



DISS TOWN COUNCIL

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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, DTC 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 (A&A), s4)(1) and annually review their effectiveness (A&A, s4(2)&(3)(b)).

Internal Control Documents

2. There are a number of documents which make up the Council's internal controls and help it fulfil its responsibilities for the management of risk and financial controls to ensure accountability in managing public funds.
3. These documents include:
 - a) Standing Orders – reviewed October 2018
 - b) Financial Regulations (Appendix A) – have been reviewed in light of new banking arrangements
 - c) The end of year statement of accounts and Annual Return – approved in June of each year
 - d) Asset Register – approved in June each year
 - e) The budget document – prepared in accordance with proper practices and approved in January each year
 - f) Income & Expenditure Internal Control document (Appendix B) – have been reviewed in light of new banking arrangements.
The main recommended amendments are as below:
 - To prepare electronic payments for approval once a month after the final completion of Heritage Triangle Project
 - Councillor to come to the Council office and use the Computer that is compatible with Barclays.Net, to authorise the transactions set up on the Bank Account.
 - g) The insurance schedule – Appendix C, no recommended amendments. Please note a meeting with the HTP Programme Manager and Town Mayor has been arranged to confirm HTP related Insurance cover.
 - h) The Internal Audit Plan - Appendix D
 - i) The Governance and Management Risk Register April 2019 - Appendix E; recommended amendments highlighted in yellow
 - j) Investment Policy (Appendix F) and end of year investment report (Appendix G)

Review of Appointment of Internal Auditor

1. The recommendation in Report No. 46/1718, that Auditing Solutions Ltd to be appointed to carry out Diss Town Council's internal audit for the Financial year 2019/20, has been approved by the Full Council as per minute no. FC0318/07 c) ix).

Conclusion

1. The annual review of internal controls is one of the key responsibilities for councillors and the Council as a whole.
2. Internal controls documents must be formally adopted by the 'Council meeting as a whole'.
3. The recommendations of officers are set out below.

Recommendations: To approve

- a) the Financial Regulations
- b) the Income & Expenditure internal controls
- c) the insurance schedule for 2019/20- subject to minor change
- d) the Internal Audit Plan
- e) the Governance and Management Risk Register
- f) the Investment Policy and note the annual investment report

Town Clerk



DISS TOWN COUNCIL

Financial Regulations

These Financial Regulations were adopted by the Council at its Meeting held on 17th April 2019

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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 documents¹ 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:
 - a) for the timely production of accounts;
 - b) that provide for the safe and efficient safeguarding of public money;
 - c) to prevent and detect inaccuracy and fraud; and
 - d) 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. All staff must operate within these regulations. Breaches could lead to the Council's actions being called into question by auditors or members of the public and to challenges concerning the legality of those actions. Wilful breaches which seriously damage the Council's reputation or lead to financial gain for the officer concerned will be dealt with as gross misconduct. Other breaches may result in disciplinary action.
- 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;
 - a) acts under the policy direction of the council;
 - b) administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - c) determines on behalf of the council its accounting records and accounting control systems;

- d) ensures the accounting control systems are observed;
 - e) maintains the accounting records of the council up to date in accordance with proper practices;
 - f) assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - g) 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 Regulations¹ and the Audit and Accountability Act.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- a) 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;
 - b) a record of the assets and liabilities of the council; and
 - c) 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:
- a) procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - b) procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - c) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - d) procedures to 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 RFO and that the approvals are shown in the accounting records; and *(procedure for bad debts in excess of £100 to be developed as an Appendix for future approval see Internal Control Review Action Plan)*
 - e) 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:

¹ Accounts and Audit (England) Regulations 2015

- a) setting the final budget or the precept (Council Tax Requirement);
- b) approving accounting statements;
- c) approving an annual governance statement;
- d) borrowing;
- e) writing off bad debts;
- f) declaring eligibility for the General Power of Competence; and
- g) 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:

- a) determine and keep under regular review the bank mandate for all council bank accounts;
- b) approve any grant or a single commitment in excess of £10,000 or existing committee budget; and

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

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils– a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG).

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 2.2. On a quarterly basis and at each financial year end, the RFO shall provide a bank reconciliation for each account to the Executive Committee or the Council.
- 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:
 - i) be competent and independent of the financial operations of the council;
 - ii) report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - iii) to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - iv) 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:
 - i) perform any operational duties for the council;
 - ii) initiate or approve accounting transactions; or
 - iii) direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. 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 receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the 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 on the website as soon as possible thereafter.
- 3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on revenue items 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) the council for all items over £10,000;
 - ii) a duly delegated committee of the council for items over £ £2,000; or
 - iii) the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £2,000.

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.

Contracts may not be disaggregated 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.
- 4.4. The salary budgets are to be reviewed at least annually for the following financial year and such review shall be carried out by 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 as soon as possible and to the council as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and/or the requisite borrowing approval has been obtained.
- 4.7. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.8. The RFO shall regularly provide the council with a 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.
- 4.9. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO shall report monthly to the Council or the Executive Committee, payments made; 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) may be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be examined, verified and certified by the RFO 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 RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available payment run.
- 5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items that:
- 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)
 - b) Fund transfers within the councils banking arrangements shall be unlimited amounts from the general account to the savings account. Transfers from the savings account to the general account shall be sufficient to cover the invoices authorised for payment by the RFO, with a reserve of no more than £5,000 to be maintained in the general account. Transfers to the Wages and Petty Cash account shall not exceed £10,000 and nor shall the balance in this account. A list of all payments shall be submitted to the next appropriate meeting of council or the Executive committee.
- 5.6. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any Policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.7. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.8. Any changes in the recorded details of suppliers, such as bank account records, shall be verified by the RFO/Town Clerk.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be affected by cheque or electronic transfers.
- 6.4. 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. Payment may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.5. 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.

- 6.6. 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.
- 6.7. 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 convenient meeting of the council or Executive Committee .
- 6.8. 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. The approval of the use of a variable Direct Debit shall be reported to the council at least every two years.
- 6.9. 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.
- 6.10. 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.
- 6.11. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.12. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.13. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.14. 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.
- 6.15. Access to any internet banking accounts will be directly to the access page (which must not under any circumstances be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be

used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

- 6.16. 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, a member. A programme of regular checks of standing data with suppliers will be followed.
- 6.17. Any Credit Card issued for use will be specifically restricted to the Clerk/Deputy Clerk and the RFO and will also be restricted to a single transaction maximum value of £500 and monthly spending restricted to £1000 unless authorised by council or Executive committee before any order is placed.
- 6.18. Pre-paid debit cards will not be used.
- 6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk, Deputy Clerk and RFO 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.
- 6.20. Any corporate credit card provided will be stored in a secure location on the council premises with access only provided to the Clerk, Deputy Clerk and RFO. 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.
- 6.21. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.
- 6.23. Adequate systems of internal control will be implemented prior to adopting electronic payments.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or by the Executive Committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

- 7.3. No changes shall be made to any employee's salary scale range, emoluments, or terms and conditions of employment without the prior consent of the Executive Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (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 auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council 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.
- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.
- 8.4. The council should consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually. The Council shall seek appropriate advice before approving an Investment Strategy and Policy.

- 8.5. All investments of money under the control of the council shall be in the name of the council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council will review all fees and charges annually, following a report by the RFO.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers every Friday and on the last day of the month or such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 9.8. The RFO shall 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.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. 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)].

