



Public Document Pack

Melksham Town Council

Town Hall, Melksham, Wiltshire, SN12 6ES
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Town Clerk and RFO Linda Roberts BA(Hons) PGCAP, FHEA,
FLSCC

To: Councillor S Rabey (Chair)
Councillor J Crundell (Vice-Chair)
Councillor J Hubbard
Councillor C Goodhind
Councillor C Forgacs
Councillor C Houghton
Councillor S Mortimer

11 January 2022

Dear Councillors

In accordance with the Local Government Act (LGA) 1972, Sch 12, paras 10 (2)(b) you are invited to attend the **Finance, Administration and Performance Committee** meeting of Melksham Town Council. The meeting will be held at Melksham Town Hall on **Monday 17th January 2022** commencing at **7.00 pm**.

A period of public participation will take place in accordance with Standing Order 3(e) prior to the formal opening of the meeting. The Press and Public are welcome to attend this meeting.

Yours sincerely

Mrs L A Roberts BA(Hons), PGCAP, FHEA, FSLCC
Town Clerk and RFO

Melksham Town Council
Finance, Administration and Performance Committee

Monday 17 January 2022

Public Participation – To receive questions from members of the public.

In the exercise of Council functions. Members are reminded that the Council has a general duty to consider Crime & Disorder, Health & Safety, Human Rights and the need to conserve biodiversity. The Council also has a duty to tackle discrimination, provide equality of opportunity for all and foster good relations in the course of developing policies and delivery services under the public sector Equality Duty and Equality 2010.

AGENDA

1. Apologies

2. Declarations of Interest

To receive any Declarations of Interest in respect of items on this agenda as required by the Code of Conduct adopted by the Council.

Members are reminded that, in accordance with the Council's Code of Conduct, they are required to declare any disclosable pecuniary interest or other registrable interests which have not already been declared in the Council's Register of Interests. Members may however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared on the Register, as well as any other registrable or other interests.

3. Minutes (Pages 1 - 4)

To approve the Minutes of the Finance and Administration Committee meeting held on 22 November 2021.

4. Draft Procurement Policy (Pages 5 - 18)

To consider the proposed amendments by Councillor Goodhind. Comments in red need to be discussed and approved for insertion into the finalised Procurement Policy (see attached).

Members will then be requested to approve and recommend the Procurement Policy for adoption at the Full Council meeting scheduled for 24 January 2022 (see attached).

5. Finances

To consider the following:

5.1 Monthly Financial Statement Year to Date to 30 November 2021 (Month 8) (Pages 19 - 20)

To note the monthly Financial Statement.

5.2 Detailed Income & Expenditure Report as at 30 November 2021 (Month 8) (Pages 21 - 30)

To note the Income and Expenditure Report.

5.3 Earmarked Reserves Year to Date to 30 November 2021 (Month 8) (Pages 31 - 32)

To note the Earmarked Reserves.

6. Interim Internal Audit Report 2021/2022 (Pages 33 - 44)

To consider the Interim Internal Audit Report, note the actions taken as a result of the recommendations contained therein, and recommend for adoption at the Full Council meeting scheduled for 24 January 2022 (see attached).

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Melksham Town Council

Minutes of the Finance, Administration and Performance Committee meeting held on Monday 22nd November 2021

PRESENT: Councillor S Rabey (Chair)
Councillor J Hubbard
Councillor C Goodhind
Councillor C Forgacs
Councillor C Houghton
Councillor S Mortimer

IN ATTENDANCE: Councillor P Aves
Councillor G Cooke

OFFICERS: Linda Roberts Town Clerk
Christine Hunter Committee Clerk

PUBLIC PARTICIPATION: Six members of the public and one member of the press were present.

40/21 Apologies

Apologies for absence were received from Councillor J Crundell.

41/21 Declarations of Interest

Councillor Mortimer declared an interest in relation to agenda item number 6.1. She remained in the meeting and took part in the debate on this item.

Councillor Houghton declared an interest in relation to agenda item number 6.6. He remained in the meeting and took part in the debate on this item.

42/21 Minutes

It was proposed by the Town Mayor, Councillor Hubbard, seconded by Councillor Mortimer and

UNANIMOUSLY RESOLVED that the minutes of 20 September 2021, having previously been circulated, were approved as a correct record and signed by Councillor Rabey.

43/21 Finances

43/21.1 Monthly Financial Statements year to date to 31 October 2021 (Month 7)

The Monthly Financial Statement was noted.

43/21.2 Income and Expenditure year to date to 31 October 2021 (Month 7)

The Income and Expenditure report was noted.

The Town Clerk reported that approximately £38,600 had been received from Sandridge Solar Farm in November 2021.

43/21.3 Earmarked Reserves year to date to 31 October 2021 (Month 7)

The Earmarked Reserves were noted.

The Town Clerk confirmed that officers were monitoring the occupation levels of the development on which the East of Melksham Community Infrastructure Levy (CIL) funding was based. She reported that she was seeking clarification of the date by which the CIL funding had to be spent.

44/21 Draft Budget 2022-2023

The draft budget options for 2022/2023 were noted.

Members considered the three draft budget options provided by the Town Clerk. The Town Mayor, Councillor Hubbard, confirmed that the 2022/2023 budget had to be agreed by the January 2022 Full Council meeting.

The Town Clerk explained that she had started the initial research into the application process for the Public Works Board Loan referred to in Option 3. Should Option 3 be chosen, she confirmed that the Council could take the loan in tranches.

It was proposed by Councillor Rabey, seconded by Councillor Mortimer and

UNANIMOUSLY RESOLVED

- to bring budget options 1, 2 and 3 to the Full Council meeting on 13 December.
- to ask the Town Clerk to obtain further clarification regarding the loan application process for Option 3.
- that Councillors Mortimer and Cooke would produce a budget option 4.

45/21 Grant Applications 2021-2022

Councillor Rabey confirmed that the committee had a total grant budget of £7,850 available to be awarded but that a total of £21,077 had been requested by 18 applicants in this round. Any funding not awarded, would be carried forward to the next and final round of grant applications for the financial year.

It was proposed by the Town Mayor, Councillor Hubbard, seconded by Councillor Houghton and

RESOLVED to award the grants as stated:

45/21.1 Age UK Wiltshire - £500

45/21.2 Melksham Community Meals - £163.50

45/21.3 Melksham Cricket Club - £600

45/21.4 Melksham Sixty Plus Club - £250

45/21.5 Proud Melksham - £464.40

45/21.6 Little Cherubs Toddler Group - £500

45/21.7 Melksham Community Dining - £412

45/21.8 Riverside Club - £600

45/21.9 Splash Wiltshire/Community First - £1,150

The Committee awarded £1,150 and suggested that the group apply to the Melksham Area Board for the remainder of the funding.

