the Executive Committee and RFO and that the approvals are shown in the accounting records;
  - measures to ensure that risk is properly managed
- 1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (Council Tax Requirement);
  - approving accounting statements;
  - approving an annual governance statement;
  - borrowing;
  - writing off bad debts;
  - declaring eligibility for the General Power of Competence; and
  - addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.
- 1.14. In addition, the Council must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
  - approve any grant or a single commitment in excess of £10,000 or existing committee budget; and
  - In respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee (Executive) in accordance with its terms of reference.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

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<sup>1</sup> Accounts and Audit (England) Regulations 2015



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

## **2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

- 2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations 2015, appropriate Guidance and proper practices.
- 2.2. On a quarterly basis and at each financial year end, the RFO shall check all bank reconciliations and a member of the Executive Committee other than the Chairman of the Executive Committee shall be appointed as the Internal Controls Councillor (ICC) to verify bank reconciliations produced by the Finance Officer. The ICC member shall sign the reconciliations and the original bank statements as evidence of checks and verification. This activity shall on conclusion be reported, including any exceptions to the Executive Committee.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The internal auditor shall:
  - be competent and independent of the financial operations of the Council;
  - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
  - perform any operational duties for the Council;
  - initiate or approve accounting transactions; or
  - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO will adhere to Diss Town Councils Internal Audit Plan at all times.
- 2.11. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal and external auditors.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

**The RFO shall bring to the attention of all Councillors, at the next meeting of the Full Council, any report from internal or external auditors**

- 3.1. Each committee shall review its three year forecast of revenue and capital income and expenditure. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the **middle of November** each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than **November**, prepare detailed estimates of all income and expenditure including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Executive Committee and the Council.
- 3.3. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital income and expenditure including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year or the date specified by the billing authority whichever is the earlier. The RFO shall issue the precept to the billing authority and shall make a copy of the approved annual budget available to each member and upload to the Council's website as soon as possible thereafter.
- 3.5. The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.6. The RFO shall aim to maintain a minimum reserve amount equivalent to six months' gross expenditure. This level shall be reviewed regularly to consider known capital projects which may impact on levels of reserves and cash flow during the year.<sup>2</sup>

### **4. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1. Expenditure on revenue items outside the normal day to day operations of the Council may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
  - i) Full Council for all items over £10,000;
  - ii) a duly delegated committee of the Council for items over £2,500; or
  - iii) the Clerk, in conjunction with the Chairman of the appropriate committee, for any items below £2,500. (Emergency situations only)

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

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<sup>2</sup> Investment and Financial Reserves Policies

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

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to reduce the budget of a subsequent year. Unspent budgets for uncompleted capital projects may be carried forward following approval of the Executive Committee.
- 4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Chairman of the Executive committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5000. The Clerk shall report such action to the Chairman of the Executive Committee immediately, who will in turn inform Council of the spending requirement.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and/or the requisite borrowing approval has been obtained. Funds obtained for specific projects shall be ringfenced in identifiable accounts. Expenditure from those accounts will be reconciled with primary sources of funding requests and applications.
- 4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.8. The RFO shall regularly provide the Council with a statement of income and expenditure to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of **£100** or **15%** of the budget, whichever is the greater.
- 4.9. Changes in earmarked reserves shall be approved by Full Council as part of the budgetary control process.

## **5. BANKING ARRANGEMENTS, INSTRUCTIONS AND AUTHORISATION OF PAYMENTS**

- 5.1. The Council's banking arrangements, including the bank mandates, shall be made by the Finance Officer overseen by the RFO, and approved by Full Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. The council reserves the right to obtain credit references in respect of members or employees who act as signatories. Only the RFO or Town Clerk may transfer monies between accounts. The Finance Officer may transfer money with the signed agreement of either the Clerk or RFO.
- 5.2. The RFO shall report to Full Council (at least 11 times per year) as per the annually approved schedule of meetings, a schedule of payments (such list of payments made will be uploaded to the website). Out-of-the-ordinary payments requiring authorisation will form part of the

agenda for the meeting and the relevant invoice will be presented to the Council or committee. Having satisfied itself, the Council or committee shall authorise payment by a resolution. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) must be summarised to remove public access to any personal information.

- 5.3. All invoices for payment shall be examined, verified and certified by the Town Clerk to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
- 5.4. The Finance Officer shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading, overseen by the RFO. The Finance Officer/RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available payment run and within a 3 week period.
- 5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) are within existing budgets and relate to the normal day to day operations of the Council or for which the expenditure has previously been authorised by Council and the RFO has verified the invoice (as per 5.3 above) and presented at council.
  - b) Fund transfers within the Councils banking arrangements shall be unlimited amounts from the current account to the savings accounts. Transfers from the savings account to the current account shall be sufficient to cover the invoices authorised for payment by the RFO, with a reserve of no more than £10,000 to be maintained in the Current account. Transfers to the Wages account shall not exceed £40,000 (unless stipulated at point 5.5(c)), and the balance shall not exceed £10,000 by the end of the month. A list of all payments shall be submitted to the next appropriate meeting of Council or the Executive Committee.
  - c) Transfers of more than £40,000 can be transferred when Council receives a large amount of money into the bank account due to the sale of an Asset or the Precept allocation being received. If transfers are made of over £40,000 due to the above then these would need to be authorised by the RFO and 2 councillors signatures on an authority to transfer slip.
- 5.6. In respect of grants an authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council before being put into payment.
- 5.7. All payments drawn on the bank account, except for the payment of salaries, will be authorised by two members of the Council who have banking authorisation. Any member who is a bank signatory, having connection by virtue of family or business relationships with the beneficiary of a payment, should not, under any normal circumstances, be an authoriser of the payment in question.
- 5.8. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time. Any changes in the recorded details of suppliers, such as bank account records, shall be verified by the RFO/Town Clerk.
- 5.9. The Council will make safe and efficient arrangements for the making of its payments.
- 5.10. Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Clerk or RFO shall instruct that a payment shall be made. The RFO shall have delegated authority to process payments in respect of all authorised items

of expenditure as and when, and on a timely basis, to ensure that all invoices are paid in accordance with terms as far as is practicable.

- 5.11. All payments shall be affected by cheque or electronic transfers, in accordance with a resolution of Full Council.
- 5.12. Cheques or orders for payment drawn on the bank account in accordance with the invoices authorised for payment shall be signed/authorised by two members of Council in accordance with a resolution instructing that payment. Payment may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 5.13. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 5.14. To indicate agreement of the details shown on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 5.15. Cheques or orders for payment shall be verified by the RFO, authorised for payment by the Clerk/Deputy Clerk and approved by two signatories to the account and reported to the next Full Council meeting.
- 5.16. Payment for utility supplies (energy, telephone, water and equipment lease) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two Officers and any payments are reported to Council as made.
- 5.17. Payment for certain items (principally salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two authorised bank signatories and are retained and any payments reported to Council as made. The approval of the use of a Banker's Standing Order shall be reported to the Council at least every two years.
- 5.18. Payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to Council as made. The approval of the use of BACS or CHAPS shall be reported to the Council at least every two years.
- 5.19. Where a computer requires use of a personal identification number (PIN) or other password(s) for access to the council's records on that computer, they will be stored remotely in the cloud and via a database only accessed by the RFO to improve security.
- 5.20. No employee or Councillor shall disclose any PIN or password to any other person, relevant to the working of the Council or its bank accounts.
- 5.21. All records on any computer are securely stored in the cloud, access can be obtained via the Council's IT contractor.
- 5.22. The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 5.23. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

- 5.24. Access to any internet banking accounts will be directly to the access page, and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this regulation will be treated as a very serious matter under these regulations.
- 5.25. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by two of the Clerk, the Deputy Town Clerk, or the Executive Chair. A programme of regular checks of standing data with suppliers will be followed.
- 5.26. Any Credit Card issued for use will be specifically restricted to the Clerk (CEO), Deputy Clerk (COO), Facilities and Buildings Manager (FBM) and the Finance Officer using the individual's credit card limits which are available in section 5 of the credit card policy<sup>3</sup>. No further cards will be issued to other members of the council without Full Councils agreement.
- 5.27. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk (CEO), Deputy Clerk (COO), Facilities and Buildings Manager (FBM) and Finance Officer and shall be subject to automatic payment in full at each month-end. Where a corporate credit/debit card is provided, personal credit or debit cards of members or staff shall not be used under any circumstances.
- 5.28. Any corporate credit card provided will be stored in a secure location on the Council premises with access only provided to the Clerk (CEO), Deputy Clerk (COO), Facilities and Buildings Manager (FBM), and Finance Officer. All payments made using the credit card must be supported by a Purchase Order and /or an invoice and will be paid from the General Account to ensure appropriate authorisations and be in accordance with the credit card policy.
- 5.29. Personal credit or debit cards of officers or Councillors shall not be used.
- 5.30. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Finance Officer / RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.
- 6.24 Adequate systems of internal control will be implemented prior to adopting electronic payments.