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1. An official order authorised by **either the Clerk, Deputy Clerk or the RFO** or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained. The Maintenance Manager will be permitted to authorise official orders relevant to the role's scope of work up to a value of £100.
- 10.2. Order books shall be controlled by the Town Clerk/RFO.
- 10.3. All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11 (I) below.
- 10.4. A member may not issue an official order or make any contract on behalf of the council.
- 10.5. The RFO or Clerk shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO or 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.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down as follows:
 - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Council Leader and 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 **£25,000** in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a), 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.
- c. Where it is intended to enter into a contract exceeding **£25,000** in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms appropriately qualified to undertake the work.
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least two members of council.
- g. If less than three tenders are received for contracts above £25,000 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 £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (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.

- I. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations and the Utilities Contracts Regulations including thresholds shall be followed.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

- 13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2. Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. 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.

- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £1,000.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law, In each case a Report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.5. Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council with a full business case.
- 14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. INSURANCE

- 15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the Clerk.
- 15.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall keep a record of such claims and report periodically to the Executive Committee.

- 15.5. 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.

16. CHARITIES

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

17. RISK MANAGEMENT

- 17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk [with the RFO] shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually following review by the Executive Committee.
- 17.2. When considering any new activity, the Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1. It shall be the duty of the council to review the Financial Regulations of the Council annually on the recommendation of the Executive Committee. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these financial regulations.
- 18.2. 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.

* * *

INTERNAL CONTROLS

INCOME – Cash/Cheques

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Write out receipt for all income received	Administrative/Finance Assistant	Responsible Finance Officer
2.	Appropriate invoice, interment or memorial application, or diary entry to be marked with receipt number	Administrative/Finance Assistant	Responsible Finance Officer
3.	Income to be entered in Cash book with either invoice or receipt number under appropriate budget heading	Administrative/Finance Assistant	Responsible Finance Officer
4.	Weekly – usually Fridays – all cheques and cash to be agreed with cash book and banked	Administrative/Finance Assistant	Responsible Finance Officer
5.	Weekly – usually Fridays – check general bank account for income received via BACs	Responsible Finance Officer	As part of Internal Audit
6.	Monthly – last working day of each month, all cheques and cash to be agreed with cash book and banked.	Administrative/Finance Assistant	Responsible Finance Officer
7.	Monthly analysis to be agreed in cash book and with computerised accounts system.	Responsible Finance Officer	Responsible Finance Officer
8.	Monthly - all entries to be entered into computerised accounts system	Finance Assistant or Responsible Finance Officer	Responsible Finance Officer
9.	Monthly Bank reconciliation	Responsible Finance Officer	Executive Committee or Council
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 – cheques

Wages & Petty Cash Account (signatory any two of the Deputy, the Clerk or RFO only up to £10,000)

Procedure 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	Responsible Finance Officer
2.	Voucher to be completed for each cheque showing name of payee, nature of goods, budget heading (s) cheque number & amount – split net, VAT and gross amounts	Responsible Finance Officer	Internal Audit
3.	Voucher and receipt to be filed in Wages & Petty Cash file	Responsible Finance Officer	
4.	End of each month prepare a list of all payments with details as above	Responsible Finance Officer	Responsible Finance Officer
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.	Town Clerk/RFO	
7.	RFO to Set up the transactions on Wages & PC Account	Responsible Finance Officer	Town Clerk/RFO
8.	Town Clerk approve the transactions and the payments are released	Town clerk/RFO	Town Clerk
9.	Monthly - All entries to be entered into computerised accounts system.	Responsible Finance Officer	Responsible Finance Officer
10.	Monthly Bank reconciliation	Responsible Finance Officer	Appointed Councillor

INTERNAL CONTROLS

NB	Maximum permitted amount in the account at any one time £10,000, wages prepared by two different members of staff (includes Town Clerk). Fidelity insurance cover to £500,000.	Responsible Finance Officer/Town Clerk	Town Clerk
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General Account (signatories requirement any 2 Councillors and the Clerk, Deputy Clerk or RFO)

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	All invoices filed in Accounts for Payment file. (Sundry Creditors)	Finance Assistant	
2.	Check invoices against official orders and delivery notes, for accuracy and prepare for twice monthly payment run	Finance Assistant	Town Clerk
3.	Prepare monthly wages for Town Clerk and RFO	Responsible Finance Officer/Town Clerk	Town Clerk
4.	Prepare electronic payments for approval by signatories once a month – during the mid-month	Finance Assistant	Responsible Finance Officer/ 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 Assistant	Town Clerk
6.	Prepare a Spreadsheet in order of Payment Voucher numbers.	Finance Assistant	
7.	Set up the bank transactions	Finance Assistant or Responsible Finance Officer	Town Clerk/RFO
8.	RFO to arrange a bank transfer based on this Spreadsheet.	Town Clerk/Responsible Finance Officer	Town Clerk
9.	Email the Signatories on authorisation rota to come to the council office to authorise the payments.	Finance Assistant	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 Assistant or Responsible Finance Officer	Town Clerk/RFO
11.	Send an email to notify the signatories that the transactions have been set up for online authorisations.	Finance Assistant or Responsible Finance Officer	Town Clerk/RFO
12.	Signatories approve the transactions and the payments are released	Councillors/Town Clerk/RFO	Town Clerk
13.	All entries to be entered into computerised accounts system.	Finance Assistant	Responsible Finance Officer
14.	Monthly prepare list of payments made for inclusion with the next convenient agenda of the Executive Committee or Council	Finance Assistant	Responsible Finance Officer
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 initialised by signatories	Town Clerk, Deputy Clerk or RFO	Responsible Finance Officer
15.	Ensure sufficient funds in bank account, raise necessary transfers between bank accounts	Responsible Finance Officer	Town Clerk
16.	Cheques to be sent to creditors following day	Finance Assistant	Town Clerk/RFO
17.	Vouchers & invoices to be filed	Finance Assistant	RFO
18.	Monthly Bank reconciliation	Responsible Finance Officer	Executive Committee or Council

INTERNAL CONTROLS

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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

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Financial Summary Excel spreadsheet to be opened at the beginning of each Mayoral Year	Administrative & Finance Assistant/Finance Assistant	As part of Internal Audit
2.	Excel spreadsheet to be opened for each fundraising event(Concerts, Mayors ball)	Administrative/Finance Assistant	As part of Internal Audit
3.	Income to be entered in Cash book under Town Mayor's Charity heading and on to appropriate event spreadsheet	Administrative/Finance Assistant	As part of Internal Audit
4.	Weekly – usually Fridays – all cheques and cash to be agreed with cash book and banked in Town Mayor's Charity account	Administrative/Finance Assistant	Responsible Finance Officer
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	Administrative/Finance Assistant	Responsible Finance Officer
6.	Monthly analysis to be agreed in cash book and with computerised accounts system	Responsible Finance Officer	Responsible Finance Officer
7.	Monthly Bank reconciliation	Responsible Finance Officer	Appointed Councillor
8.	After each fundraising event, income from individual spreadsheet to be entered onto Financial Summary spreadsheet	Administrative & Finance Assistant/Finance Assistant	As part of Internal Audit

EXPENDITURE – cheques

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Check invoices against official orders and delivery notes, for accuracy and prepare for payment	Finance Assistant/ Responsible Finance Officer	
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 Assistant/ Responsible Finance Officer	Town Mayor
3.	Prepare cheques for signature by Town Mayor and either Town Clerk	Finance Assistant/ Responsible Finance Officer	Town Mayor
4.	Expenditure to be entered on to appropriate event spreadsheet	Administrative/Finance Assistant	As part of Internal Audit

INTERNAL CONTROLS

5.	Cheques to be sent to creditors	Administrative/Finance Assistant and Marketing and Administrative Assistant	Responsible Finance Officer
6.	Vouchers & invoices to be filed in Sundry Creditors' file	Administrative/Finance Assistant and Finance Assistant	Responsible Finance Officer
7.	All entries to be entered into computerised accounts system	Finance Assistant/ Responsible Finance Officer	Responsible Finance Officer
8.	Monthly Bank reconciliation	Responsible Finance Officer	Full Council on quarterly basis
9.	After each fundraising event, expenditure from individual spreadsheet to be entered onto Financial Summary spreadsheet	Administrative & Finance Assistant / Finance Assistant	As part of Internal Audit

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

Local Council 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 01st April 2019
To 31st March 2020
and any other period for which cover has been agreed.