45/21.10 Stepping Stones - £600

45/21.11 W.A.N.D.S (Wiltshire Adopters - Networking, Development and Support) - £ 1,360

45/21.12 Community Action Shaw and Whitley - not awarded

The application was not supported. The group were asked to approach Melksham Without Parish Council, and Jubilee Celebration grant providers.

45/21.13 Celebrate Melksham - not awarded

The group were asked to resubmit their application, with evidence showing that they were a group and not an individual person. This would be reconsidered at the Finance, Administration and Performance committee meeting to be held on 17 January 2022.

45/21.14 Melksham Amateur Swimming Club - not awarded

The application was not supported. The group were asked to apply for alternative sports' funding.

45/21.15 Melksham and District Historical Association - not awarded

The application was not supported as the Committee felt that the group had adequate reserves to fund the project.

45/21.16 Melksham Baptist Church - not awarded

The application was not supported. The group were asked to seek volunteers from the National Trust or Wiltshire Probation Service.

45/21.17 Somerset and Wiltshire Advanced Motorists - not awarded

The application was not supported. The Committee felt that the individuals taking part, who would benefit from the scheme, should pay for the course themselves.

45/21.18 Wiltshire Mind - not awarded

The Committee suggested that the group apply to the Melksham Area Board for capital funding.

46/21 Draft Procurement Policy

The amended draft Procurement Policy was received.

It was proposed by the Town Mayor, Councillor Hubbard, seconded by the Deputy Town Mayor, Councillor Goodhind, and

UNANIMOUSLY RESOLVED to defer this item as the first agenda item to the next Full Council meeting. Councillors were asked to e-mail the Acting Deputy Town Clerk with requested amendments to the Procurement Policy.

Meeting Closed at: 8.45 pm

Signed:

Dated:

Recommended changes and/or additions to Draft Procurement Policy prior to adoption

These are my views and in some cases are edited text from other documents. Text in blue is a query from me, not a suggestion it's wrong! I haven't said or implied where I feel the suggested text should go. I don't have formal contract drafting experience but have taken into account some instances that have not turned out well for this Council in the past. Obviously, officers need to ensure nothing conflicts with NALC policy¹ and Council as a whole needs to feel it's all reasonable.

SPECIFICATIONS

A specification is the description of the product or service required and will form part of the contract with the selected supplier. It is therefore important that the specification is clear and un-ambiguous as changes/additions to the specification post-contract may entail extra costs. Also, the specification should not be biased towards any one company and should enable suppliers to tender or quote the Town Council on an equitable basis. Where adequate expertise is not available within the Council (officers and members) outside assistance should be sought²

Invitations to quote should normally be in writing or by e-mail and sent simultaneously to all suppliers selected to quote³. Specifications for the provision of goods and services should include where applicable:

- The key features, functions, performance and installation standards and methods (where appropriate) required
- Any essential design requirements and/or limitations
- Details of any existing suitable products that the requirements are based upon including relevant national (or european?) standards⁴ and Health and Safety considerations
- The timescale required for delivery
- Any specific evaluation criteria and relevant experience required
- A statement to the effect that non-compliance with instructions may lead to disqualification from the procurement process

Wherever possible/relevant a note should be included stating that where suppliers feel that specific requirements could be varied to the benefit or improvement in overall value to or effective operation by the Council, they are encouraged to say so in writing along with detailed justification. Consideration will then be given without compromising the principle of fairness previously referred to.

¹ It is not NALC guidance but the Joint Panel on Accountability and Governance Practitioners' Guide

² This paragraph may be more appropriate for Financial Regulations than the Procurement Policy

³ Is this for tender process or all quotations? Will already be reflected in the tender document.

⁴ What is meant by this?

SUPPLIER SELECTION AND APPRAISAL

In many cases a list of potential suppliers can be produced through previous experience and market knowledge. In other circumstances advertisements may be placed in appropriate trade journals. The Town Council website should also be used. [For orders above £25,000 the Government Procurement rules must be followed \(including advertising on the Government's Contract Finder portal\)?](#) Potential suppliers need to be assessed to ensure that they are capable of meeting the requirements. This assessment should be based on technical, commercial and financial grounds and may involve one or more of the following:

- Requesting that potential suppliers complete a [pre-qualification document](#)⁵ providing information relevant to the contract
- [Visiting and assessing the premises](#)⁶ and/or web site of a supplier
- Taking up references from appropriate professional organisations or comparison websites

Wherever possible, [suppliers should be contacted prior to the issue of invitations to quote/tender in order to establish:](#)

- [That they are willing to quote/tender for the work](#)
- [Timescales for return of quotes/tenders.](#)
- [A contact name, address, phone number and e-mail address](#)⁷

If supplies or services can only be supplied by one supplier or local specialists are needed or the supplies or services are proprietary, they can be sourced outside the normal procurement procedure subject to the procedure referred to in Section 1 para 7.

Suppliers and contractors are monitored to assess their compliance against [the pre-determined performance criteria set out in the contract documentation](#)⁸. We work continually to improve our performance and expect our contractors to do the same.

General

[Section 12.2 should be removed as it is at odds with para 7 of section 1 which should remain](#)⁹.

[As previously agreed, references to insurance should quote £5m and only more in exceptional circumstances.](#)¹⁰

⁵ Not supplied

⁶ This may not be possible depending on where the supplier is based

⁷ This will all be specified in the tender documentation

⁸ How will pre-determined performance criteria be set?

⁹ Sections 12.2 and 13.2 are in addition to para 7 under 1. Introduction

¹⁰ What constitutes exceptional circumstances?

Reference to 'estimates' should be replaced with **quotations**.

Reference to 'sought' should be changed to **obtained**¹¹

Link to NALC 87 link not working? This has been raised already and may well have been sorted.¹²

Payment of invoices – 6.1 is fine but a 6.2 should be added saying something along the lines “non-compliance with the specification or other contract requirements could result in delayed or even reduced payment”.

¹¹ It may not always be possible to obtain quotes, hence use of the word 'sought'.

¹² The NALC document can be added as an appendix rather than a link.

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PCC V3 amendments

CG amendments

This document should be reviewed in conjunction with the recommended changes document prepared by CG and footnotes made to this.