## **6. PAYMENT OF SALARIES**

- 6.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or by the Executive Committee.
- 6.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.
- 6.3. No changes shall be made to any employee's salary scale range, emoluments, or terms and conditions of employment without the prior consent of the Executive Committee.
- 6.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record

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<sup>3</sup> Credit Car Policy

(confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any Councillor who can demonstrate a need to know;
- b) by the internal or external auditor; or
- c) by any person authorised under Audit Commission Act 1998, or any superseding legislation

6.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

6.6. An effective system of personal performance management should be maintained for senior officers.

6.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Full Council.

## **7. LOANS AND INVESTMENTS**

7.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full Council.

7.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council or Executive Committee. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.

7.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council Investment Strategy which is reviewed yearly as per relevant regulations, proper practices and guidance. All investments of money under control of the council shall be in the name of the council.

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

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

7.6. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## **8. INCOME**

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

8.2. 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.

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

- 8.4. Any sums found to be irrecoverable and any bad debts shall be reported to Full Council and shall be written off in the year. All such sums and debts in excess of £1,000 shall be reported to the Chairman of the Executive Committee prior to such items being written off.
- 8.5. 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.
- 8.6. The origin of each receipt shall be entered on the paying-in slip.
- 8.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 8.8. The Finance Officer overseen by the RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made quarterly coinciding with the financial year-end.
- 8.9. Where any sums of cash over £500 which are 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 and that appropriate care is taken in the security and safety of individuals banking such cash.
- 8.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Regulation 16 below).

## **9. ORDERS FOR WORK, GOODS AND SERVICES**

- 9.1. All orders will be authorised by either the Town Clerk, Deputy Clerk (COO) or the Buildings & Facilities Manager (B&FM). The Town Clerk has authorisation up to £2000, the Deputy Town Clerk £1500 and the B&FM up to £750.00. Copies of orders shall be retained by the Finance Officer.
- 9.2. A member may not issue an official order or make any contract on behalf of the council.
- 9.3. All members and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 10 (l) below.
- 9.4. The RFO, Clerk (CEO) or Deputy Clerk (COO) 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 Clerk 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.

## **10. CONTRACTS**

- 10.1. Procedures as to contracts are laid down as follows:
  - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
    - i. for the supply of gas, electricity, water, sewerage and telephone services;
    - ii. for specialist services such as are provided by legal professionals acting in disputes.



- 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 Chairman of the Executive Committee); and
  - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. In accordance with the Public Contracts Regulations 2015, where it is intended to enter into a contract exceeding **£30,000** 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), and the contract is to be advertised, the Clerk shall:
- ensure the contract information and details of the award are published on the government's Contracts Finder website.
  - set out the procedures to be followed in awarding new contracts
  - publicise the award of new contracts
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).<sup>4</sup>
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition, the reason shall be embodied in a recommendation to the Council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or COO in the presence of at least two members of Council.
- g. If less than three tenders are received for contracts above £30,000 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.
- h. Any invitation to tender issued under this regulation shall be subject to Standing Orders 18 c., d., e. & f and shall refer to the terms of the Bribery Act 2010.
- i. When it is to enter into a contract of less than £30,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods,

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<sup>4</sup> Thresholds currently applicable are:

a) For public supply and public service contracts 209,000 Euros (£181,302)  
b) For public works contracts 5,225,000 Euros (£4,551,413)

materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk/RFO or Buildings & Facilities Manager shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £500 the Clerk/RFO or Buildings & Facilities Manager shall strive to obtain three estimates. Otherwise, Regulation 9 (3) above shall apply.

- j. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- k. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated, and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.
- l. The references to the European Union Procurement thresholds in Standing Orders still apply for the purposes of the Public Contract Regulations 2015 and Utilities Contracts Regulations 2016. However, the end of the transition period has brought in new advertising requirements and the introduction of "Find a Tender". For more details, visit [www.gov.uk/guidance/public-sector-procurement-from-1-january-2021](http://www.gov.uk/guidance/public-sector-procurement-from-1-january-2021). New procurements (over £100K but refer to current procurement thresholds) must now be advertised on 'Find a Tender'. Current requirements to also advertise on Contracts Finder remain unchanged.

## **11. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- 11.1. 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).
- 11.2. 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.
- 11.3. 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, the Council being informed where the final cost is likely to exceed the financial provision.

## **12. STORES AND EQUIPMENT**

- 12.1. The Buildings & Facilities Manager shall be responsible for the care and custody of stores and equipment.
- 12.2. 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.
- 12.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 12.4. The Buildings & Facilities Manager shall be responsible for ensuring that periodic checks of stocks and stores are undertaken at least annually and will report his findings to the Clerk/COO.

## **13. ASSETS, PROPERTIES AND ESTATES**

- 13.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is

maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

- 13.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of Full 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 £1,000.
- 13.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of Full Council, together with any other consents required by law, In each case a Report in writing shall be provided to Full Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 13.4. No real property (interests in land) shall be purchased or acquired without the authority of Full Council. In each case a Report in writing shall be provided to Full Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 13.5. Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of Full Council. In each case a Report in writing shall be provided to Council with a full business case.
- 13.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, in conjunction with a health and safety inspection of assets.

#### **14. INSURANCE**

- 14.1. Following the annual risk assessment (per Financial Regulation 17), the Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 14.2. The RFO shall identify all new risks, properties or vehicles which require to be insured to the Clerk and of any alterations affecting existing insurances.
- 14.3. The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 14.4. The Clerk 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.
- 14.5. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or Executive Committee.

#### **15. CHARITIES**

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

#### **16. RISK MANAGEMENT**

- 16.1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk (CEO) 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 following review by the Executive Committee.
- 16.2. When considering any new activity, the Clerk (CEO) with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

## **17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

- 17.1. It shall be the duty of the Full Council to review the Financial Regulations of the Council annually on the recommendation of the Executive Committee. The Clerk (CEO) and RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Full Council of any requirement for a consequential amendment to these financial regulations.
- 17.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

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# **External & Internal Audit Policy**

## **Diss Town Council**

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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## 1. Principles

- 1.1 **Diss Town Council, under section 3 of the Accounts and Audit (England) Regulations 2015, must establish a robust internal control system to facilitate effective functions, achieve objectives, and ensure sound financial and operational management, including risk management.**

### *Internal Audit*

- 1.2 Smaller authorities, as per Regulation 5(1) of the Accounts and Audit Regulations 2015, must conduct regular internal audits, aligning with public sector internal auditing standards, to assess the effectiveness of risk management, control, and governance processes.
- 1.3 Internal audit, a vital part of the internal control system, aims to assess the effectiveness of a council's financial and internal controls. It must be independent, with auditors competent to meet the council's business needs.
- 1.4 Internal audit entails periodic independent reviews of a council's internal controls, providing assurance reports to enhance efficiency and effectiveness in controlled activities and procedures.

### *External Audit*

- 1.5 Parish and Town Councils in the UK are required to undergo external audits to ensure transparency, accountability, and compliance with financial regulations. The legislation governing this process is primarily outlined in the Local Audit and Accountability Act 2014 – Accounts and Audit Regulations 2015.
- 1.6 The external auditor is independently appointed and is currently PKF Littlejohn LLP. The external auditor examines the Annual Return and other documents relating to Diss Town Council's internal controls which are specifically requested to give them a limited assurance.

## 2. Practice

- 2.1 It's recommended to conduct two internal audits in the financial year to ensure the ongoing adequacy of internal controls.
- 2.2 Councils should tailor internal audits to their needs, size, and circumstances.
- 2.3 Councils, based on complexity, should define control objectives in standing orders and financial regulations. The audit scope widens with increased organizational complexity.
- 2.4 Councils determine the internal audit's necessary scope and extent, ensuring it aligns with their specific requirements.
- 2.5 Regardless of procurement, local councils must adhere to two key principles in establishing their internal audit: independence and competence.
- 2.6 Independence in internal audit means avoiding involvement in financial decision-making and refraining from offering advice on financial matters.
- 2.7 Essential competencies for internal auditors include basic bookkeeping, understanding internal audit roles, awareness of risk management, and comprehension of accounting requirements within the legal framework.

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### **3. Scope**

- 3.1 Internal audit covers the entire spectrum of the council's activities, ensuring policy implementation, upholding values, legal compliance, process adherence, accurate financial information, and efficient resource management.
- 3.2 The audit scope may expand based on identified weaknesses, including investigations, executive committee requests, and additional work on planned activities.

### **4. Roles and responsibilities**

#### ***Diss Town Council***

- 4.1 To fulfil internal audit responsibilities, Diss Town Council (DTC) conducts annual reviews of its internal control systems, appoints an independent and competent internal auditor, and ensures proportionality to the Council's size and complexity.
- 4.2 The Town Council provides the internal auditor access to the necessary documents and personnel for effective audits.