Renewal Premium TBC

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

Schedule Number 61759887

Long term agreement active until 01st April 2022

Preparation Date 08th March 2019

Prepared by Mr Jonathan Meiseles

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, 11-12 Market Hill, Diss, Norfolk, IP22 4JZ	£782,197.00	£13,718.00	£15,591.09	£1,330.11	£0.00	£0.00	£0.00	£0.00	£0.00
2. Park Pavillion, Diss, Norfolk, IP22 4JZ	£102,759.21	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
3. Public Convenience, Park Road, Diss, Norfolk, IP22 4AS	£150,304.54	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
4. Corn Hall, St. Nicholas Street, Diss, Norfolk, IP22 4LB	£4,177,293.75	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
5. Cemetery Bungalow, Diss, Norfolk, IP22 4DL	£208,627.92	£8,406.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
6. Sports Pavillion, Diss, Norfolk, IP22 5XT	£383,429.91	N/A	£7,829.92	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
7. 2 x Cemetery Chapels, Diss, Norfolk, IP22 4DL	£498,458.88	N/A	£0.00	£4,555.50	£0.00	£0.00	£0.00	£0.00	£0.00
8. Diss Youth and Community Centre, Shelfanger	£1,411,022.04	N/A	£16,720.37	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Road,, Diss, Norfolk, IP22 4EH									
9. The Shambles, 4-5 Market Place, Diss, Norfolk, IP22 4AB	£212,180.00	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

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

Excesses Applicable to Premises 1, 2, 3, 4, 5, 6, 7, 8 & 9

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

Accidental Damage	£100
Theft	£100
Malicious Damage	£250
Storm or Flood	£250
Escape of Water	£250
Falling Trees or Branches	£250

Operative Endorsements: 1, 2, 3, 5, 6, 7, 8 & 9 (see pages 35 - 37)

PART B – Business Interruption

Premises Address	Additional Expenditure	Indemnity Period (Months)	Loss of Data	Indemnity Period (Months)	Loss of Gross Revenue	Indemnity Period (Months)
All premises	£30,000	24	£5,000	24	£97636	24

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

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

Operative Endorsements:

Section 5 – Special Extensions – 2 is held to be removed and restated as follows:

2. The insurance by this Part is extended to include loss resulting from interruption of or interference with the **business** carried on by the **insured** at the **premises** in consequence of:
 - (a)
 - (i) any occurrence of a Notifiable Disease (as defined below) at the **premises** or attributable to food or drink supplied from the **premises**
 - (ii) any discovery of an organism at the **premises** likely to result in the occurrence of a Notifiable Disease
 - (ii) any discovery of a Notifiable Disease within 10 miles radius of the **premises**
 - (b) the discovery of vermin or pests at the **premises**
 - (c) any accident causing defects in the drains or other sanitary arrangements at the **premises** which causes restrictions on the use of the **premises** on the order or advice of the competent local authority
 - (d) any occurrence of murder or suicide at the **premises**.

Special Provisions

- (d) 'Notifiable Disease' will mean illness sustained by any person resulting from:
 - (i) food or drink poisoning
 - (ii) one of the following specified human infectious or human contagious diseases:

Acute encephalitis	- Ophthalmia neonatorum
Acute poliomyelitis	- Paratyphoid fever
Anthrax	- Rabies
Bubonic Plague	- Relapsing fever
Cholera	- Rubella
Diphtheria	- Scarlet fever
Dysentery	- Smallpox
Legionellosis	- Tetanus
Legionnaires Disease	- Tuberculosis

Leprosy	- Typhoid fever
Leptospirosis	- Typhus fever
Malaria	- Viral hepatitis
Measles	- Viral haemorrhagic
Meningitis	- Whooping cough
Meningococcal Infection	- Yellow fever
Mumps	

an outbreak of which the competent local authority has stipulated shall be notified to them.

(b) For the purposes of this Special Extension:

- (i) 'Indemnity Period' will mean the period during which the results of the **business** are affected in consequence of the occurrence, discovery or accident beginning with the date from which the restrictions on the **premises** are applied (or in the case of (d) above, with the date of the occurrence) and ending not later than the Maximum Indemnity period thereafter

'Maximum Indemnity Period' will mean 3 months

- (ii) in the event that this Part includes an extension which deems loss, destruction or damage at other locations to be Damage at the **premises** such extension will not apply to this Special Extension.

(c) The **insurer** will not be liable under this Special Extension for:

- (i) loss arising from restrictions on the use of the **premises** in consequence of an emergency prohibition notice or emergency prohibition order being served against the **insured** or the manager of the **premises** in relation to a breach of the Food Safety Act 1990, General Food Regulations 2004 or Food Hygiene Regulations 2006 including any modifications or re-enactment thereto

- (ii) any costs incurred in the cleaning, repair, replacement, recall or checking of **property**.

(d) The **insured** will comply with all issues identified as contraventions arising from a Food Premises Inspection Report within the timescales stated in such report.

(e) The **insured** will notify the **insurer** immediately of any prohibition notice, emergency prohibition notice or emergency prohibition order served against them or the manager of the **premises** in relation to a breach of the Food Safety Act 1990, General Food Regulations 2004 or Food Hygiene Regulations 2006 including any modifications or re-enactment thereto.

(f) The **insurer** will only be liable for the loss arising at those **premises** which are directly affected by the occurrence, discovery or accident and then only for an amount not exceeding £250,000 or the Sum Insured whichever is the lesser.

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

Item Description	Premises Address (if applicable)	Sum Insured	Excess
Contents (c)	11-12 Market Hill, Diss, Norfolk, IP22 4JZ	£60,980.60	£100

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
Sports Equipment	£2,365.14	£100
Machinery, Equipment and Hand Tools	£12,537.42	£100
Two Trailers	£1,182.59	£100
Paintings	£5,607.92	£100
PA System	£1,470.21	£100
Exterior Floodlights	£376.38	£100
Stage lighting System	£4,441.02	£100
Christmas lights	£16,969.91	£100
Town Sign	£4,691.95	£100
Seats	£4,078.04	£100
Bins	£4,196.18	£100
Chairmans Chain of Office	£7,829.64	£100
Deputy Town Mayors Pendant	£772.25	£100
Mayoral Robes	£1,048.73	£100
Fountain in Middle of Mere at Diss Park	£26,632.72	£100
Floodlighting	£40,763.35	£100
Park Lighting	£31,100.55	£100
Information boards	£1,579.82	£100
Millennium Stone of Carved Granite	£2,796.65	£100
Entrance Stone to Garden of Rest at the Cemetery	£622.42	£100
10 Benches	£3,076.79	£100
3 x Tree Seats	£8,310.77	£100
5 x Picnic Tables	£2,490.93	£100
Litter Bin	£202.00	£100