PROCUREMENT POLICY

Version	Owner	Date Adopted	Review Due	Review Team
V1	TC	January 2022	May 2023 To be reviewed in conjunction with any revision or amendment to Financial Regulations	RFO

1. Introduction

The purpose of this policy is to provide guidance on the procedures which will be followed when purchasing goods and services. The policy aims to give effect to and comply with S135 of the Local Government Act 1972 and the Public Contracts Regulations 2015.

Every Contract by the Council or person acting on its behalf shall comply with this Procurement Policy, the Town Council's Standing Orders and Financial Regulations. These regulations cover, amongst other things: the number of quotations to be sought and the tendering procedure.

The National Association of Local Councils Legal Topic Note 87 also provides sensible guidance. [NALC 87 re Procurement Policy.pdf](#)

A Contract is an agreement between the Council and an individual or organisation for the individual or organisation to provide works, goods or services (including the engagement of consultants) in exchange for payment by the Council. The following contracts are exempt from

the requirements of these rules: contracts relating solely to disposal or acquisition of land; employment contracts and individual agency contracts for the provision of temporary staff.

The Council strives to attain best value for the goods, materials and services that it purchases. Best value is defined as a balance of price, quality of product and local supplier services. Before commencing a procurement, it is essential that the authorised person leading the procurement has identified the need and fully assessed the options for meeting those needs. The best use of purchasing power shall be sought by bulk purchases wherever possible.

Exceptions from any of the following provisions of these Contract Procurement Rules may be made under the direction of the Council, in consultation with the RFO, where they are satisfied that the exception is justified in special circumstances. Every exception and reason therefore shall be recorded by a resolution of Council.

The RFO and officers must be mindful of avoiding conflicts of interest when obtaining quotations and awarding tenders. Quotations cannot be obtained by members.

2. Purpose

Melksham Town Council's Procurement Policy has four main purposes:

1. To obtain best value in the way that the Council spends money, so that it may in turn offer better and more cost-effective services to the public.
2. To support the ability of the Council's officers to procure and manage goods, services and suppliers effectively, including informing all Council staff of the appropriate procedures and responsibilities.
3. To enable the Council to comply with legal obligations that govern the spending of public money.
4. To contribute to the Council's duty towards biodiversity and environmental aims.

3. Local contractors preferred

- 3.1 The Council recognises the benefits to the economy of using local businesses and will seek out local contractors and suppliers, wherever possible.

4. Competence of contractors and due diligence

4.1 The Council shall only enter into a contract with a supplier if it is satisfied as to the supplier's suitability, eligibility, financial standing and technical capacity to undertake the contract by carrying out appropriate due diligence. A credit check will be carried out for all contracts over £5,000. Officers will also seek references from suppliers.

4.2 All contractors and suppliers working on Council sites will be required to comply with the Council's Health & Safety policy and any rules specific to the site of operation. Provision of suitable risk assessments and safe working method statements will be a condition of all such contracts.

4.3 The Council requires all contractors working on Council sites and projects to maintain adequate insurance, including but not limited to Public Liability insurance for **£5 million**.

4.4 All procurement will be in accordance with the Council's Equality Policy and in line with our legal obligations under the Equalities Act 2010 which makes it generally unlawful to discriminate on the grounds of colour, race, nationality, ethnic or national origins, sex or marital status, disability and on the grounds of age.

5. Equality and sustainability

5.1 The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions.

5.2 The Council recognises its duty to protect biodiversity under Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006. To meet this duty the Council will wherever possible purchase products that protect biodiversity, for example peat-free compost.

5.3 The Council will encourage the purchase of locally sourced products and, where possible, ensure that products and materials originate from sustainable sources and accredited sustainable companies. In order to:

- minimise waste and maximise efficiency
- minimise travel
- minimise energy consumption
- promote greater use of new sustainable technologies
- keep material consumption to a minimum.

5.4 The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).

5.5 The Council will consider the whole life cost of products when selecting a supplier (Energy efficient products for example often have an increased capital cost that is more than offset over time by the reduced operational cost)

5.6 The Council will never buy products that are harmful to the environment if a less damaging alternative is available (for example never use tropical hardwood that is not independently certified as being from a sustainable forest). The Council will always specify goods, products and materials that cause minimum damage to the environment including the impact of their manufacture, distribution, use & disposal.

5.7 The Council aims to promote sustainability within all its contract and tendering documentation and promote awareness amongst members and officers.

5.8 The Council will continually review the purchasing of goods and services through contract specifications, with the intention of decreasing the Council's environmental impact and increasing its positive impacts on society, the local economy and producers.

5.9 The Council aims to draw the sustainable elements of its Procurement Policy to the attention of key suppliers and communicate it as widely as is practicable to the potential supply market.

6. Prompt payment of invoices

6.1 The Council understands the importance of paying suppliers promptly and will wherever possible settle accounts within a maximum of 30 days, or earlier, by agreement. In order to comply with current legislation all payments (apart from petty cash payments) are made by BACS transfer, Direct Debit or cheque.

6.2 Non-compliance with the specification or other contract requirements could result in delayed or even reduced payment.

7. Community engagement

7.1 Where relevant, the Council will consult with residents and service users to better understand what is needed, who will use it and what the essential requirements are for an item of capital expenditure.

8. Pre-approval of contractors

8.1. In respect of contracts that may be exempt from the Public Contracts Regulations 2015, the Council may require access to pre-approved contractors to supply routine services (or who can be called on to provide emergency services) including but not limited to:

- a) Electricians
- b) General builders
- c) Glaziers
- d) Grass and hedge cutting contractors
- e) Groundworkers
- f) HR advice
- g) IT support
- h) Legal advice
- i) Locksmiths
- j) Plant hirers
- k) Play equipment repairers
- l) Plumbing and heating engineers
- m) Project management/ quantity surveying
- o) Tree surgeons
- p) Vehicle and machinery service engineers
- q) Project management and quantity surveying

8.2 Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form (See Appendix A).

8.3 The register of approved contractors will be reviewed every three years.

8.4 Provision of the Town Council's internal audit services is reviewed every three years. A decision has to be made by 31 December for the next financial year.

9. Best value

9.1 Normally the Council will accept the quotation, estimate or tender that provides best value for money. However, in accordance with Standing Orders, the Council is not obliged to accept the lowest of any tender, quotation or estimate.