#### ***Internal Auditor***

- 4.3 The Internal Auditor conducts at least two audits per financial year, providing assurance reports to enhance the Council's controlled activities and procedures.
- 4.4 If unable to complete any section in the Annual Return, the Internal Auditor provides an explanation.
- 4.5 Internal Audit has unrestricted access to review financial and officer controls, compliance with policies, safeguarding of assets, reliability of financial information, integrity of computer systems, risk management, corporate governance, and identified areas for improvement.
- 4.6 The Internal Auditor presents reports to the Town Council summarizing work, significant findings, agreed actions, and recommendations after each audit

#### ***Terms of Engagement***

- 4.7 Internal audit engagements are governed by an appointment letter covering roles and responsibilities, audit planning, terms of reference, reporting requirements, assurances on independence and competence, access to information, engagement period, remuneration, and other relevant matters



**Terms of Reference**

**Internal Auditor’s Terms of Reference – Mid Year**

Main Areas of Focus	Specific Point of Audit Review
General Systems	<p>Financial Management</p> <p>Risk Management</p> <p>Adherence to Legislation</p> <p>Standing Orders and Council’s Procedures and Internal Controls</p> <p>Do activities match the Council’s Policies and Values?</p> <p>Identify Fraud and Corruption Risks</p> <p>Review the Effective and Efficient Management of the Council Resources</p>
Payment Controls	<p>Do Councillors who authorise payments see a complete list of payees before they authorise payment of accounts each month?</p> <p>Does the amount of money that they authorise agree with the amount of money recorded in the minutes?</p> <p>Are payments in the cash book supported by invoices, authorised and minuted?</p> <p>Where cheques have been issued for payment, have they been signed in accordance with financial regulations?</p> <p>Has the Council acted lawfully in its decision making and not exceeded its powers?</p>
	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <p>Do salaries paid agree with those approved by the Council</p> <p>Are other payments to employees reasonable and approved by the Council?</p> <p>Have PAYE/NIC been properly operated by the Council’s and employee them?</p>
Bank Reconciliation	<p>Is there a bank reconciliation for each account?</p> <p>Is there a bank reconciliation carried out regularly and in a timely fashion?</p> <p>Has the bank reconciliation been signed off by the Internal Controls Councillor?</p> <p>Are there any unexplained balancing entries in any reconciliation?</p> <p>Is the value of investments held/summarised on the reconciliation?</p>

**Internal Auditor’s Terms of Reference – Year End**

Internal Control	Testing Required
Proper bookkeeping	<p>Is the cashbook maintained and up to date?</p> <p>Is the cashbook arithmetic correct?</p> <p>Is the cashbook regularly balanced?</p>

A. Standing Orders & Financial Regulations adopted and applied  B. Payment Controls	<p>Has the Council formally adopted its Standing Orders &amp; Financial Regulations?</p> <p>Has a responsible officer been appointed with specific duties?</p> <p>Have items on services above the de minimus amount been competitively purchased?</p> <p>Are payments in the cashbook supported by invoices authorised and minuted?</p> <p>Has VAT on payments been identified, recorded and appropriately reclaimed?</p> <p>Is Section 137 expenditure separately recorded and within statutory limits?</p>
Risk Management Arrangements	<p>Does a review of the minutes identify any unusual financial activity?</p> <p>Do minutes record the Council carrying out an annual risk assessment?</p> <p>Is insurance coverage appropriate and adequate?</p> <p>Are internal financial controls documented and regularly reviewed?</p> <p>Has the Council assessed the significant risks to achieving its objectives relative to its management of its finances and has procedures in place to deal with this?</p>
Budgetary Controls	<p>Has the Council prepared an annual budget in support of its precept?</p> <p>Is actual expenditure against the budget regularly reported to the Council?</p> <p>Are there any significant unexplained variances from budget?</p> <p>Is the budget matched to year end outturn to enable consistent comparison of financial performance?</p> <p>Are year-end variances explained?</p>
Income Controls	<p>Is income properly recorded and properly banked?</p> <p>Does the precept recorded agree to the Council Tax authorities' notification?</p> <p>Are security controls over cash and other receipts adequate and effective?</p> <p>Is there a system for regular income collection?</p> <p>Are unpaid invoices chased?</p>
Petty Cash Procedures	DTC do not use petty cash.
Payroll Controls	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <p>Do salaries paid agree with those approved by the Council?</p> <p>Are other payments to employees reasonable and agreed by the Council?</p> <p>Has PAYE and NIC been properly operated by the Council as an employer?</p> <p>Are employee records maintained in respect of changes to contracts?</p>
Asset Controls	<p>Does the Council maintain a register of all material assets owned or in its care?</p> <p>Are the assets and investments register up to date?</p> <p>Do asset insurance valuations agree with those in the asset register?</p>

Bank Reconciliation	<p>Is there a bank reconciliation for each account?</p> <p>Are bank reconciliations carried out regularly and in a timely fashion?</p> <p>Are there any unexplained balancing entries in any reconciliation?</p> <p>Is the value of investments held summarised on the reconciliation?</p> <p>Has a year-end reconciliation been carried?</p>
Year End Procedures	<p>Are year-end accounts prepared on an income and expenditure basis?</p> <p>Do accounts agree with the cash book?</p> <p>Is there an audit trail for underlying financial records to the accounts?</p> <p>Has debtors and creditors been properly recorded?</p> <p>Has the Council met its responsibilities as trustees?</p>
Improvements	<p>Has the Council acted on the recommendations and comments of the internal and external auditors?</p>

**INTERNAL AUDIT SERVICE FOR DISS TOWN COUNCIL**

## AUDIT PROGRAMME – 2023/24

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the March 2019 edition of “Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide”

Signed.....

Date.....

1 Internal Control	2 Tests	3 Tick if Yes	4 Comments/Recommendations
Previous Internal / External Audit Report	Do the minutes record that Council has considered the Internal Audit / External Report for the previous year and the matters arising addressed?		
Proper bookkeeping	Is the cashbook maintained and up to date?		
	Is the cashbook arithmetically, correct?		
	Is the cashbook regularly balanced?		
Standing Orders and Financial Regulations	Has a Responsible Financial Officer been appointed?		
	Are Standing Orders and Financial Regulations reviewed annually to ensure that they are appropriate for the Council?		
	Have items or services above a de minimis amount been competitively purchased?		
Payment Controls	Do Councillors see a complete list of payments made each month?		
	Are payments in the cash book supported by invoices, authorised and minuted?		
	Are cheques signed in accordance with financial regulations?		
	Has the Council acted lawfully in its decision making and not exceeded its powers?		
	Have VAT on payments been identified, recorded and appropriately reclaimed?		
	Is Section 137 expenditure separately recorded and within statutory limits?		
	Is the General Power of Competence (if relevant) appropriately used and recorded in the minutes?		
	Does a scan of the minutes identify any unusual activity?		
Risk Management Arrangements	Do the minutes record the Council carrying out an annual risk assessment?		
	Is insurance cover appropriate adequate and regularly reviewed?		
	Are internal financial controls documented and regularly reviewed?		
	Has the Council assessed the significant risks to achieving its objectives relative to the management of its finances and has procedures in place to deal with it?		
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?		
	Is actual expenditure against the budget regularly reported to Council?		

	Are there any significant unexplained variances from budget?		
	Is the budget matched to year end outturn to enable consistent comparison of financial performance?		
	Are year-end variances from budget explained?		
Income Controls	Is income properly recorded and promptly banked?		
	Does the precept recorded agree to the District Council's notification?		
	Are security controls over cash adequate and effective?		
Petty Cash Procedures	Petty Cash is not used by Diss Town Council.		
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?		
	Do salaries paid agree with those approved by Council?		
	Are other payments to employees reasonable and approved by Council?		
	Has PAYE/NIC been properly operated by the Council as an employer?		
Asset Controls	Does the Council keep an Asset Register of all material assets owned?		
	Is the Register up to date?		
	Do asset insurance valuations agree with those in the Register?		
Bank Reconciliation	Is there a bank reconciliation for each bank account?		
	Is the bank reconciliation carried out regularly on the receipt of statements?		
	Are there any unexplained balancing entries in any reconciliation?		
	Has the bank reconciliation been reported to the committee on quarterly basis?		
	Has a year-end reconciliation been carried out?		
	Is the value of investments held summarised on the reconciliation?		
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?		
	Do accounts agree with the cashbook?		
	Is there an audit trail from underlying financial records to the accounts?		
	Where appropriate, have debtors and creditors been properly recorded?		
	Have the Council met its responsibilities as trustees?		
Improvements	Has the Council acted on the recommendations and comments of the internal and external auditors?		

Other Recommendations Arising out of Internal Audit Programme:



# **Financial Reserves Policy**

## **Diss Town Council**

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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Clerk and CEO are inter-changeable titles, as are Deputy Clerk and COO.

## **Financial Reserves Policy**

### **1. Background**

- 1.1 Diss Town Council, in accordance with statutory obligations, must maintain sufficient financial reserves to meet organisational needs. Section 50 of the Local Government Finance Act 1992 mandates precepting authorities to consider reserve levels when calculating the budget. While no specific minimum or maximum is stipulated
- 2.1 Diss Town Council has established a minimum 6-month target for general reserves.

### **2. Legislative/Regulatory Framework**

- 2.1 Section 114 of the Local Government Finance Act 1988 requires the Responsible Finance Officer to report unlawful expenditure or an unbalanced budget to the council.
- 2.2 Sections 26 and 27 of the Local Government Act 2003 outline-controlled reserve levels, and the Use of Resources assessment includes maintaining reserves within the agreed policy.