Sign	£349.58	£100
Skatepark	£103,019.25	£100
Polished Granite Commemorative Stone	£3,297.09	£100
Cast Iron Finger Posts	£11,481.36	£100
Junior Swings including safety surfacing	£10,237.74	£100
Zipwire	£12,796.87	£100
MUGA and associated equipment	£66,989.38	£100
Toddler Play equipment including safety surfacing and perimeter fencing	£61,589.62	£100
Junior play equipment including safety surfacing	£84,939.69	£100
Twinfly including safety surfacing	£17,504.64	£100
20 x 8 Cut-down Container, Situated at Norfolk's County Council Depot, Diss IP22 4JG	£4,682.98	£100
4 Metal picnic benches	£3,046.16	£100
2 x Lighting Columns and 2 x Control Boxes - Skateboard Park	£5,912.88	£100
20 x 8 Cut-down Container, Situated at Sports Ground, Shelfanger Road, Diss IP22 4JG	£4,682.98	£100
Allotment Sheds	£5,912.88	£100
Fountain Kiosk	£7,095.45	£100
Town Freedom Carved Granite Commemorative Stone	£2,870.33	£100
7 Panel Full Pod Shelter / Adult Gym Equipment	£27,338.96	£100
100 Fold Up Chairs stored at Park Pavilion but also used in Park	£1,672.03	£100
Duck Suit	£1,731.56	£100
13 Ipads	£4,178.89	£100
Canon Camera and Accessories	£267.88	£100
Projector and Accessories	£321.45	£100
Acoustic Panels	£8,572.07	£100
20 Fold Up Tables	£2,143.02	£100
Clocking In Machine	£180.01	£100
Walk Clock by S Newman	£2,341.72	£100
Corn Hall Clock by AT Marsh	£3,512.60	£100
Running Track and Fencing	£118,575.31	£100
Storage Dolly	£19,898.24	£100
7 Toblerones	£14,852.60	£100
6 Benches	£19,096.20	£100
4 Cycle Racks	£3,182.70	£100
Viewing Platforms and Boardwalk	£154,500.00	£100

The excess stated applies to each and every loss.

Operative Endorsements: 1, 2, 3 & 7 (see pages 35 - 37)

PART D – Money

	Limit any one loss
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 member or employee or in transit by registered post (limit £250), or in a Bank Night Safe	£10,000
(b) in the private residence of any member or employee	£500
(c) in the premises	
(i) in the custody of or under the actual supervision of any member or employee	£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) (*see page 38*)

Operative Endorsements:

‘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: £10,000,000

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**.

2. Section 14 – Exclusion 2 b) is amended to read as:

exemplary or punitive damages awarded by any Court of Law outside the **territorial limits**.

5. **Officials Indemnity**

Section 3 – Financial Loss

For the purposes of this Section, **employee** is held to include **member**

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

1. Section 3 – Exclusion 2 b) is amended to read as:

exemplary or punitive damages awarded by any Court of Law outside the **territorial limits**

PART G – Employers Liability

Limit of Indemnity: £10,000,000

Operative Endorsements:

PART H – Libel and Slander

Sum Insured

£250,000

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

PART I – Motor Vehicles

Insured Vehicle:	All as described in	Cover: Section 23
Persons Entitled to Drive:	the Certificate of	
Limitation as to Use:	Motor Insurance	A. Comprehensive

EXCESS : Section 23	
Amount	Description
£ 150	Accidental Damage , Fire , Theft , Windscreen , Total Loss
£ Nil	Third party
Additional to any other Excess which applies	

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

Repair Limit:	£Nil	Damage to Property Limit:
Section 12		£5,000,000 Applicable to any Commercial Vehicle, Minibus, Agricultural Vehicle and Special Type
		£50,000,000 Applicable to any Private Motor Car

Personal Effects Limit:	£150	Medical Expenses Limit:	£250
Section 13		Section 14	

Additional Cover : Section 25

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

Operative Endorsements:

1. Motor Insurers Database

It is a condition precedent of this policy that you supply such details of the vehicles whose use is covered by the policy as are required by the relevant law applicable in Great Britain and Northern Ireland for entry on the Motor Insurers Database

2. The following clause is added to Part I Section 2:

Corporate Manslaughter and Corporate Homicide Act 2007

In respect of any event which may be the subject of indemnity under this section the **insurer** will pay legal costs and expenses incurred with the **insurer's** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands committed or alleged to been committed during the period of insurance in the course of the **business**.

Provided always that:

- a) the **insurer's** liability under this clause will not exceed £5,000,000 in any one period of insurance
- b) this clause will only apply to proceedings brought in the **territorial limits**
- c) the **insurer** must consent in writing to the appointment of any solicitor or counsel who are to act for and on the **insured's** behalf
- d) the **insured** will give the **insurer** immediate notice of any summons or other process served upon the **insured** which may give rise to proceedings under this clause
- e) in relation to any appeal counsel has advised there are strong prospects of such an appeal succeeding
- f) the **insurer** will be under no liability:
 - i) where the **insured** has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - ii) in respect of fines or penalties of any kind
 - iii) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this clause indemnity would have been provided by such other source or insurance.

PART J – Motor Legal Expenses and Uninsured Loss Recovery

The Claims Handling Agent is DAS Legal Expenses Insurance Company Limited

Limit of Indemnity: £100,000 per insured incident

PART N – Fidelity Guarantee

Persons Guaranteed:
All members and employees

Sum Insured
£500,000

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:

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

The Claims Handling Agent is DAS Legal Expenses Insurance Company Limited.

Section:

3. Employment Disputes and Compensation Awards	
(A) Employment Disputes	Operative
(B) Compensation Awards	Operative
4. Legal Defence	Operative
5. Property Protection and Bodily Injury	
(A) Property Protection	Operative
(B) Bodily Injury	Operative
6. Tax Protection	Operative
7. Contract Disputes - £5,000 Limit	Operative
(b) Not operative	
8. Statutory Licence Protection	Operative
Limit of Indemnity:	£200,000

The following is also operative: EPL Extension
Section 2 (c) shall read:

(c) in civil claims other than claims under Section 3 it is always more likely than not that a Person Insured will recover damages (or obtain any other legal remedy which the **insurer** has agreed) or make a successful defence.

Provisos (i) (1), (i) (2) and (ii) to Section 3 (B) are deleted.

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. No refund will legally be due for any unused period of cover outside of the 'cooling off period' for consumer customers or following initiation for organisations and businesses. The Insurer 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.

3. Bonus and fee structure

Employees and businesses who work for ZIP 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:

Line of cover	Claims team	Claims contact details	
Buildings, Contents including All Risk Items	Property Claims	Tel:	01252 387 249 (out of hours Emergency: 0800 028 0336)
Business Interruption		Email:	farnboroughpropertyclaims@uk.zurich.com
Money		Address:	Zurich Property Claims, PO Box 3303, Interface Business Park, Swindon, SN4 8WF
Works In Progress			
Public Liability	Liability Claims	Tel: Email: Address:	0800 917 7207 farnboroughnewliabilityclaims@uk.zurich.com Zurich Municipal, Casualty Claims, Zurich House, PO Box 314, 2 Gladiator Way, Farnborough, GU14 6GB
Employers Liability			
Personal Assault under Money			
Personal Accident			
Professional Negligence			
Hirers Liability			
Fidelity Guarantee			
Libel and Slander			
Plant Protection			
Engineering – Deterioration of Stock			
Business Travel			
Motor	Motor Claims	Tel:	01489 882 110 (out of hours Emergency: 0800 302 9055)
		Email:	zmnewmotorclaims@uk.zurich.com
		Address:	Zurich Municipal Motor Claims, PO Box 3322, Interface Business Park, Swindon, SN4 8XW
Legal Expenses	DAS Legal Claims	Tel:	0117 934 2116

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

Track open claims on-line at: <http://www.zurich.co.uk/municipal/customerbenefits/register.htm>

Zurich Municipal

Zurich Municipal is a trading name of Zurich Insurance PLC.