10. Purchases on account

10.1 The Council maintains monthly accounts with suppliers of regular purchases. All purchases on Council accounts may only be made by authorised Council officers who must be provided with a receipt. **A purchase order must be raised for all goods.** Limits will be set on each account on the maximum value of individual purchases and the overall balance on the account. Expenditure over these limits must be authorised in advance.

11. Specifications for tender process

11.1 Enquiries and invitations to tender shall be based on a written specification. The specification shall adequately describe the requirement procedure in sufficient detail to enable effective procurement in accordance with these rules.

11.2 **A specification is the description of the product or service required and will form part of the contract with the selected supplier. It is therefore important that the specification is clear and un-ambiguous as changes/additions to the specification post-contract may entail extra costs. Also, the specification should not be biased towards any one company and should enable suppliers to tender or quote the Town Council on an equitable basis. Where adequate expertise is not available within the Council (officers and members) outside assistance should be sought**

Invitations to quote should normally be in writing or by e-mail and sent simultaneously to all suppliers selected to quote.

11.3 Specifications for the provision of goods and services should include where applicable:

- The key features, functions, performance and installation standards and methods (where appropriate) required**
- Any essential design requirements and/or limitations**
- Details of any existing suitable products that the requirements are based upon including relevant national (or european?) standards and Health and Safety considerations**
- The timescale required for delivery**
- Any specific evaluation criteria and relevant experience required**

- A statement to the effect that non-compliance with instructions may lead to disqualification from the procurement process

Wherever possible/relevant a note should be included stating that where suppliers feel that specific requirements could be varied to the benefit or improvement in overall value to or effective operation by the Council, they are encouraged to say so in writing along with detailed justification. Consideration will then be given without compromising the principle of fairness previously referred to.

12. Contracts above £5,000 (to be read in conjunction with Financial Regulations)

12.1 Three quotes shall be sought and obtained, wherever possible, in accordance with Financial Regulations, by the RFO or delegated officer (except where a pre-approved contractor is used per Para 8 above).

~~12.2 If it is not possible to obtain quotes in accordance with Financial Regulations, the reasons and actions must be noted and approval to proceed authorised by the RFO.~~

12.3 A credit check should be carried out for all suppliers where the contract being awarded is in excess of £5,000.

13. Contracts between £10,000 and £25,000 (to be read in conjunction with Financial Regulations)

13.1 Written quotations shall be sought and obtained, wherever possible, in accordance with Financial Regulations, by the RFO or delegated officer (except where a pre-approved contractor is used per Para 8 above).

13.2 If it is not possible to obtain three quotes, the reasons and actions must be noted and approval to proceed authorised by the RFO/ Chair of the Finance, Admin and Performance committee, and formally approved by a resolution of Council.

14. Contracts above £25,000 and tender process (to be read in conjunction with Financial Regulations)

14.1 The tender shall be advertised in a local newspaper, the Government's 'Contracts Finder' website and in any other manner that is appropriate (Para. 13.7) setting out particulars of the contract and inviting persons interested to apply for the opportunity to tender.

14.2 After the expiration of the period specified in the public notice invitations to tender shall be sent to individuals or organisations that could undertake the contract.

14.3 Tenders are to be submitted and opened in accordance with Para 15.3 below.

14.5 Every written contract shall comply with Financial Regulations.

14.6 Every contract which exceeds £25,000 and is either for the execution of work or the supply of goods or materials shall provide for payment of liquidated damages by the contractor in case the terms of the contract are not performed.

14.7 Contracts over the value of £25,000 shall comply with Articles 109 to 114 of the Public Contracts Regulations 2015 as explained in [NALC 87 re Procurement Policy.pdf](#) regarding the advertising of contracts and the use of the Government's 'Contracts Finder' website.

15. Submission of tenders: submission procedures for contracts above £25,000

15.1 Where an invitation to tender is made, such invitation to tender shall state the general nature of the intended contract and the Town Clerk/ RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitations shall in addition state that tenders must be addressed to the Town Clerk/ RFO. 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 dates for opening tenders for the contract.

15.2 The tenders shall be kept in the custody of the appropriate nominated person until the time and date specified for their opening.

15.3 Tenders shall be opened by the Town Clerk/ RFO in the presence of at least two councillors from the Finance, Admin. and Performance Committee. Tenders shall be date stamped and signed on all pages containing price information.

16. Acceptance of quotations and tenders

16.1 Tenders received will be evaluated and reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.

16.2 The Town Council shall not be obliged to accept the lowest of any tender, quote or estimate.

16.3 Where the Town Clerk/ RFO considers it in the best interest of the Council, he/she may negotiate with the tenderers whose tenders are being considered for acceptance. No negotiation on contracts whose value is in excess of £25,000 can take place without reference to the Town Clerk/ RFO. Any negotiations which would distort competition is expressly forbidden.

16.4 Arithmetical errors found in any tender when checking shall be dealt with as follows: the tenderer shall have the error pointed out to them and be offered the opportunity to stand by their original tender, or their corrected tender, or withdraw it.

17. Nominated sub-contractors and suppliers

17.1 Where a sub-contractor or supplier is to be nominated to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.

17.2

18. Contracts' record

18.1 A record of all contracts in excess of £25,000 in value placed by the Council shall be kept by the Town Clerk. This record shall specify for each contract the name of the contractor, the works to be executed or the goods or services to be supplied, the contract value and the contract period. This is the responsibility of the appointed person authorising the contract to ensure that an accurate record is maintained.

19. Contract variations

19.1 Any variation to a contract or addition to or omission from a contract must be approved by the Council stated in writing to the contractor by the Town Clerk. The Council must be informed where the final cost is likely to exceed the financial provision.

20. Bonds, guarantees and insurance

20.1 For procurement projects where the spend is greater than £25,000 consideration must be given as part of the pre-qualification assessment and evaluation process as to whether a performance bond and/or parent company guarantee (if applicable) shall be required from the successful tenderer.

20.2 Consideration must be given as to the appropriate type (employee liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.

21. Termination of contracts

21.1 The Council reserves the right to terminate any contract immediately for any of the following reasons: Termination for Cause – where a supplier commits a material breach of the agreement to deliver services, or fails to deliver agreed services, in the agreed timeframe without a plan to address the failings.

22. Compliance with other relevant legislation

22.1 In cases where any law, statutory instrument of Government regulation is found to be at variance with any section of this policy, then that shall be applied, and this document shall be amended accordingly.