### **3. Role of the Responsible Finance Officer**

- 3.1 The Responsible Finance Officer advises on reserve levels within the statutory framework and ensures clear protocols for their establishment and use.
- 3.2 Whilst the legislation doesn't quantify minimum reserve levels, guidance from the National Association of Local Councils and the Society of Local Council Clerks is considered.

### **4. Purpose of Reserves**

- 4.1 Reserves serve three main purposes at Diss Town Council:
  - Current Fund Account – Lists the precept for the current financial year.
  - General Reserve Account – Cushions uneven cash flows, preventing unnecessary temporary borrowing.
  - Earmarked Reserves Account – Specific funds for known or predicted liabilities, with clear protocols for their management.
- 4.2 For each Earmarked Reserve held, there should be a clear protocol setting out:
  - The reason for/purpose of the reserve
  - How and when the reserve can be used
  - Procedures for the reserve's management and control
  - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

### **5. Principles to Assess Adequacy**

- 5.1 Key financial assumptions, budget considerations, and financial management arrangements inform reserve levels.
- 5.2 The minimum level of General Reserves is annually reviewed during the budget process. Earmarked Reserves are reviewed as part of the annual budget preparation and accounts closure.
- 5.3 External auditors recommend a risk-based approach, considering specific budgeted needs and informed judgment.
- 5.4 Budget Assumptions



- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings/gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements, or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions.

#### Financial Standing and Management

- The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates, etc.)
- The authority's track record in budget and financial management
- The authority's capacity to manage in-year budget pressures
- The strength of the financial information and reporting arrangements
- The authority's virement and end-of-year procedures about budget under/overspends

5.5 The minimum level of General Reserves which is considered appropriate for the Council is reviewed annually as part of the budget process.

### 6. Reporting Framework

6.1 The Council, guided by the Responsible Finance Officer/Clerk, formally determines reserve levels and utilisation.

6.2 The annual budget report includes statements on general fund balances and Earmarked Reserves, assessing adequacy.

### 7. Reserve Criteria

7.1 The Current Fund Reserve comprises the current year's precept.

7.2 The General Reserve should maintain a 3-12 month amount of precept for cash flow and contingencies.

7.3 Earmarked Reserves are specified for council-approved projects.

7.4 Total assets should never be less than total liabilities, and an annual risk assessment determines the contingency reserve level.

### 8. Community Infrastructure Levy

8.1 CIL secures contributions from developers for infrastructure. Diss Town Council has discretion in spending, with 15% (25% of CIL receipts directed to them).

8.2 Town and Parish Councils have broader spending discretion. CIL funds can be collaboratively used with other income streams for community benefit.

8.3 Infrastructure categories include physical, social, and green infrastructure.

8.4 CIL funds must be separately accounted for and spent within five years, with exceptions for allocated projects.



# **Financial Statement Control Policy**

## **Diss Town Council**

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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## **1. Scope of Responsibility**

Diss Town Council (the Council) is a local authority funded largely by public money and is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

## **2. The Purpose of the System of Internal Control**

2.1 The Council's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks of failure. It can therefore only provide reasonable and not an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to

- identify and prioritise the risks to the achievement of the Council's policies, aims, and objectives,
- evaluate the likelihood of those risks being realised, and the impact should then be realised
- manage them effectively and economically.

2.2 The system of internal control accords with the practices set out in the Governance and Accountability for Smaller Authorities in England (March 2017).

## **3. The Internal Control Environment**

3.1 The Council reviews its obligations and budgets and the level of precept required for the following year between October and February each year.

3.2 The full Council meets 11 times during the year and monitors progress against its aims and objectives at each meeting by reviewing and ratifying all Committee decisions. The Council carries out regular reviews of its internal controls, systems, and procedures and has to exercise a proper and reasonable degree of control over financial matters, which it achieves by delegating the task to the Internal Controls Councillor (ICC).

3.3 The Council has appointed: a Town Clerk who acts as the Council's advisor and administrator, a Deputy Town Clerk who deputises for the Town Clerk and carries out the statutory and delegated functions of the Town Clerk in his/her absence due to annual leave or sickness. and a Responsible Financial Officer (RFO).

3.4 The RFO manages and administers the Council's finances and is responsible for the day-to-day compliance with laws and regulations which the Council is subject to and for managing risks as well as ensuring adherence to the Council's procedures, control systems, and policies. The RFO is supported by one part-time Finance Officer.

## **4. Payments**

4.1 The Council has adopted Financial Regulations, based on the National Association of Local Council's model which set parameters for the Council's financial operations. The majority of payments are made by the Bankers Automated Clearing System (BACS) as used by the bank at which DTC holds accounts and cheques authorised at full Council meetings drawn on a bank account in the name of Diss Town Council. Two Members and an officer of Diss Town Council must sign every cheque, check the payment slips and initial all payment slips and cheque counterfoil.

## **5. Risk Assessment**

5.1 Diss Town Council reviews its Risk Management Policy annually.

## **6. Internal Audit**

6.1 The Council will appoint an independent, competent internal auditor prior to the start of the financial year. <sup>1</sup>

## **7. External Audit**

7.1 The External Auditor is independently appointed and is currently PKF Littlejohn LLP. <sup>2</sup>

## **8. Effectiveness**

8.1 The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is monitored by:

- The Council
- The Town Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk.
- The independent internal auditor who reviews the Council's systems.
- The external auditor who makes a final check using the annual return.
- The external auditor in their annual report.

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<sup>1</sup> Internal & External Auditor Policy

<sup>2</sup> Internal & External Auditor Policy

## **Review of Financial Control Effectiveness**

1. The Council is required to review at least annually the effectiveness of its system of financial control.
2. On the recommendation of the RFO and in accordance with the Council's Financial Regulations and on the adoption of this policy the Executive Chair and Internal Controls Councillor will undertake inspections/checks every two months of the finances and their procedures, they will then conduct a review meeting regarding their findings with the RFO/Finance Officer and provide a written report to Council.
3. The first inspection and meeting to be undertaken in February and then bi-monthly regarding all of the items listed below: -
  - The last review date of the Council's Standing Orders
  - The last review date of the Council's Financial Regulations
  - The last review date of the Terms of Reference for Committees or the last review date of the Terms of Reference for Portfolio Holders
  - Evidence that quarterly budget monitoring reports have been presented to Council
  - Evidence of quarterly bank reconciliations (checked back to original bank statements in accordance with Financial Reg. 2.2)
  - Data Protection – that the Council is protecting data in accordance with current Data Protection legislation and the General Data Protection Regulation (May 2018)<sup>3</sup>
  - Transparency Code 2015 – that the Council has up to date financial information Which is displayed correctly on their website.

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<sup>3</sup> Data protection policy

## INTERNAL CONTROL PROCEDURES

WORK ELEMENT	INTERVAL	ACTION OF RFO	COUNCIL ACTION
CASH FLOW	Monthly	To report income from grants, donations, etc.  To report on accounts to be paid.	To consider and amend/note income.  To consider invoices and authorise payments.
INCOME & EXPENDITURE ACCOUNT and BANK RECONCILIATION	Quarterly	To present to Council a breakdown of receipts & payments, together with bank balance information including expenditure against budget.	To consider and receive the report.
BANK STATEMENTS	Monthly	To check bank statements against receipts & payments. To present to the Council a monthly bank reconciliation.	Check monthly bank reconciliation.
PETTY CASH	None		
VAT RETURNS	Annual	To make a claim to recover VAT on at least an annual basis.	To check claim has been made, immediately following the end of the financial year (31st March).
PAYE INCOME TAX & NATIONAL INSURANCE CONTRIBUTIONS	Monthly  Annual	To pay appropriate PAYE Income Tax and National Insurance Contributions on a monthly basis  To complete Employer Annual Return by date specified.	To check payments have been made.  To check annual return has been completed and sent
ASSET REGISTER	Annual	To present a report to Council on assets and up-to-date values.	To consider and adopt the reports.
INSURANCES	Annual	To present to Council a report on insurance held and required.	To consider and adopt the report.
END OF YEAR ACCOUNTS AND AUDIT DOCUMENTATION	Annual	To prepare receipts & payments accounts and balance sheet, together with external audit papers for presentation to Council as soon as possible after 31 March.	To consider and adopt the accounts and approve the audit papers.
INTERNAL AUDIT	Annual	To have an audit of the Council's accounts and procedures by an outside, competent agency. The internal audit precedes the formal external audit and feeds into it	To appoint an internal auditor, and to receive and consider the internal auditor's report.
RFO	Annual	To have a work review and personal action plan, including training if necessary.	To be conducted by the Clerk ( <i>or Executive Chair</i> )
COMPUTER FILES	Monthly	To ensure that files are regularly backed up onto a portable hard drive / cloud storage.	To be verified in work review conducted by the Clerk ( <i>or Executive Chair</i> )
DOCUMENT SAFETY	As required	To ensure that all essential documents are securely held, and signed minutes are archived on a regular basis.	To be verified in work review conducted by the Clerk ( <i>or Executive Chair</i> )
LEGISLATION	As required	To inform Council of legislation impinging on the Council and/or its policies and work programmes.	To consider and act upon the reports.