A public limited company incorporated in Ireland. Registration No. 13460. Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland.

UK Branch registered in England and Wales Registration No. BR7985. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance PLC is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. These details can be checked on the FCA's Financial Services Register via their website www.fca.org.uk or by contacting them on 0800 111 6768. Our FCA Firm Reference Number is 203093.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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DISS TOWN COUNCIL

Internal Audit Plan

Principles

1. **Section 3 of the Accounts and Audit (England) Regulations 2015 imposes a duty on local councils to 'ensure that they have a sound system of internal control which: facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures the financial and operational management of the authority is effective; and, includes effective arrangement for the management of risk'.**
2. A smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'
3. Internal audit is a key component of the system of internal control. The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls over its activities and operating procedures are effective. **The internal audit function must be sufficiently independent from the management of financial controls and procedures of the council which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the council.**
4. Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council's staff and management, and not left for internal audit.

Practice

5. It is good practice for internal audit to be undertaken regularly throughout the financial year to test the continuing existence and adequacy of internal controls.
6. It is important for councils to consider whether internal audit is proportionate to the needs, the size and the circumstances of the council.
7. Each council should set out its control objectives, usually in the form of standing orders and financial regulations. The more complex the council is or becomes, in terms of its organisation and range of services, number of employees, etc. the wider ranging the scope of internal audit should be.
8. It is a matter for the council to determine the necessary scope and extent of its internal audit. **When securing an internal audit service, the council must make sure that it is fit for the purpose for which it is required at that particular council.**
9. Local councils should take into account their size and complexity when determining the way in which they will ensure that adequate internal audit arrangements are in place to meet legal requirements. **There are two key principles, which all local councils must follow in setting up their internal audit function, regardless of how procured: independence and competence.**
10. Independence means that whoever carries out the internal audit role does not have any involvement in the financial decision making, management or control of the council, or with the council's financial controls and procedures. **Those charged with carrying out internal audit must not be asked to provide or to**

offer consultancy or advice on the council's financial decisions, controls or processes. For them to do so would prejudice their ability to give an objective and independent view on whether these meet the needs of the council.

11. Essential competencies to be sought from any internal audit service include:

- 11.1 understanding basic bookkeeping and accounting processes;
- 11.2 understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management;
- 11.3 awareness of relevant risk management issues;
- 11.4 understanding accounting requirements within the legal framework and powers of local councils.

Scope

12. The scope of internal audit spans the whole range of the Council's activities and includes the review of those controls designed to ensure:

- 12.1 The Council's policies are put into practice
- 12.2 The Council's values are met
- 12.3 Laws and regulations are complied with
- 12.4 Processes are adhered to
- 12.5 Financial information is accurate and reliable
- 12.6 Human financial and other resources are managed efficiently and effectively

13. If necessary, work will be varied to include areas where significant weaknesses are identified. No contingency for unplanned work of this nature has been included in the plan and each issue will be dealt with as it arises. Examples could include:

- 13.1 Investigations
- 13.2 Requests from the Council's Policy & Finance Committee
- 13.3 Additional work required on planned activities

Roles and responsibilities

Diss Town Council

To uphold its responsibilities in the internal audit process, Diss Town Council will put in place and annually review the effectiveness of its systems of internal control including the appointment of the internal auditor and confirm that they are proportionate to the size and complexity of the Council's activities.

14. The Town Council on the recommendation of the Policy & Finance Committee will

- 14.1 appoint an Internal Auditor prior to the start of each financial year who satisfies the principle of independence and competence. The Appointee will receive a letter of appointment which sets out the terms of engagement. The appointment and rate of remuneration will be minuted.
- 14.2 set out its control objectives in the form of Standing Orders and Financial Regulations and annually review them.
- 14.3 provide the Internal Auditor with Terms of Reference which will ensure that
 - 14.3.1 The Internal Auditor has access to the evidence that will enable him to complete page 5 of the Annual Return
 - 14.3.2 The Council will have an independent opinion of its system of internal control that will underpin its Annual Governance Statement (Section 2 of the Annual Return)

- 14.4 conduct a review of the effectiveness of its System of Internal Audit in January of each financial year and will determine
 - 14.4.1 Whether the Internal Auditor met the Council's expected standards e.g. the scope of the Internal Auditor's work (does it for example enable the Auditor to complete page 5 of the Annual Return and give the Council the assurance that it needs to complete Section 2 of the Annual Return, his competency and independence)
 - 14.4.2 Consider how valuable and useful the Internal Audit has been since it was last reviewed and how to incorporate new guidance and changes into the Council's own activities
- 14.5 shall consider the findings of the review and incorporate them in its Statement of Internal Control.
15. The Town Council will provide the Internal Auditor with access to all the documents required and officers and councillors in order to undertake an effective audit on each occasion.

Internal Auditor

The Internal Auditor is required to carry out the periodic independent review of the Council's internal controls resulting in an assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control.

16. The Internal Auditor will conduct a minimum of two audit exercises in the financial year, the first at some point in the mid-year and the second as soon as possible after year end.
17. Should the Internal Auditor be unable to complete any of the boxes in page 5 of the Annual Return an explanation will be provided.
18. Internal Audit has unrestricted access to all activities undertaken by the organisation in order to review, appraise and report on:-
 - 18.1 the adequacy and effectiveness of the systems of financial and Officer control and their operation in practice;
 - 18.2 the extent of compliance with, relevance of, and financial effect of, established policies, plans and procedures;
 - 18.3 the extent to which the assets and interests are accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud and other causes;
 - 18.4 the suitability, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
 - 18.5 the integrity of computer systems, including systems under development, to ensure that controls over computer processing and associated clerical procedures offer adequate protection against error, fraud and loss of all kinds;
 - 18.6 the Council's financial and other management procedures within its powers, for special projects and unusual expenditure;
 - 18.7 review of the Council's risk management procedures and corporate governance;
 - 18.8 the follow up actions required to be taken to remedy weaknesses identified by Internal Audit review;
 - 18.9 review of the risks facing the Council and areas identified for improvement
 - 18.10 efficiencies identified

- 18.11 the effectiveness of the Council's Corporate Governance
- 18.12 areas of potential non-compliance across all areas of Council's operation identified for further investigation.

19. The Internal Auditor will present reports to the Town Council including one copy each of the report to the Town Clerk and Town Mayor after each internal audit and will summarise:

- 19.1 Work carried out
- 19.2 Significant findings
- 19.3 Agreed actions
- 19.4 Recommendations

Terms of Engagement

20. The work of internal audit will be subject to an engagement letter on first appointment by the council, setting out the terms of the appointment. Engagement terms will include:

- 20.1 a statement of roles and responsibilities;
- 20.2 audit planning
- 20.3 terms of reference
- 20.4 reporting requirements;
- 20.5 assurances around independence and competence;
- 20.6 access to information, members and officers
- 20.7 period of engagement;
- 20.8 remuneration; and
- 20.9 any other matters required for the management of the engagement by the council.