APPENDIX 1

APPLICATION FOR INCLUSION ON MELKSHAM TOWN COUNCIL'S APPROVED CONTRACTOR LIST

Business	
Business Address	
Postcode	
Telephone	
Email	
Services provided	
Years in business	
Memberships/ professional bodies	
Declaration	<ul style="list-style-type: none">• I understand that the Council requires me to hold Public Liability Insurance for contracts which involve working on Council sites for a minimum of £5m.• I confirm that I will supply a copy of my PLI policy schedule annually at renewal.• I am aware that I am required to comply with the Council's Health and Safety and Equality policies.• I am aware that I may be required to provide suitable risk assessments and/ or method statements.
Signed	
Date	
Name	
Position	

Please email completed form to: townhall@melksham-tc.gov.uk

Reviewed and Adopted by Full Council on xxx

Melksham Town Council
Monthly Financial Statement 30 November 2021

Cash and Bank Balances:

Co-operative Current Account	511,563	
Assembly General Account	650,458	
Lloyds Short Term Fixed Deposit	51,819	
Lloyds Fixed Term Deposit	0	
CCLA Investment	116	
Credit/Debit Card Control	10,811	
Petty Cash	178	
Bar Float	1,100	
	<u>1,226,045</u>	

Debtors (monies owed to council)

H M Customs - Vat recoverable	3,576	
Bar Stock	3,329	
Debtors and Prepayments	5,678	
	<u>12,583</u>	
	<u>1,238,628</u>	

Less: Creditors (monies owed by council)

Suppliers of goods and services	8,803	
Retention Due	8,065	
Other Creditors	500	
Paye, NI and Pension Due	14,971	
Events Control	<u>4,280</u>	36,619

Net Cash Available 1,202,009

Represented by:

General Fund

Current Year Surplus	344,146	
Earmarked Reserves Used in year	<u>10,284</u>	
	354,430	
Contribution to Earmarked Reserves	<u>18,930</u>	335,500
General Reserve balance at beginning of year		359,836

Earmarked Reserves

Balance at 1st April 2021	485,508	
Plus; Added in Year	<u>0</u>	
	485,508	
Less: Used to Fund Expenditure	<u>10,284</u>	475,224

Specific Reserves - CIL

Balance at 1st April 2021	12,519	
Plus: Received in Year	<u>18,930</u>	
	31,449	
Less: Used to Fund Expenditure	<u>0</u>	31,449

1,202,009

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21/12/2021

Melksham Town Council Current Year

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15:56

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

Finance, Admin & Performance

101 Central Costs

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4000 Salaries ENI & Pension	20,200	175,061	269,000	93,939		93,939	65.1%
4021 Stationery	195	1,728	1,500	(228)		(228)	115.2%
4023 Advertising	0	1,647	1,500	(147)		(147)	109.8%
4024 Equipment/furniture	18	2,248	2,000	(248)		(248)	112.4%
4026 Photocopying	34	640	1,500	860		860	42.6%
4027 Telephones and Mobiles	466	1,874	3,150	1,276		1,276	59.5%
4028 Postage	0	208	300	92		92	69.3%
4029 Subscriptions	7	2,137	3,000	863		863	71.2%
4040 Information Technology/Hardware	130	11,345	15,000	3,655		3,655	75.6%
4042 Licences/Software	179	2,392	1,500	(892)		(892)	159.5%
4050 Legal and Professional	590	590	0	(590)		(590)	0.0%
4058 Insurance	0	9,614	8,000	(1,614)		(1,614)	120.2%
4061 Travel and Subsistence	0	94	500	406		406	18.9%
4075 Training	362	4,795	4,000	(795)		(795)	119.9%

Central Costs :- Indirect Expenditure	22,181	214,373	310,950	96,577	0	96,577	68.9%
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Net Expenditure	(22,181)	(214,373)	(310,950)	(96,577)
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110 Corporate Costs

1026 Income Interest	0	0	1,000	1,000			0.0%
1176 Precept Received	0	918,750	918,750	0			100.0%

Corporate Costs :- Income	0	918,750	919,750	1,000			99.9%
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4017 Bank account fees	(1,660)	(724)	500	1,224		1,224	(144.9%)
4043 HR consultancy	1,600	4,395	6,000	1,605		1,605	73.2%
4050 Legal and Professional	952	1,564	3,000	1,436		1,436	52.1%
4057 Accountancy and Audit	2,640	8,556	12,000	3,444		3,444	71.3%
4076 Health & Safety	0	1,426	2,000	574		574	71.3%

Corporate Costs :- Indirect Expenditure	3,532	15,217	23,500	8,283	0	8,283	64.8%
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Net Income over Expenditure	(3,532)	903,533	896,250	(7,283)
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115 Civic and Democratic

4030 Town Crier's expenses	0	235	400	165		165	58.8%
4034 Councillors' training	0	1,292	2,000	708		708	64.6%
4062 Election Expenses	0	0	2,000	2,000		2,000	0.0%
4070 Mayor's Allowance	0	1,062	1,000	(62)		(62)	106.2%
4085 Civic and Ceremonial	119	1,377	2,500	1,123		1,123	55.1%

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4311 Remembrance Day	226	289	2,000	1,711		1,711	14.5%
Civic and Democratic :- Indirect Expenditure	345	4,255	9,900	5,645	0	5,645	43.0%
Net Expenditure	(345)	(4,255)	(9,900)	(5,645)			
151 Grants							
4301 Grants	250	9,998	25,000	15,002		15,002	40.0%
4302 Grant CAB	0	5,000	5,000	0		0	100.0%
4303 Grant-4Youth	0	10,000	10,000	0		0	100.0%
4305 Grant Christmas Lights	0	10,000	10,000	0		0	100.0%
4306 Grant Party in the Park	0	0	3,000	3,000		3,000	0.0%
4310 Grant Food and River Festival	0	3,000	3,000	0		0	100.0%
4317 Grant Carnival	0	0	2,500	2,500		2,500	0.0%
4330 Grant TIC	0	4,000	4,000	0		0	100.0%
Grants :- Indirect Expenditure	250	41,998	62,500	20,502	0	20,502	67.2%
Net Expenditure	(250)	(41,998)	(62,500)	(20,502)			
Finance, Admin & Performance :- Income	0	918,750	919,750	1,000			99.9%
Expenditure	26,308	275,843	406,850	131,007	0	131,007	67.8%
Movement to/(from) Gen Reserve	(26,308)	642,907					