## INTERNAL CONTROLS COUNCILLOR CHECKLIST TABLE

ACTION	AUDIT TRAIL	EVIDENCE SEEN (initialled)
ALL ANTICIPATED INCOME RECEIVED	<p>PRECEPT RECEIVED FROM SOUTH NORFOLK DISTRICT COUNCIL</p> <ul style="list-style-type: none"> <li>• On receipt of form from SNDC complete with approved and minuted precept amount</li> <li>• Note entry on bank statement and record Income on accounts ledger</li> </ul> <p>INTEREST RECEIVED</p> <ul style="list-style-type: none"> <li>• Noted on monthly bank reconciliation and Bank statement (monthly)</li> <li>• Two statements (2 bank accounts) received and actioned</li> </ul> <p>VAT REFUNDED (Yearly)</p> <ul style="list-style-type: none"> <li>• Each purchase invoice checked for VAT content, VAT supplier number and recorded in ledger</li> <li>• Reconcile with Payments report for same period</li> <li>• Remittance advise received</li> <li>• Check payment arrived in nominated bank account</li> </ul>	
EXPENDITURE BROADLY IN LINE WITH BUDGET	<ul style="list-style-type: none"> <li>• Invoices entered into accounts ledger</li> <li>• Quarterly accounts summary presented to Councillors and sent with agenda, prior to Full Council meeting</li> </ul>	
EXPENSES ARE PROPERLY AUTHORISED BEFORE PAYMENT IS MADE	<ul style="list-style-type: none"> <li>• Supplier Invoices are itemised for payment on payment schedule sent with monthly agenda</li> <li>• Invoices are checked by Clerk or RFO and these are then authorised by two members via BACS and subsequently authorised a second time by either the Clerk or RFO.</li> <li>• Councillors note invoices for payment.</li> <li>• Cheques signed by three authorised signatories, 2 councillors and either the Clerk or the RFO.</li> </ul>	
RECORDING OF INCOME & EXPENDITURE AND A BANK RECONCILIATION	<ul style="list-style-type: none"> <li>• Purchase invoices are recorded onto payment schedule every month</li> <li>• Income is deposited into Lloyds Bank via the Post Office in line with Financial Regulations and internal controls (cash handling)</li> <li>• Bank reconciliation produced monthly and sent with full council meeting agenda</li> </ul>	

Date review conducted	
ICC conducting review	
Signed	
Date	



**Internal Financial Applications**

**INCOME – Cash/Cheques**

No	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Write out receipt for all income received	Finance Officer	Responsible Finance Officer
2.	Appropriate invoice, interment or memorial application, or diary entry to be marked with receipt number	Finance Officer, Lead administrator	Responsible Finance Officer
3.	Income to be entered in Cash book with either invoice and/or receipt number under appropriate budget heading	Finance Officer	Responsible Finance Officer
4.	Monthly – all cheques and cash to be agreed with cash book and banked	Finance Officer	Responsible Finance Officer
5.	Weekly – check general bank account for income received via BACs	Finance Officer	Responsible Finance Officer
6.	Monthly – last working day of each month, all cheques and cash to be agreed with cash book and banked.	Finance Officer	Responsible Finance Officer
7.	Monthly analysis to be agreed in cash book and with computerised accounts system.	Finance Officer	Responsible Finance Officer
8.	Monthly - all entries to be entered into computerised accounts system	Finance Officer	Responsible Finance Officer
9.	Monthly Bank reconciliation	Finance Officer	RFO and Internal Controls Councillor
10.	Ensure the annual Precept is paid by South Norfolk District Council into the current account by BACs in two equal instalments – end of April and September each year. As soon as the funds are in the bank account transfer the Precept funds to the investment account.	Responsible Finance Officer	As part of Internal Audit

**EXPENDITURE**

**Wages & Petty Cash Account (signatory any two of the Deputy, the Clerk or RFO only up to £40,000)**

No	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	A receipt must be obtained for all expenditure, in the case of wages employees to complete appropriate time sheet	Responsible Finance Officer	Town Clerk
2.	Voucher to be completed for each payment showing name of payee, nature of goods, budget heading (s) cheque number & amount – split net, VAT and gross amounts	Responsible Finance Officer	Town Clerk

3.	Wage documentation to be filed in staff wage records.	Finance Officer	Responsible Finance Officer
4.	End of each month prepare a list of all payments with details as above	Responsible Finance Officer	Town Clerk/ Dep Town Clerk
5.	List of Payments to be sent to the signatories for approval	Responsible Finance Officer	Town Clerk/ Dep Town Clerk
6.	RFO to arrange a bank transfer.	Responsible Finance Officer	Town Clerk/ Dep Town Clerk
7.	RFO to Set up the transactions on Wages & PC Account	Responsible Finance Officer	Town Clerk/ Dep Town Clerk
8.	Town Clerk to approve the transactions and the payments are released	Responsible Finance Officer	Town Clerk/ Dep Town Clerk
9.	Monthly - All entries to be entered into computerised accounts system.	Responsible Finance Officer / Finance Assistant	Internal Controls Councillor
10.	Monthly Bank reconciliation	Responsible Finance Officer / Finance Assistant	Internal Controls Councillor
NB	Maximum permitted amount in the account at any one time £40,000, wages prepared by two different members of staff (includes Town Clerk). Fidelity insurance cover to £500,000.		

**General Account (signatories' requirement any 2 Councillors and the Clerk, Deputy Clerk or RFO)**

No	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	All invoices filed in Accounts for Payment file. (Sundry Creditors)	Finance Officer	Responsible Finance Officer
2.	Check invoices against official orders and delivery notes, for accuracy and prepare for twice monthly payment run	Finance Officer	Town Clerk
3.	Liaise with NALC reference staff wages and makes relevant payments	Finance Officer/RFO	Town Clerk
4.	Prepare electronic payments for approval by signatories twice a month	Finance Officer	Responsible Finance Officer/ 2 Signatories
5.	Voucher to be completed for every payment showing name of payee, nature of goods, budget heading (s), voucher no. (cheque no. if appropriate) & amount – split net, VAT and gross amounts, and stapled to invoice (s)	Finance Officer	Town Clerk / RFO

6.	Prepare a Spreadsheet in order alphabetically.	Finance Officer	Responsible Finance Officer/ 2 Signatories
7.	Set up the bank transactions	Finance Officer	Town Clerk/RFO
8.	Arrange a bank transfer based on this Spreadsheet.	Finance Officer	Town Clerk/RFO
9.	Contact the Signatories on authorisation rota to come to the council office to authorise the payments.	Finance Officer	Town Clerk/RFO
10.	Any queries from the Councillors regarding the payments can be resolved by the staff and the payment documentation will be available to view.	Finance Officer	Town Clerk/RFO
11.	Notify the signatories that the transactions have been set up for online authorisations.	Finance Officer	Town Clerk/RFO
12.	Signatories approve the transactions, and the payments are released	Finance Officer	Town Clerk/RFO
13.	All entries to be entered into computerised accounts system.	Finance Officer	Town Clerk/RFO
14.	Monthly prepare list of payments made for inclusion with the next convenient agenda of the Executive Committee or Full Council	Finance Officer	Town Clerk/RFO
15.	Cheques to be signed or electronic payments approved by two of the Councillor signatories, with the Clerk, Deputy Clerk or RFO to also countersign cheques. Cheque stubs to be initialled by signatories	Finance Officer	Town Clerk/RFO
15.	Ensure sufficient funds in bank account, raise necessary transfers between bank accounts	Finance Officer/RFO	Town Clerk
16.	Cheques to be sent to creditors within two weeks in line with BACS payment schedule.	Finance Officer	Town Clerk/RFO
17.	Vouchers & invoices to be filed	Finance Officer	Town Clerk/RFO
18.	Monthly Bank reconciliation	Finance Officer	RFO and Internal Controls Councillor
19.	Publish EMR and community grants awarded on DTC website	Marketing Administrator	Town Clerk/RFO
20.	In case of new or infrequent expenditure quote the statutory authority being used on the payment voucher and ensure inclusion in the minutes	Responsible Finance Officer	Town Clerk/ Deputy TC

### **Town Mayor's Charity Account (signatories Town Mayor and the Clerk or RFO)**

**This is a current account used solely for monies raised and expenditure incurred relating to fundraising, for the Town Mayor's nominated charity/charities during his/her term of office.**

### **INCOME – Cash/Cheques**

<b>No</b>	<b>PROCEDURE</b>	<b>CARRIED OUT BY</b>	<b>CHECKED BY</b>
1.	Financial Summary Excel spreadsheet to be opened at the beginning of each Mayoral Year	Finance Officer	Town Clerk/RFO
2.	Excel spreadsheet to be opened for each fundraising event (Concerts, Mayor's ball)	Finance Officer	Town Clerk/RFO
3.	Income to be entered in Cash book under Town Mayor's Charity heading and on to appropriate event spreadsheet	Finance Officer	Town Clerk/RFO
4.	Monthly – all cheques and cash to be agreed with cash book and banked in Town Mayor's Charity account	Finance Officer	Town Clerk/RFO
5.	Monthly – last working day of each month, all cheques and cash to be agreed with cash book and banked in Town Mayor's Charity account	Finance Officer	Town Clerk/RFO
6.	Monthly analysis to be agreed in cash book and with computerised accounts system	Finance Officer	Town Clerk/RFO
7.	Monthly Bank reconciliation	Finance Officer	RFO and Internal Controls Councillor
8.	After each fundraising event, income from individual spreadsheet to be entered onto Financial Summary spreadsheet	Finance Officer	Town Clerk/RFO