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 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>21. Do Councillors see a complete list of payees before they authorise payment of accounts each month?</p> <p>22. Does the amount of money that they authorise agree with the amount of money recorded in the minutes?</p> <p>23. Are payments in the cash book supported by invoices, authorised and minuted?</p> <p>24. Are cheques signed in accordance with financial regulations?</p> <p>25. Has the Council acted lawfully in its decision making and not exceeded its powers?</p>
Payroll Controls	<ul style="list-style-type: none"> • Do all employees have contracts of employment with clear terms and conditions? • Do salaries paid agree with those approved by the Council • Are other payments to employees reasonable and approved by the Council? • Have PAYE/NIC been properly operated by the Council's and employee them?

Bank Reconciliation	<ul style="list-style-type: none"> • Is there a bank reconciliation for each account? • Is there a bank reconciliation carried out regularly and in a timely fashion? • Has the bank reconciliation been signed off by a Councillor? • Are there any unexplained balancing entries in any reconciliation? • Is the value of investments held/summarised on the reconciliation?
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Internal Auditor's Terms of Reference – Year End

Internal Control	Testing Required
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up-to-date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced?
A. Standing Orders & Financial Regulations adopted and applied B. Payment Controls	<ul style="list-style-type: none"> • Has the Council formally adopted its Standing Orders & Financial Regulations? • Has a responsible officer been appointed with specific duties? • Have items on services above the de minimus amount been competitively purchased? • Are payments in the cashbook supported by invoices authorised and minuted? • Have VAT on payments been identified, recorded and appropriately reclaimed? • Is Section 137 expenditure separately recorded and within statutory limits?
Risk Management Arrangements	<ul style="list-style-type: none"> • Does a review of the minutes identify any unusual financial activity? • Do minutes record the Council carrying out an annual risk assessment? • Is insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed? • 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?
Budgetary Controls	<ul style="list-style-type: none"> • Has the Council prepared an annual budget in support of its precept? • Is actual expenditure against the budget regularly reported to the 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 explained?
Income Controls	<ul style="list-style-type: none"> • Is income properly recorded and properly banked? • Does the precept recorded agree to the Council Tax authorities' notification? • Are security controls over cash and other receipts adequate and effective? • Is there a system for regular income collection? • Are unpaid invoices chased?
Petty Cash Procedures	<ul style="list-style-type: none"> • Is there an established petty cash system in place? • Is all petty cash spent and recorded with VAT invoices/receipts? • Is petty cash expenditure reported to each Council meeting? • Is petty cash reimbursed regularly? • Is cash held checked by an independent person to ensure it is in agreement with an up to date record?
Payroll Controls	<ul style="list-style-type: none"> • Do all employees have contracts of employment with clear terms and conditions? • Do salaries paid agree with those approved by the Council? • Are other payments to employees reasonable and agreed by the Council? • Have PAYE and NIC been properly operated by the Council as an employer? • Are employee records maintained in respect of changes to contracts?
Asset Controls	<ul style="list-style-type: none"> • Does the Council maintain a register of all material assets owned or in its care? • Are the assets and investments register up-to-date? • Do asset insurance valuations agree with those in the asset register?
Bank Reconciliation	<ul style="list-style-type: none"> • Is there a bank reconciliation for each account? • Are bank reconciliations carried out regularly and in a timely fashion? • Are there any unexplained balancing entries in any reconciliation? • Is the value of investments held summarised on the reconciliation? • Has a year-end reconciliation been carried?

Year End Procedures	<ul style="list-style-type: none"> • Are year-end accounts prepared on an income and expenditure basis? • Do accounts agree with the cash book? • Is there an audit trail for underlying financial records to the accounts? • Have debtors and creditors been properly recorded? • Have the Council met its responsibilities as trustees?
Improvements	<ul style="list-style-type: none"> • Has the Council acted on the recommendations and comments of the internal and external auditors?

INTERNAL AUDIT SERVICE FOR DISS TOWN COUNCIL

AUDIT PROGRAMME – 2019/2020

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2014 edition of "Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide" (the 2016 edition does not include this level of detail).

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 and are they 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	Is all petty cash spent recorded and supported by VAT invoices/receipts?		
	Is there an established petty cash system in place?		
	Is petty cash expenditure reported to each Council meeting?		
	Is petty cash reimbursement carried out regularly?		
	Is all petty cash spent recorded with VAT invoices/receipts?		
	Is cash held checked by an independent person to ensure it is in agreement with an up to date record?		
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:

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Likeli-hood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
1	Lack of forward planning and budgetary controls	➤ Lack of direction and prioritisation	M	H	Corporate Governance – mission statement and objectives 3-year strategy plan Clear and regularly reviewed Financial Regulations	Annually by October	Unexpected expense	Town Clerk, Responsible Finance Officer; Council (RFO)
2	Poor reporting to Council	➤ Poor quality decision making ➤ Council becomes ill informed	L	H	Timely and accurate financial reporting Clear instructions to staff Regular project reports Bi-monthly reports to Policy & Resources	Quarterly Regularly ie bi-monthly Each meeting	Matter raised at meeting	Town Clerk, Deputy Town Clerk and RFO
3	Loss of key staff	➤ Failure in budgetary controls ➤ Correspondence backlog	M	H	Succession Planning [§] Clear office procedures Clear budgetary procedures Up to date job descriptions Appraisal system Open communication with both Town Council and staff Internal Auditor to cover end of year return if RFO unavailable	Annually Annually On-going Annually	Loss of staff member	Council Leader; Town Clerk and RFO
4	Failure to respond to electors' wish to right of inspection	➤ Loss of confidence ➤ Loss of reputation	L	H	Clear Standing Orders and Operating Protocols Freedom of Information adopted by Council and to be adhered to. Requests for information to be dealt with on a case by case basis by Officers of the Council.	Annually	Approach by elector to auditor	Town Clerk and RFO

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Likeli-hood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
5	Failure to meet the requirements for Local Council Award Scheme	<ul style="list-style-type: none"> ➤ Status rejected ➤ Cash withheld ➤ Responsibilities reduced 	L	L	Monitor requirements for Local Council Award Scheme	4 yearly		Town Clerk
6	Poor document control	<ul style="list-style-type: none"> ➤ Information not passed on in a timely manner ➤ Deadlines missed ➤ Lack of achievement 	M	M	Clear Standing Orders Clear Job Descriptions Monitoring of staff progress	Annually Quarterly	Major incident Complaints	Town Clerk, Deputy Town Clerk, RFO
7	Ensure Council complies with law, in particular: *Health and Safety *Equalities *Data Protection *Human Rights *Disability Discrimination *Employment Law	<ul style="list-style-type: none"> ➤ Fines and Penalties from regulation bodies ➤ Employee action for negligence or grievance ➤ Loss of reputation 	M (unknown risks in spite of best endeavours)	H	Clear Policies and procedures Regular review of law Updated employment contracts Training programme for Staff including induction procedure ^s Use of ACAS and other bodies to keep up to date Use of Council appointed Human Resources advisor	Bi-annual Annually	Following incident Complaints	Town Clerk and Relevant Line Managers
8	The provision of services carried out under agency/ partnership agreements with principal authorities	<ul style="list-style-type: none"> ➤ Loss of reputation ➤ Poor public image 	L	M	Clear statement of management responsibility for each service Regular scrutiny of performance against Targets	Annually Ongoing	Review of adequacy of insurance cover provided by suppliers	Town Clerk and Deputy Town Clerk