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>Asset Management & Amenities</u>							
<u>201 Town Hall</u>							
1034 Income Town Hall Bookings	14	468	6,500	6,032			7.2%
Town Hall :- Income	14	468	6,500	6,032			7.2%
4100 Gas	105	1,386	3,500	2,114		2,114	39.6%
4101 Electricity	231	1,461	2,500	1,039		1,039	58.4%
4102 Non Domestic Rates	1,166	7,788	10,000	2,212		2,212	77.9%
4103 Water Rates	0	775	1,500	725		725	51.7%
4104 Window Cleaning	350	1,070	1,400	330		330	76.4%
4106 Repairs and Maintenance	196	1,518	0	(1,518)		(1,518)	0.0%
4108 Service Contracts	717	10,972	8,000	(2,972)		(2,972)	137.2%
4109 Trade Waste	0	0	1,000	1,000		1,000	0.0%
Town Hall :- Indirect Expenditure	2,764	24,970	27,900	2,930	0	2,930	89.5%
Net Income over Expenditure	(2,750)	(24,502)	(21,400)	3,102			
<u>202 Asset and Amenities</u>							
1027 Income - Amenity Services	0	4,109	3,000	(1,109)			137.0%
Asset and Amenities :- Income	0	4,109	3,000	(1,109)			137.0%
4000 Salaries ENI & Pension	17,218	150,823	255,000	104,177		104,177	59.1%
4027 Telephones and Mobiles	139	1,242	1,600	358		358	77.6%
4150 Uniform/PPE	(12)	508	2,000	1,492		1,492	25.4%
4151 Tools and Equipment	12	255	1,000	745		745	25.5%
4153 Vehicle Running Costs	691	4,283	7,000	2,717		2,717	61.2%
4156 Vehicle Leasing	996	9,255	12,000	2,745		2,745	77.1%
4163 Repairs and Maintenance	266	5,667	10,000	4,333		4,333	56.7%
4167 Street Furniture and Signage	0	555	2,000	1,445		1,445	27.7%
4186 Defibrillators	0	3,520	1,050	(2,470)		(2,470)	335.2%
4196 Container storage	113	900	1,600	700		700	56.3%
4915 Equipment	0	923	0	(923)		(923)	0.0%
Asset and Amenities :- Indirect Expenditure	19,421	177,931	293,250	115,319	0	115,319	60.7%
Net Income over Expenditure	(19,421)	(173,821)	(290,250)	(116,429)			
<u>203 Allotments</u>							
1045 Income Allotments	0	420	4,700	4,280			8.9%
Allotments :- Income	0	420	4,700	4,280			8.9%
4200 Water Rates - Allotments	0	527	1,700	1,173		1,173	31.0%

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4201 Maintenance - Allotments	0	207	300	93		93	68.8%
Allotments :- Indirect Expenditure	0	734	2,000	1,266	0	1,266	36.7%
Net Income over Expenditure	0	(314)	2,700	3,014			
204 KGV Pavilion and Car Park							
1046 Income - Pavilion	0	1,614	3,000	1,386			53.8%
KGV Pavilion and Car Park :- Income	0	1,614	3,000	1,386			53.8%
4250 Telephone - Pavilion	11	11	200	189		189	5.6%
4252 Electricity - Pavilion	83	1,229	1,100	(129)		(129)	111.7%
4254 Water - Pavilion	0	115	200	85		85	57.4%
4255 Fire Safety Checks	0	82	500	418		418	16.4%
4256 Maintenance - Pavilion	82	1,186	1,000	(186)		(186)	118.6%
4260 Non Domestic Rates - Car Park	0	2,062	0	(2,062)		(2,062)	0.0%
KGV Pavilion and Car Park :- Indirect Expenditure	176	4,685	3,000	(1,685)	0	(1,685)	156.2%
Net Income over Expenditure	(176)	(3,071)	0	3,071			
205 Public Toilets							
1060 MWPC contr. to Market Place	0	0	6,600	6,600			0.0%
Public Toilets :- Income	0	0	6,600	6,600			0.0%
4180 Cleaning	1,294	7,589	17,000	9,411		9,411	44.6%
4185 Electricity supply: Toilets	76	1,066	1,150	84		84	92.7%
Public Toilets :- Indirect Expenditure	1,370	8,655	18,150	9,495	0	9,495	47.7%
Net Income over Expenditure	(1,370)	(8,655)	(11,550)	(2,895)			
210 Corporate Properties							
1040 Income 31 Market Place	986	5,967	6,900	933			86.5%
1042 Income Roundhouse	167	1,306	1,600	294			81.6%
Corporate Properties :- Income	1,153	7,272	8,500	1,228			85.6%
4175 Costs Art House Cafe	833	2,547	500	(2,047)		(2,047)	509.5%
4178 Costs Roundhouse	0	60	0	(60)		(60)	0.0%
4191 Costs 31 Market Place	974	1,161	500	(661)		(661)	232.2%
Corporate Properties :- Indirect Expenditure	1,807	3,768	1,000	(2,768)	0	(2,768)	376.8%
Net Income over Expenditure	(654)	3,504	7,500	3,996			

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
215 Depot							
4103 Water Rates	9	43	200	158		158	21.3%
4159 Electric - Unit	0	944	750	(194)		(194)	125.8%
4160 Leasing	779	6,233	10,850	4,617		4,617	57.4%
4161 Rates-Unit at Bowerhill	0	1,375	2,400	1,025		1,025	57.3%
4184 Fire security: Unit	0	106	400	294		294	26.5%
Depot :- Indirect Expenditure	788	8,701	14,600	5,899	0	5,899	59.6%
Net Expenditure	(788)	(8,701)	(14,600)	(5,899)			
220 Play Areas and Open Spaces							
4157 Grasscutting	350	8,380	10,000	1,620		1,620	83.8%
4158 Replacement Play Equipment	0	0	5,000	5,000		5,000	0.0%
4165 Maintenance play areas	440	1,632	5,000	3,368		3,368	32.6%
4169 Maintenance of trees	0	0	2,000	2,000		2,000	0.0%
4193 Rospa checks: Play areas	0	0	1,050	1,050		1,050	0.0%
Play Areas and Open Spaces :- Indirect Expenditure	790	10,012	23,050	13,038	0	13,038	43.4%
Net Expenditure	(790)	(10,012)	(23,050)	(13,038)			
221 King George V Park							
4199 Materials	99	6,220	10,000	3,780		3,780	62.2%
King George V Park :- Indirect Expenditure	99	6,220	10,000	3,780	0	3,780	62.2%
Net Expenditure	(99)	(6,220)	(10,000)	(3,780)			
405 Solar Farm Projects							
1182 Solar money received	38,620	38,620	40,000	1,380			96.5%
Solar Farm Projects :- Income	38,620	38,620	40,000	1,380			96.5%
4500 Solar Money Projects	0	0	40,000	40,000		40,000	0.0%
Solar Farm Projects :- Indirect Expenditure	0	0	40,000	40,000	0	40,000	0.0%
Net Income over Expenditure	38,620	38,620	0	(38,620)			
Asset Management & Amenities :- Income	39,786	52,504	72,300	19,796			72.6%
Expenditure	27,216	245,676	432,950	187,274	0	187,274	56.7%
Movement to/(from) Gen Reserve	12,571	(193,172)					