## EXPENDITURE

<b>No</b>	<b>PROCEDURE</b>	<b>CARRIED OUT BY</b>	<b>CHECKED BY</b>
1.	Check invoices against official orders and delivery notes, for accuracy and prepare for payment	Finance Officer	Town Clerk/RFO
2.	Voucher to be completed for every cheque showing name of payee, nature of goods, budget heading (s), cheque number & amount – split net, VAT and gross amounts, and stapled to invoice (s)	Finance Officer	Town Clerk/RFO
3.	Prepare cheques for signature by authorised internal and external signatories	Finance Officer	Town Clerk/RFO
4.	Expenditure to be entered on to appropriate event spreadsheet	Finance Officer	Town Clerk/RFO
5.	Cheques to be sent to creditors	Finance Officer	Town Clerk/RFO
6.	Vouchers & invoices to be filed in Sundry Creditors' file	Finance Officer	Town Clerk/RFO
7.	All entries to be entered into computerised accounts system	Finance Officer	Town Clerk/RFO
8.	Monthly Bank reconciliation	Finance Officer	RFO and Internal Controls member
9.	After each fundraising event, expenditure from individual spreadsheet to be entered onto Financial Summary spreadsheet	Finance Officer	Town Clerk/RFO



# **Governance & Risk Management Policy and Register Diss Town Council**

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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Clerk and CEO are inter-changeable titles, as are Deputy Clerk and COO.

## **Governance & Risk Management Policy**

### **1. Purpose of a Risk Management Policy**

- 1.1 Diss Town Council recognises that it has a responsibility to manage the risks, both internal and external, and is therefore committed to the implementation of a risk management strategy to protect the Council from unavoidable losses.
- 1.2 This Policy places a responsibility on all Members and Officers to have regard for risk in performing their duties. Its purpose is to enable the Council to manage its risks through anticipation and control. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance.
- 1.3 Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided whilst safeguarding public resources.
- 1.4 This Policy provides assurances to members and officers on the adequacy of arrangements for the conduct of business and the use of resources. Implementation of the policy leads to greater risk awareness and improved control, which should mean fewer incidents and control failures.
- 1.5 There is a requirement under the Accounts and Audit Regulations 2015 s3(c) that local Councils must ensure they have a sound system of internal control which includes effective arrangements for the management of risk. Risks and their control will be identified and collated in a Risk Register which will be managed by the RFO.

### **2. The Principles of Risk Management**

#### **2.1 Risk Management Policy Statement**

The Audit Commission (2001) defined “risk” as an event or action which will adversely affect an organisation’s ability to achieve its objectives, project plans and processes and to successfully execute its strategies. Therefore “risk management” is the process by which risks are identified, evaluated and controlled.

The Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its aims and objectives and to maximise the opportunities to achieve its vision.

Whilst it is acknowledged that risk cannot be totally eliminated it is accepted that much can be done to reduce the extent of injury, damage and financial loss. Therefore, The Council is committed to identifying, reducing or eliminating the risks to both people and the environments.

The Clerk will ensure that the Council have insurance in such amounts and in respect of such perils as will protect against significant losses, where insurance is required by law or contract and in other circumstances where risks are insurable, and premiums cost-effective.

The Council will seek to embed effective risk management into its culture, processes and structure to ensure that opportunities are maximised; it will seek to encourage managers to identify, assess and manage risks, and learn to accept the right risks.

### 3. Risk Management?

3.1 Risks can be classified into various types, but it is important to recognise that for all categories direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

- a) Strategic Risk - long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, in a worst-case scenario a Judicial Review or Report in the Public Interest.
- b) Compliance Risk - failure to comply with legislation or laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, Judicial Review, employment tribunals, additional audit investigation, inability to enforce contracts.
- c) Financial Risk - fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, public objection to accounts, reduced service delivery, increased Council tax levels/impact on Council reserves, increased Council borrowing.
- d) Operating Risk - failure to deliver services or maintain buildings/property effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes, increased Council tax levels/impact on Council reserves, increased Council borrowing.

3.2 These risks can be broken down further into specific areas which could impact on the achievements of the Council's long-term objectives and day-to-day delivery of services:

- a) Political - Those associated with the failure to deliver either local, regional or national policy.
- b) Financial – Those affecting the ability of the Council to meet its financial commitments; failure of major projects; internal and external audit requirements; failure to prioritise and allocate resources effectively; poor contract management; new ideas overload; poor internal controls leading to fraud/mismanagement
- c) Social – Those relating to the effects of changes in demographic, residential, or socio-economic trends on the Council's ability to deliver its corporate priorities.
- d) Technological – Those associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands.

3.3 It would also include the consequences of internal failures on the Council's ability to deliver its objectives.



- a) Legal – The ability of the Council to keep up to date with changes in legislation and ensuring compliance to avoid breaches in legislation).
- b) Partnership/contractual – Those associated with the failure of partners/contractors to deliver services to an agreed cost and specification and similarly failure of the Council to deliver services to an agreed cost and specification; compliance with procurement policies (internal/external); ensuring open and fair competition.
- c) Human Resources – Those associated with the professional competence of staff; lack of training and development; over reliance on key personnel; ineffective project management; recruitment and selection issues; inadequate personnel policies
- d) Organisational – Those associated with the review of services and delivering continuous improvement.
- e) Health & Safety/Physical – Those related to fire, safety, accident prevention and health & safety which pose a risk to both staff and the public.
- f) Reputational – Those associated with the changing needs of customers and the electorate; ensuring appropriate consultation; avoiding bad public and media relations.

3.4 Not all these risks are insurable and for some the premiums may not be cost-effective. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

3.5 Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than merely defensive, responses. Measures to manage adverse risks are likely to help with managing positive ones.

#### 4. **The Risk Management Process**

4.1 Implementing this Policy involves identifying, analysing/prioritising, managing and monitoring risks, which should be controlled in the form of a Risk register.

4.2 Risk Identification – Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed. All risks identified will be recorded in the Council's Risk Register.

4.3 Risk Analysis – Once risks have been identified they need to be systematically and accurately assessed. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control it or respond to it.

4.4 The scores for impact and likelihood are multiplied. Risks scoring 4 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

4.5 Risk Control – the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised

operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

Options for control include:

- Elimination – the circumstances from which the risk arises are ceased so that the risk no longer exists.
- Reduction – loss control measures are implemented to reduce the impact/likelihood of the risk occurring.
- Transfer – the financial impact is passed to others e.g., by revising contractual terms.
- Sharing the risk with another party.
- Insuring against some or all of the risk to mitigate financial impact; and
- Acceptance – documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

4.7 Risk Monitoring – The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed.

4.8 The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

## 5. **Implementation**

5.1 Initial Identification of Risks will be by officers compiling a list of the risks in their areas of responsibility.

5.2 The Council will annually reassess its objectives and any threats to achieving them. The Council will build risk management procedures into the way that it operates.

5.3 Officers developing projects or recommending service changes will ensure that risks are identified and the measures to eliminate or control risks are documented in agenda reports to be considered by the Council and/or its committees.

5.4 The Council is entering into an increasing number of partnerships with organisations from the public, private, voluntary and community sectors. Some of these organisations may not have the same sensitivities to the risks that the Council sees as important. Part of the process of setting up future partnerships will be to ensure that all relevant risks are identified and that appropriate control mechanisms are built into the management arrangements for the partnership.

## 6. **Roles and Responsibilities**

6.1 It is important that risk management becomes embedded into the everyday culture of the Council. The roles and responsibilities set out below are designed to ensure that risk is managed effectively across the Council, and responsibility for risk is allocated appropriately. Those who know the risks to a particular service should be responsible for it. The process must be policy driven but must also involve staff throughout the organisation.

6.2 Councillors – risk management is seen as a key part of the councillors’ stewardship role and there is an expectation that they should lead and monitor the approach adopted. This will include:

- Review and approval of the Risk Management Policy.
- Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed.
- Annual review of Internal Controls; and
- Assessment of risks whilst setting the budget, including ensuring sufficient resources to tackle specific issues.

6.3 Senior Officers will act as the risk champions for their areas of specialty, assisting with identifying all risks within their remit and the compilation of the Risk Register. They will manage risk effectively in their service areas or projects and report how threats and risks have been managed to the Town Clerk/CEO. This includes identifying, analysing, prioritising, monitoring and reporting on service risks and any control actions taken.

Specific duties relating to individual officers are detailed below:-

6.4 Town Clerk/CEO – will act as the Lead Officer on Risk Management, overseeing the implementation of the detail of the Risk Management Policy and will:

- provide advice as to the legality of policy and service delivery choices.
- provide advice on the implications of potential service actions for the Council’s corporate aims and objectives.
- update the Council on the implications of new or revised legislation.
- assist in handling any litigation claims.
- provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury.
- advise on any health and safety implications of the chosen or proposed arrangements for service delivery; and
- report progress to Council via the Executive Committee.