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Like- lihood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
9	Ensuring all business activities are within legal power	<ul style="list-style-type: none"> ➤ Illegal expenditure ➤ Poor public image 	L	H	Recording the precise power under which unusual expenditure is being approved Officer training to keep up to date with legislation	Quarterly	Review of documents / procedures to ensure legal powers in place, recorded and correctly applied	Town Clerk, Deputy Town Clerk and RFO
10	Proper, timely and accurate reporting of Council business in the Minutes	<ul style="list-style-type: none"> ➤ Confusion and misunderstandings ➤ Actions not reflecting intentions of Council 	L	H	Approval by committee and Town Council. Minutes properly numbered and paginated with a master copy for safekeeping	Monthly	Check minute numbers run consecutively	Town Clerk and Deputy Town Clerk
11	Meeting the laid down timetables when responding to consultation invitation	<ul style="list-style-type: none"> ➤ Affect reputation ➤ Ineffective involvement 	M	M	Documented procedures to deal with responses to consultation requests	Annually	Consultation questions Non-participation	Town Clerk and Deputy Town Clerk
12	Council lacks relevant skills and commitment	<ul style="list-style-type: none"> ➤ Council fails to achieve its purpose ➤ Decision making by-passes Council ➤ Poor value for money 	M	H	Mandatory training for Councillors Close review of attendance Encourage good relationships between Officers and Councillors	Annually. Especially for new Councillors Every meeting	Norfolk ALC training reminders	Town Clerk; Council
13	Council becomes dominated by one or two individuals, or cliques form	<ul style="list-style-type: none"> ➤ Conflicts of interest ➤ Pursuit of personal agendas ➤ Decisions made outside Council ➤ 	M	H	Clear Standing Orders regarding conduct of meetings and Conflict of Interests Training for Councillors	Annually	*Adverse press articles *Complaints *Incidents at meetings	Council Leader

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Likeli- hood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
14	Councillors benefiting from being on Council	<ul style="list-style-type: none"> ➤ Affects reputation ➤ Conflicts of Interest 	M	H	Clear Standing Orders Code of Conduct Open system of payment Transparent accountability	Annually All meetings	Adverse press articles / complaints from public	Council Leader; Town Clerk
15	Failure to register Members' interests, gifts, etc.	<ul style="list-style-type: none"> ➤ Member could make inappropriate gains ➤ Could affect Council reputation 	M	H	Annual updates for recording and monitoring Members' interests and gifts Officers up to date with code of conduct procedures Annual review of Code of Conduct and Dispensation Policy Member training	As required	Test of disclosures Complaint about members	Town Clerk
16	Lack of maintenance of Council owned property	<ul style="list-style-type: none"> ➤ High cost of repair ➤ Injury to third party leading to claims ➤ Damage to property 	M	H	Building structural survey Stock condition survey Regular routine maintenance Insurance cover	} Ten yearly } Annually	Unexpected incident	Town Clerk and RFO
17	Damage or loss to Council owned property by third party or act of God. Insufficient protection of physical assets owned by the Council – buildings, furniture, equipment etc.	<ul style="list-style-type: none"> ➤ High cost of repair ➤ Loss of assets ➤ Disruption ➤ Damage to public property or person 	M L M L	L M M H	Insurance cover; Good Fire Alarm; Improved security; Clear monitoring and auditing procedures by staff; Maintain an up to date register of assets; Regular maintenance arrangements for physical assets; Annual review of risk and adequacy of insurance cover; Back-up copies of all essential documents (ie computer records, burial records); Disaster Recovery Plan [§]	Annually	Police report or damage report Annual facilities review register Review of management arrangements regarding insurance cover (loss or damage)	Town Clerk/Deputy Town Clerk /RFOExecutive Committee

KEY - Likelihood/Severity L = Low, M = Medium, H = High17th April 2019[¶]Yet to be done [§]Progressing

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Likeli- hood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
18	Damage to third party property or individual due to service or amenity provided	➤ Claim against Council	M	M	Public liability insurance Comprehensive event planning Regular checks of facilities Ensure all amenities/facilities are maintained to appropriate level (ongoing) Health & Safety and risk assessments	As required	As reported Review of Insurance Cover Review of adequacy of insurance cover provided	Town Clerk and RFO
19	Loss of cash through fraud or dishonesty	➤ Reduction in available funds ➤ Loss of reputation	L	H	Clear financial procedures and regulations Bi-annual internal audits Adequate insurance cover	Annually Annually	On a Loss Review Insurance Cover (fidelity guarantee)	Town Clerk and RFO
20	Inadequacy of Precept Ensuring the adequacy of the annual precept within sound budgeting arrangements	➤ Services not provided ➤ Lack of confidence in Council ➤ Inability to carry out functions ➤ Insufficient funds for contingencies or projects	L	H	Regular in-year budget progress reports 3 year financial plan [§] 5 year business plan [§] Annual budget	Quarterly at Council Meetings Annually Annually Annually	Unexpected event i.e. flooding Building Conditions Survey (ten yearly)	Town Clerk and RFO Executive Committee
21	Lack of Sufficient Reserves	➤ Impact on ability to manage functions and pay suppliers ➤ Ability to manage project cashflows ➤ Ability to finance unexpected or unbudgeted expenditure	M	H	Proper Internal Control procedures for managing expenditures within budget. Clear and appropriate budgeting Strategic Planning to focus resources	Monthly At budget setting and at year end	Unbudgeted Expenditure	Town Clerk, RFO, Executive Committee & Full Council

KEY - Likelihood/Severity L = Low, M = Medium, H = High17th April 2019[¶]Yet to be done [§]Progressing

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	➤ Impact	Likeli- hood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
22.	Inappropriate VAT treatment	<ul style="list-style-type: none"> ➤ Investigation by HMRC uncovers errors or mis-allocation of VAT resulting in penalties from and VAT reimbursement to HMRC ➤ Excessive exempt VAT expenditure 	L	H	<p>Rigorous checks of proposed VAT treatment for all expenditure</p> <p>Regular review of business exempt VAT expenditure</p> <p>Measures to minimise BE expenditure where appropriate or seek alternatives when necessary (such as option to tax)</p>	<p>Weekly</p> <p>Quarterly</p> <p>As required</p>	<p>HMRC investigation</p> <p>New project or unusual expenditure</p>	Town Clerk and RFO
23	Problems due to borrowing or lending. Complying with restrictions on borrowing	<ul style="list-style-type: none"> ➤ Failure of third party to repay loan ➤ Inability of Council to repay a loan 	L L	L M	<p>Include loan repayments in annual budget</p> <p>Clear Financial Regulations</p> <p>Careful review of current procedures for borrowing</p>	<p>Quarterly reviews</p> <p>Annually</p> <p>As required</p>	<p>Review of internal controls; Officers to ensure compliance with restrictions on borrowing; Monitoring by internal auditor</p>	<p>Town Clerk and RFO</p> <p>Executive Committee</p>
24	Failure to use grants received for intended purposes.	<ul style="list-style-type: none"> ➤ Lack of funds for project for which grant was intended ➤ Investigation into the use of funds 	L	L	<p>Ensure funds properly ring fenced</p> <p>Clear financial procedures</p> <p>Record clearly in minutes</p> <p>Work to deadlines</p>	Annually	Review of minutes	Town Clerk and RFO
25	Failure to use grants given for intended purposes. Ensuring the proper use of funds granted to local community bodies under specific powers or s137	<ul style="list-style-type: none"> ➤ Lack of funds for project for which grant was intended ➤ Misuse of grant monies 	M	L	<p>Follow up on projects with project reporting form</p> <p>Maintain a separate record for s.137 expenditure</p>	Annually	Request for completion of grant monitoring form	Town Clerk and RFO
26	Keeping the proper statutory financial records	<ul style="list-style-type: none"> ➤ Inadequate financial control 	L	H	Regular scrutiny of financial records and proper	Annually	Review of internal controls in place and their documentation	Town Clerk and RFO