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>Community Development</u>							
<u>302 Projects</u>							
1050 Grants Received	1,335	1,397	0	(1,397)			0.0%
1059 Sponsorship	0	1,135	0	(1,135)			0.0%
Projects :- Income	1,335	2,532	0	(2,532)			
4074 Neighbourhood Plan	0	2,227	5,000	2,773		2,773	44.5%
4081 Melksham Art Project	0	0	1,000	1,000		1,000	0.0%
4083 Virtual Community Hub	0	55	5,000	4,945		4,945	1.1%
Projects :- Indirect Expenditure	0	2,282	11,000	8,718	0	8,718	20.7%
Net Income over Expenditure	1,335	250	(11,000)	(11,250)			
<u>310 East Melksham Community Hall</u>							
4050 Legal and Professional	0	1,729	0	(1,729)		(1,729)	0.0%
East Melksham Community Hall :- Indirect Expenditure	0	1,729	0	(1,729)	0	(1,729)	
Net Expenditure	0	(1,729)	0	1,729			
Community Development :- Income	1,335	2,532	0	(2,532)			0.0%
Expenditure	0	4,011	11,000	6,989	0	6,989	36.5%
Movement to/(from) Gen Reserve	1,335	(1,479)					

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>Economic Development</u>							
403 <u>Economic Dev. and Planning</u>							
1030 Income-Melksham Makers Market	500	1,769	1,000	(769)			176.9%
Economic Dev. and Planning :- Income	500	1,769	1,000	(769)			176.9%
4071 Town Floral Displays	25	5,796	10,000	4,204		4,204	58.0%
4080 Melksham in Bloom Competition	0	628	500	(128)		(128)	125.7%
4304 Christmas Tree	600	600	1,200	600		600	50.0%
4308 CCTV	0	60	2,500	2,441		2,441	2.4%
4309 Newsletter	0	40	4,000	3,960		3,960	1.0%
4312 Shurnhold Fields	0	575	0	(575)		(575)	0.0%
4327 Community Development Support	0	34	750	716		716	4.6%
4328 Business Networking	0	0	1,000	1,000		1,000	0.0%
4354 Parking Scheme	154	200	1,500	1,300		1,300	13.4%
4356 Highways projects CATG	1,202	1,202	6,000	4,798		4,798	20.0%
4922 Publicity & Marketing	0	645	1,000	355		355	64.5%
4925 Town Development	0	8,415	6,500	(1,915)		(1,915)	129.5%
Economic Dev. and Planning :- Indirect Expenditure	1,982	18,196	34,950	16,754	0	16,754	52.1%
Net Income over Expenditure	(1,482)	(16,427)	(33,950)	(17,523)			
Economic Development :- Income	500	1,769	1,000	(769)			176.9%
Expenditure	1,982	18,196	34,950	16,754	0	16,754	52.1%
Movement to/(from) Gen Reserve	(1,482)	(16,427)					

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
Assembly Hall							
501 Assembly Hall Central Costs							
1000 Income-Assembly Hall Lettings	3,847	7,773	20,000	12,227			38.9%
1050 Grants Received	0	14,994	0	(14,994)			0.0%
Assembly Hall Central Costs :- Income	3,847	22,767	20,000	(2,767)			113.8%
4000 Salaries ENI & Pension	5,074	107,169	103,000	(4,169)		(4,169)	104.0%
4900 Uniforms	0	0	500	500		500	0.0%
4905 Cleaning Materials	175	1,226	1,500	274		274	81.7%
4909 Licences	0	180	3,500	3,320	3,500	(180)	105.1%
4911 Electricity	0	3,086	12,000	8,914		8,914	25.7%
4912 Gas	28	100	500	400		400	20.0%
4913 Water	163	1,803	2,000	197		197	90.2%
4914 Rates	861	6,886	9,000	2,114		2,114	76.5%
4916 Maintenance-Equipment	0	100	3,000	2,900		2,900	3.3%
4917 Service Contracts	1,598	5,884	7,000	1,116		1,116	84.1%
4918 Maintenance	14	87	500	413		413	17.4%
4922 Publicity & Marketing	379	666	2,000	1,334		1,334	33.3%
4923 Mngement Information Systems	0	603	1,400	797		797	43.1%
4927 Stocktaking	0	0	600	600		600	0.0%
4929 AIB	0	447	1,000	553		553	44.7%
Assembly Hall Central Costs :- Indirect Expenditure	8,291	128,237	147,500	19,263	3,500	15,763	89.3%
Net Income over Expenditure	(4,444)	(105,470)	(127,500)	(22,030)			
510 Assembly Hall Events							
1004 Film shows	0	0	500	500			0.0%
1173 Live Entertainment	2,840	7,236	0	(7,236)			0.0%
Assembly Hall Events :- Income	2,840	7,236	500	(6,736)			1447.2%
4919 Films: expenses and contract	0	1,573	500	(1,073)		(1,073)	314.7%
4954 PA and Lighting Costs	150	150	0	(150)		(150)	0.0%
4960 Live entertainment:	1,336	3,646	0	(3,646)		(3,646)	0.0%
Assembly Hall Events :- Indirect Expenditure	1,486	5,370	500	(4,870)	0	(4,870)	1074.0%
Net Income over Expenditure	1,354	1,866	0	(1,866)			
520 Assembly Hall Bar and Catering							
1001 Income-Assembly Hall Bar	7,326	11,705	20,000	8,295			58.5%
Assembly Hall Bar and Catering :- Income	7,326	11,705	20,000	8,295			58.5%

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4903 Bar Stock Purchases	1,321	4,431	10,000	5,569		5,569	44.3%
Assembly Hall Bar and Catering :- Indirect Expenditure	1,321	4,431	10,000	5,569	0	5,569	44.3%
Net Income over Expenditure	6,004	7,274	10,000	2,726			
Assembly Hall :- Income	14,013	41,708	40,500	(1,208)			103.0%
Expenditure	11,098	138,038	158,000	19,962	3,500	16,462	89.6%
Movement to/(from) Gen Reserve	2,915	(96,330)					