6.5 Responsible Finance Officer – as the Council’s Section 151 Officer, will:

- work with the Town Clerk/CEO to assess and implement the Council’s insurance requirements.
- assess the financial implications of strategic policy options.
- provide assistance and advice on budgetary planning and control.
- ensure that the Financial Information System allows effective budgetary control.
- inform investment decisions made by the Council.

6.6 Deputy Town Clerk/COO will:

- ensure that Risk Management is an integral part of any service review process.
- ensure that recommendations for risk control are detailed in service review reports.
- assist in developing and monitoring Performance Indicators for Risk Management.

6.7 Employees – will undertake their job within risk management guidelines ensuring that the skills and knowledge passed on to them are used effectively. All employees will

maintain an awareness of the impact and costs of risks and how to feed data into the formal process. They will work to control risks or threats within their jobs, monitor progress and report on job related risks to their Line Manager.

6.8 Internal Auditor – provides an important scrutiny role carrying out audits to provide independent assurance to the Executive Committee that the necessary risk management systems are in place and all significant business risks are being managed effectively.

a) The Internal Auditor assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

b) The Internal Audit Report, and any recommendations contained within it, will help to shape the Council's system of Internal Control.

6.9 Training – Where appropriate risk management training will be provided to Councillors, senior officers and key staff to ensure that both Councillors and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

## **7. Reporting on Progress**

The Town Clerk/CEO will present an annual report to the Executive Committee detailing progress on risk management over the year and providing a summary of the Risk Register as part of the review of internal controls.

## Governance & Management Risk Register

Risk Score						
Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		likelihood				

### OBJECTIVES:

- 1) To identify the management risks relevant to Diss Town Council
- 2) Estimate the significance of the risks.
- 3) Assess the likelihood of their occurrence.
- 4) Establish actions to address those risks.

### METHOD:

The impact that the risk presents is measured on a scale of 1-5 in terms of risk to quality of service, financial impact, safety implications, and delay in services. This shows the severity of the risk and its significance.

The likelihood of a risk is measured on a scale of 1-5, where 1 is very rare, 2 is once a year, 3 is more than once a year but less than once a month, 4 is once a month or more and 5 is daily or weekly. This shows how often there is an opportunity for the risk to occur.

No.	Risk	Details of Impact	Likelihood	Impact	Rating	Control Action	Review Frequency	Responsible Person(s)
1	Lack of forward planning and budgetary controls	<ul style="list-style-type: none"> <li>➤ Lack of direction and prioritisation</li> </ul>	1	4	4	<p>24 mth strategy plan</p> <p>3-year financial plan</p> <p>Clear and annually reviewed Financial Regulations</p>	Annually by October	Town Clerk, Responsible Finance Officer; Council (RFO)
2	Poor reporting to Council	<ul style="list-style-type: none"> <li>➤ Poor quality decision making</li> <li>➤ Council becomes ill informed</li> </ul>	2	3	6	<p>Timely and accurate financial reporting</p> <p>Clear instructions to staff</p> <p>Regular project reports</p>	<p>Quarterly</p> <p>When required</p>	Town Clerk, and RFO
3	Loss of key staff	<ul style="list-style-type: none"> <li>➤ Failure in budgetary controls</li> <li>➤ Correspondence backlog</li> <li>➤ Loss of working hours</li> <li>➤ Diversion of key staff from priority work</li> </ul>	3	4	12	<p>Succession Planning for Clerk &amp; RFO</p> <p>Clear office procedures</p> <p>Clear budgetary procedures</p> <p>Good recruitment procedures and utilise recruitment agency where necessary.</p> <p>Open communication with both Town Council and staff</p> <p>Internal Auditor/Finance Assistant to cover end of year return if RFO unavailable</p>	Annually	Council Leader; Town Clerk

4	Poor document control	<ul style="list-style-type: none"> <li>➤ Information not passed on in a timely manner</li> <li>➤ Deadlines missed</li> <li>➤ Lack of achievement</li> </ul>	3	1	3	<p>Clear Standing Orders</p> <p>Clear Job Descriptions</p> <p>Monitoring of staff progress</p> <p>Sound filing systems</p> <p>Use of fireproof cabinet where required</p> <p>Document Retention Policy</p>	Annually	Town Clerk, Dep TC, RFO
5	<p>Non-Compliance with law, in particular:</p> <p>*Health and Safety</p> <p>*Equalities</p> <p>*Data Protection</p> <p>*Human Rights</p> <p>*Disability Discrimination</p>	<ul style="list-style-type: none"> <li>➤ Fines and Penalties from regulation bodies</li> <li>➤ Employee action for negligence or grievance</li> <li>➤ Loss of reputation</li> </ul>	2	5	10	<p>Clear Policies and procedures</p> <p>Regular review of law</p> <p>Updated employment contracts</p> <p>Training programme for staff including induction procedure.</p> <p>Use of ACAS and other bodies to keep up to date.</p> <p>Use of Council appointed Human Resources advisor</p>	<p>Bi-annual</p> <p>Annually</p>	Town Clerk and Line Managers
6	Ensuring all business activities are within legal power	<ul style="list-style-type: none"> <li>➤ Illegal expenditure</li> <li>➤ Poor public image</li> </ul>	2	3	6	<p>Recording the precise power under which unusual expenditure is being approved</p> <p>Officer training to keep up to date with legislation</p>	As required	Town Clerk, and RFO

7	Council lacks relevant skills and commitment	<ul style="list-style-type: none"> <li>➤ Higher cost to professional advice</li> <li>➤ Council fails to achieve its purpose</li> <li>➤ Decision making by-passes Council</li> <li>➤ Poor value for money</li> </ul>	1	4	4	<p>Clear co-option procedure</p> <p>Mandatory training for Councillors</p> <p>Close review of attendance</p> <p>Encourage good relationships between Officers and Councillors</p>	<p>Annually</p> <p>Every meeting</p>	Town Clerk; Council
8	Council becomes dominated by one or two individuals, or cliques form	<ul style="list-style-type: none"> <li>➤ Conflicts of interest</li> <li>➤ Pursuit of personal agendas</li> <li>➤ Decisions made outside Council</li> </ul>	2	3	6	<p>Clear Standing Orders regarding conduct of meetings and Conflict of Interests</p> <p>Training for Councillors</p> <p>Ensure all councillors are aware of the NOLAN principles and governance</p>	Annually	Council Leader
9	Sudden loss of councillors	<ul style="list-style-type: none"> <li>➤ Unable to make decisions if inquorate</li> <li>➤ Delay to decision making process</li> </ul>	3	4	12	<p>Ensure meetings are quorate</p> <p>Standing Orders would apply if not quorate and no business to be transacted</p> <p>Council by-election / co-option process would commence</p> <p>District Council informed if Council unable to transact business until by-election held</p>		Town Clerk Council Leader



No.	Risk	Details of Impact	Likelihood	Impact	Rating	Control Action	Review Frequency	Responsible Person(s)
10	Failure to register Members' interests, gifts, etc.	<ul style="list-style-type: none"> <li>➤ Member could make inappropriate gains</li> <li>➤ Could affect Council reputation</li> </ul>	1	3	3	<p>Annually record and monitor Members' interests and gifts</p> <p>Officers up to date with Code of Conduct procedures</p> <p>Annual review of Code of Conduct and Dispensation Policy</p> <p>Member training</p>	As required	Town Clerk
11	Lack of maintenance of Council owned property	<ul style="list-style-type: none"> <li>➤ Higher cost of repair</li> <li>➤ Injury to third party leading to claims</li> <li>➤ Damage to property</li> </ul>	2	3	6	<p>Building structural survey</p> <p>Stock condition survey</p> <p>Regular routine maintenance</p> <p>Insurance cover</p> <p>Facilities Management Plan</p>	<p>Ten yearly</p> <p>Annually</p>	Town Clerk Buildings & Facilities Manager
12	Damage or loss to Council owned property by third party or act of God.	<ul style="list-style-type: none"> <li>➤ High cost of repair</li> <li>➤ Loss of assets</li> <li>➤ Disruption to services</li> <li>➤ Damage to public property or person</li> </ul>	2	3	6	<p>Annual review of risk and adequacy of insurance cover</p> <p>Fire Alarm; Improved security</p> <p>Clear monitoring and auditing procedures by staff</p> <p>Maintain Asset Register</p>	Annually	Town Clerk and RFO

						Regular maintenance arrangements for physical assets Backup IT service Resilience / Business Continuity Plan <sup>s</sup>		Executive Committee
13	Damage to third party property or individual due to service or amenity provided	<ul style="list-style-type: none"> <li>➤ Claim against Council</li> <li>➤ Increased insurance premium</li> </ul>	2	3	6	Public liability insurance Comprehensive event planning Regular checks of facilities Ensure all amenities/facilities are maintained to appropriate level Health & Safety and risk assessments	As required	Town Clerk and RFO
14	Fraud, Misconduct or Gross Underperformance	<ul style="list-style-type: none"> <li>➤ Reduction in available funds</li> <li>➤ Loss of reputation</li> </ul>	2	4	8	Clear financial procedures and regulations Staff / Member/ Internal control policies Bi-annual internal audits Adequate insurance cover Full appraisal system in place to ensure continuous development and improvement	Annually	Town Clerk and RFO