KEY - Likelihood/Severity L = Low, M = Medium, H = High[†]Yet to be done [§]Progressing

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

					arrangements for the approval of expenditure			
27	Finances – Failure to plan for staff absence	➤ Inability to manage accounts during staff absence	M	H	Maintain adequate staff to cover the staff absences	Annually	Staff absence / resignation	Town Clerk/Deputy Town Clerk/RFO
28	Office staff recruitment – managing being short staffed for periods of time	➤ Loss of working hours ➤ Diversion of key staff from priority work	M	H	Recruitment procedures in place to include use of an employment agency where appropriate	As required	Staff resignation	Town Clerk/Deputy Town Clerk/RFO
29	Failure to register Town Council owned land	➤ Land ownership disputes	M	H	Ensure all Town Council owned land is registered with HM Land Registry [§]	As required	Boundary/land ownership dispute	Town Clerk and RFO
30	Failure to carry out Cemetery Record Checks	➤ Inaccurate allocation of exclusive rights plots ➤ Inaccurate allocation of burial plots ➤ Loss of potential income ➤ Unnecessary distress to bereaved families	L	H	Checks of Cemetery Record carried out by Finance Assistant	Quarterly	Errors Discovered	Town Clerk/ Deputy Town Clerk

DISS TOWN COUNCIL – GOVERNANCE AND MANAGEMENT RISK REGISTER

	Risk	Impact	Likelihood	Severity	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
31	FSCS – Financial Services Compensation Scheme – limits of compensation on investment	<ul style="list-style-type: none"> ➤ Significant financial loss of reserves ➤ Weak financial position 	L	H	Investment Strategy. Regular review of investments.	Annually	Significant change in Base Interest rate increase	Town Clerk/ RFO/Executive Committee
32	Debit/Credit Card <ul style="list-style-type: none"> • User Fraud • Lost Stolen Cards • Inadequate Controls 	<ul style="list-style-type: none"> ➤ Significant financial loss 	L	H	Appropriate controls on spending	Annually/ Monitored monthly	Problems arise	Town Clerk/ RFO/Executive Committee
33	<ul style="list-style-type: none"> • Non-compliance with the security obligations re. electronic transfers 	<ul style="list-style-type: none"> ➤ Financial loss ➤ Fraud 	M	H	Digital User Security Guide to be distributed all the Staff and Councillors using Barclays.net Councillors and Staff read the Digital Security guide provided by the Barclay.Net.	After 6 months	Problems arise	Town Clerk/RFO
34	<ul style="list-style-type: none"> • Payroll and Confidentiality 	<ul style="list-style-type: none"> ➤ Discord among employees ➤ Compromise the employer's and employee's financial situation 	H	H	Strengthen the payroll confidentiality by assigning the payroll tasks to specific personnel – officers of the Council. Work in a quiet location separate from other employees Not disclosing the payroll information to non-payroll staff.	Annually	Problems arise	RFO/Town Clerk

DISS TOWN COUNCIL



INVESTMENT STRATEGY

Reviewed at the Full Council Meeting on 17th April 2019

DISS TOWN COUNCIL

ANNUAL INVESTMENT STRATEGY

1. OVERVIEW

1.1 This document gives guidance on borrowing and investments by Diss Town Council in accordance with 'the Local Government Act 2003'. It highlights that the Council is committed to Treasury Management to ensure that:

- * Capital expenditure plans are affordable
- * All external borrowing and other long term liabilities are within prudent and sustainable levels
- * Treasury Management decisions are taken in accordance with good professional practice

1.2 The CIPFA Treasure Management Code of Practice defines Treasury Management as:

'The management of the Council's cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

2. INVESTMENT STRATEGY

2.1. Introduction

- 2.1.1 The Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.
- 2.1.2 This Strategy complies with the revised requirements set out in the Department for Communities and Local Government's *Guidance on Local Government Investments* and Chartered Institute of Public Finance and Accountancy's *Treasure Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of the Section 15(1)(a) of the Local Government Act 2003.

2.2. Investment Objectives

- 2.2.1 In accordance with Section 15(1) of the 2003 Act, the Council will *have regard to (2) such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.*
- 2.2.2 The Council's investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling.
- 2.2.3 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.
- 2.2.4 Where external investment managers are used, they will be contractually required to comply with the Strategy.

2.3. Specified Investments

- 2.3.1 Specified investments are those offering high security and high liquidity made in sterling and with a maturing 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.

2.3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Diss Town Council will use:

2.3.2.1 Deposits with banks, building societies, local authorities or other public authorities

2.3.2.2 The debt management agency of HM Government

2.3.3 Options for investing in various high street banks and/or the CCLA to be investigated and reviewed annually.

2.4. Non-Specified Investments

- a) These investments have greater potential risk – examples include investment in the money market, stocks and shares.
- b) Given the unpredictability and uncertainties surrounding such investments, Diss Town Council will not use this type of investment.

2.5. Liquidity of Investments

- a) The Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.
- b) Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

2.6. Long Term Investments

- a) Long term investments are defined in the Guidance as greater than 36 months.
- b) The Town Council will consider the merits or otherwise of long term investments in future years.

2.7. End of Year Investment Report

At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Executive Committee and/or Full Council.



Transactions

Rate Reward

20-26-34 03508641

Available balance	£406,155.99
Last night's balance	£406,155.99
Overdraft limit	n/a
Emergency Borrowing	n/a

 Showing **14** transactions between **03/04/2018** and **01/03/2019** from 01/04/2018 to 31/03/2019

Date	Description	Money in	Money out	Balance
01/03/2019	Credit INTEREST PAID GROSS FOR PERIOD 1FEB/28FEB	£124.55		£406,018.06
18/01/2019	Funds Transfer 202634 10271985 MIN BAL IN ACCOUNT FT		-£111,347.68	£405,893.51
02/01/2019	Credit INTEREST PAID GROSS FOR PERIOD 3DEC/ 1JAN	£170.00		£517,241.19
03/12/2018	Credit INTEREST PAID GROSS FOR PERIOD 1NOV/ 2DEC	£181.27		£517,071.19
01/11/2018	Credit INTEREST PAID GROSS FOR PERIOD 1OCT/31OCT	£95.29		£516,889.92
18/10/2018	Funds Transfer 202634 10271985 TRF TO BASE RATE FT	£200,000.00		£516,794.63
18/10/2018	Funds Transfer 202634 10271985 TRF TO BASE RATE FT	£230,929.02		£316,794.63
01/10/2018	Credit INTEREST PAID GROSS FOR PERIOD 3SEP/30SEP	£26.34		£85,865.61

Credit

03/09/2018	INTEREST PAID GROSS FOR PERIOD 1AUG/ 2SEP	£31.03	£85,839.27
01/08/2018	Credit INTEREST PAID GROSS FOR PERIOD 2JUL/31JUL	£17.63	£85,808.24
02/07/2018	Credit INTEREST PAID GROSS FOR PERIOD 1JUN/ 1JUL	£18.21	£85,790.61
01/06/2018	Credit INTEREST PAID GROSS FOR PERIOD 1MAY/31MAY	£18.21	£85,772.40
01/05/2018	Credit INTEREST PAID GROSS FOR PERIOD 3APR/30APR	£16.44	£85,754.19
03/04/2018	Credit INTEREST PAID GROSS FOR PERIOD 1MAR/ 2APR	£19.37	£85,737.75

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

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