15	Significant change in funding; sudden large expenditure required; excessive under-budgeting	<ul style="list-style-type: none"> <li>➤ Services not provided</li> <li>➤ Lack of confidence in Council</li> <li>➤ Inability to carry out functions</li> <li>➤ Insufficient funds for contingencies or projects</li> </ul>	1	4	4	<p>Robust budgeting process</p> <p>Regular in-year budget progress reports</p> <p>3-year financial plan</p> <p>Council has established adequate reserves</p> <p>Insurance in place to cover major risk</p> <p>Resort to other funding sources or Public Works Loan Board</p> <p>Correct deficit via budget planning over subsequent years</p> <p>Extend forward budget planning over several years</p>	<p>Annually</p> <p>Quarterly</p> <p>Annually</p>	Council / Town Clerk and RFO
16	Inappropriate VAT treatment	<ul style="list-style-type: none"> <li>➤ Penalties from HMRC</li> <li>➤ Excessive exempt VAT expenditure</li> </ul>	3	3	9	<p>Rigorous checks of proposed VAT treatment for all expenditure</p> <p>Measures to minimise business exempt expenditure where appropriate or seek alternatives when necessary (such as option to tax)</p>	<p>Bi-weekly</p> <p>As required</p>	Town Clerk and RFO
17	Non-compliance with restrictions on borrowing / inability of	<ul style="list-style-type: none"> <li>➤ Penalty payments</li> <li>➤ Negative PR</li> </ul>	1	4	4	<p>Include loan repayments in annual budget</p> <p>Clear Financial Regulations</p>	Annually	Town Clerk and RFO

	Council to repay a loan					Careful review of current procedures for borrowing	As required	
18	Failure to use grants received for intended purposes	<ul style="list-style-type: none"> <li>➤ Lack of funds for project for which grant was intended</li> <li>➤ Investigation into the use of funds</li> <li>➤ Repayment of funds</li> </ul>	2	2	4	<p>Ensure funds properly ring fenced</p> <p>Clear financial procedures</p> <p>Clear record in minutes</p>	As required	Town Clerk and RFO
19	Failure for local organisations to use grants given for intended purposes under specific powers or s137	<ul style="list-style-type: none"> <li>➤ Lack of funds for project for which grant was intended</li> <li>➤ Misuse of grant monies</li> </ul>	2	2	4	<p>Follow up on projects with project reporting form</p> <p>Maintain a separate record for s.137 expenditure</p>	Annually	Town Clerk and RFO
20	Not keeping the proper statutory financial records	<ul style="list-style-type: none"> <li>➤ Inadequate financial control</li> </ul>	1	5	5	Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Annually	Town Clerk and RFO
21	Failure to plan for staff absence	<ul style="list-style-type: none"> <li>➤ Inability to pay staff and contractors</li> </ul>	2	4	8	<p>Maintain adequate staff to cover staff absences</p> <p>Monitor leave requests</p> <p>Succession Planning – usually member of Finance staff available.</p>	As required	Town Clerk and RFO

						If not, payments scheduled accordingly  Train Finance Assistant to manage accounts and payroll as a back-up		
22	Failure to register Town Council owned land	➤ Land ownership disputes	1	5	5	Ensure all Town Council owned land is registered with HM Land Registry	As required	Town Clerk and RFO
23	Failure to carry out Cemetery Record Checks	➤ Inaccurate allocation of exclusive rights / burial plots ➤ Loss of potential income ➤ Unnecessary distress to bereaved families	1	5	5	Checks of Cemetery Record by Finance Assistant	Quarterly	Town Clerk/ DepTC
24	Failure to have adequate limits of compensation on investment	➤ Significant financial loss of reserves ➤ Weak financial position	1	4	4	Regular review of current investments.  Investment Strategy review  Diversification of investments	Annually	Town Clerk/  RFO/Executive Committee
25	Misuse of credit card	➤ Financial loss	4	4	16	Appropriate controls on spending	Annually/ Monitored monthly	Town Clerk/

						Robust payment authorisation process  Accounting treatment through P/Ledger		RFO/Executive Committee
26	Risks associated with changing bank / Debtor delays	<ul style="list-style-type: none"> <li>➤ Money paid into the wrong account</li> <li>➤ Unable to maintain cash flow</li> </ul>	1	3	3	To keep current account open to cover the overlap.  Inform Debtors immediately	After 6 months	Town Clerk/RFO
27	Disaster impacting on town	<ul style="list-style-type: none"> <li>➤ Loss of life</li> <li>➤ Casualties</li> <li>➤ Fear amongst community</li> <li>➤ Loss of / damage to Council assets or town facilities</li> </ul>	1	5	5	Resilience / Emergency Response Plan  Accept instructions from Category 1 responders i.e. Emergency Services, NHS Bodies & higher tier authorities  Council to take part in any learning reviews after any disaster	Annually	Council / Town Clerk
28	Council Offices unserviceable (e.g. fire / flood)	<ul style="list-style-type: none"> <li>➤ Services suspended</li> <li>➤ Cost of repair / replacement of equipment</li> <li>➤ Loss of IT facilities</li> </ul>	1	5	5	Business Continuity Plan  No life-critical services provided  Emergency management team called together to agreed priorities  Enact Homeworking Policy	Annually	Council / Town Clerk

						<p>Short-term measured recovery in alternative accommodation to be agreed.</p> <p>Medium / long-term plan to return to Council Offices</p> <p>Backup service provided by existing IT supplier</p>		
29	Media misreporting	<ul style="list-style-type: none"> <li>➤ Incorrect messages being consumed by public</li> <li>➤ Complaints</li> <li>➤ Negative PR</li> </ul>	3	3	9	<p>Press releases / news items issued where relevant</p> <p>Develop good relations with media</p> <p>Follow Communications Policy</p> <p>Council Leader / Clerk to brief journalists as per Comms policy</p>	As required  4-yearly	Town Clerk / Council Leader / Town Mayor
30	Contractors not supplying agreed services	<ul style="list-style-type: none"> <li>➤ Incomplete project</li> <li>➤ Unsatisfactory outcomes</li> <li>➤ Additional cost / time to complete project</li> <li>➤ Relationship with contractor</li> </ul>	2	4	8	<p>All tasks are controlled by Purchase Order against specification</p> <p>Review higher cost contracts to ensure they are controlled by defined contract or service level agreement</p>	As required	Town Clerk / RFO
31	Confidential data being disclosed	<ul style="list-style-type: none"> <li>➤ ICO investigation / fine</li> <li>➤ Negative PR</li> <li>➤ Complaints</li> </ul>	3	4	12	<p>Confidential data held in accordance with GDPR</p> <p>Security measures in place and used e.g. safes, shredding, firewall</p>		Town Clerk / Council

						Staff / Member GDPR policy Nominated Data Protection Officer in place	Annually	
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# **Investment Strategy**

## **Diss Town Council**

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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## **Investment Strategy**

### **1. Background**

- 1.1 Diss Town Council acknowledges the importance of prudently investing surplus funds held on behalf of the community. All investments will be made in line with the Council's financial procedures and observations, or advice received from the Council's internal and external auditors, supported as necessary by advice from the Council.
- 1.2 Diss Town Council will ensure it has adequate though not excessive cash resources, to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.
- 1.3 Investment Strategies approved after 1 April 2018 must also be in line with the Government's "Statutory Guidance on Local Government Investments" which in particular includes much detail on the provision of loans.

### **2. Investment Objectives**

- 2.1 Diss Town Council's investment priorities are the security of general and emergency reserves and adequate liquidity of its investments.
- 2.2 Diss Town Council will aim to maximise income from its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling.
- 2.3 Diss Town Council will seek to ensure that investment income is consistent from one year to the next.
- 2.4 Where external investment managers are used, they will be contractually required to comply with this Strategy.
- 2.5 In balancing risk against return, this Council will give priority to avoidance of risk against maximum returns.

### **3. Specified Investments**

- 3.1 Specified investments are those offering high security and high liquidity, made in sterling and maturation of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.
- 3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Diss Town Council will use:
  - Deposits with banks, building societies, local authorities or other public authorities.
  - Other recognised funds specifically targeted at the Public Sector.
  - The choice of institution and length of deposit will be at the discretion of the Responsible Financial Officer, in consultation with the Chairman of the Executive Committee.

4. **Non-Specified Investments**

- 4.1 These investments have greater potential risk such as investments in the money market, stocks, and shares. Given the unpredictability and uncertainties surrounding such investments, Diss Town Council will not use this type of investment.
- 4.2 Long-term investments, defined as greater than 36 months, will not be used at this time unless the Council makes a resolution to agree to these investments.
- 4.3 Diss town Council will expect the RFO to diversify their available funds in banks and buildings societies allowing for maximum returns on their funds and the spread of risk.

5. **Loans**

- 5.1 The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity

6. **Review**

This Strategy will be reviewed annually. The Executive Committee reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.