Detailed Income & Expenditure by Budget Heading 30/11/2021

Month No: 8

Committee Report

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>Earmarked Reserves</u>							
901 <u>Earmarked Reserves</u>							
1180 CIL Received	0	18,930	0	(18,930)			0.0%
Earmarked Reserves :- Income	0	18,930	0	(18,930)			
9202 Unplanned Maintenance	0	0	65,780	65,780		65,780	0.0%
9203 Recreation Fund	0	0	2,130	2,130		2,130	0.0%
9204 Town Team Project	0	0	5,000	5,000		5,000	0.0%
9218 Election expenses	0	0	10,830	10,830		10,830	0.0%
9228 Office Equipment	0	0	4,275	4,275		4,275	0.0%
9232 Street Furniture	0	0	6,837	6,837		6,837	0.0%
9233 Equipment Replacement	0	0	21,000	21,000		21,000	0.0%
9243 Green Spaces	0	0	11,632	11,632		11,632	0.0%
9244 Major Projects Reserve	0	10,284	299,900	289,616		289,616	3.4%
9245 Solar Money	0	0	13,123	13,123		13,123	0.0%
9246 Precept Support Fund	0	0	45,000	45,000		45,000	0.0%
9248 CIL	0	0	31,449	31,449		31,449	0.0%
Earmarked Reserves :- Indirect Expenditure	0	10,284	516,956	506,672	0	506,672	2.0%
Net Income over Expenditure	0	8,647	(516,956)	(525,603)			
Earmarked Reserves :- Income	0	18,930	0	(18,930)			0.0%
Expenditure	0	10,284	516,956	506,672	0	506,672	2.0%
Movement to/(from) Gen Reserve	0	8,647					
Grand Totals:- Income	55,634	1,036,194	1,033,550	(2,644)			100.3%
Expenditure	66,603	692,048	1,560,706	868,658	3,500	865,158	44.6%
Net Income over Expenditure	(10,969)	344,146	(527,156)	(871,302)			
Movement to/(from) Gen Reserve	(10,969)	344,146					

Agenda Item 5.3

Melksham Town Council
Earmarked Reserves 31 March 2022
Schedule E
30.11.2021

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Melksham Town Council

Internal Audit Report: Interim 2021-22

Stuart J Pollard

*Director
Auditing Solutions Ltd*

Background

Statute requires all town and parish councils to arrange for an independent annual Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2021-22 financial year, during our interim review of the Council's records for the year, which was undertaken on site on 3rd December 2021. We thank the Council's staff for assisting the process, providing all requested documentation in a mix of hard copy and electronic format to facilitate commencement of our review for the year.

Internal Audit Approach

In undertaking our review, we have again had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'IA Certificate' in the Council's AGAR, which requires independent assurance over a series of internal control objectives.

This report will be updated following our final review visit, the date of which has yet to be determined but will be timed to follow closure of the year's Accounts once the AGAR is ready for our certification. We ask that the recommendations set out in the appendix are presented to Council and responded to formally in advance of our next review, the date of which has yet to be agreed.

Overall Conclusions

We are pleased to record that, based on the work undertaken to date, officers continue to maintain adequate and effective internal control arrangements with a few issues identified requiring attention some of which were referred to in our final 2020-21 report and are reiterated here to ensure that they are not overlooked. Details of those issues are set out in the following detailed report with any resultant recommendations further summarised in the appended Action Plan.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Officers maintain the Council's accounting records using the Rialtas Omega software with two separate bank accounts in place at Lloyds relating to the Assembly Hall and two at the Co-op for the main Council's transactions, with detail of the latter two recorded in a single cashbook with a "sweep" arrangement in place to retain a daily £5,000 balance in the Current Account. The former Assembly Hall Bar account has been closed during the current financial year. Further funds are held in a Lloyds Periodic short-term deposit with a further small sum held in the CCLA Deposit Fund.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have: -

- Verified the accuracy of the opening Omega Trial Balance by reference to the certified AGAR and 2020-21 closing Omega Trial Balance detail;
- Ensured that the financial ledger remains "in balance" at the present date;
- Verified detail in each of the Council's main combined account cashbook for two months (April & October 2021) by reference to the underlying bank statements;
- Verified the year to date transactions on the Assembly Hall account and those on the Assembly Hall Bar account until its closure in August, ensuring the accurate transfer of the residual funds to the main Assembly Hall account; and
- Checked and agreed detail on the same cashbook accounts' bank reconciliations as at 30th April & 31st October 2021, as applicable.

Conclusions and recommendations

We are pleased to record that no significant issues arise in this area, although we have seen no indication from the documents provided for our examination that bank reconciliations have been subjected to periodic scrutiny and formal sign-off by a nominated councillor, as required by the Council's Financial Regulations (Para 2.2). We appreciate the difficulties generated by the Covid situation over the last twelve to eighteen months accepting that for the early stages of 2021-22 it was probably not possible to effectively implement this check.

We shall extend our testing in this area at future visits examining further months; transactions and month-end bank reconciliations, also ensuring the accurate disclosure of the combined year-end cash and bank balances in the AGAR at Section 2, Box8.

- R1. *The Council must implement the agreed independent review and sign-off of bank reconciliations by a nominated councillor as soon as is practicable in accordance with the adopted Financial Regulations (Para 2.2 refers): we also urge that, when undertaking that review, the nominated councillor also signs off the month-end cashbooks and bank statements evidencing completion of their review and agreement of detail on the reconciliation statements.*

Review of Corporate Governance & Regulatory Framework

Our objective here is to ensure that the Council has a robust regulatory framework in place and that, as far as we are reasonably able to ascertain as we do not attend meetings, Council and Committee

meetings are conducted in accordance with the adopted Standing Orders (SOs) and that no actions of a potentially unlawful nature have been or are being considered for implementation.

We noted last year that the Council's SOs and Financial Regulations (FRs) were subjected to further review and re-adoption following significant changes in the Council's elected members and have reviewed their content noting that they are in line with the latest NALC model documents including appropriate reference to the requirements of the 2015 Public Contracts Regulations with the limit for formal tender action now set at £25,000 in both documents.

We have reviewed the minutes of the full Council and standing committees, excluding those relating to planning issues, for the financial year to date as posted on the website to ensure that as far as we may reasonably be expected to ascertain, the Council has neither considered nor is considering taking any action that may result in ultra vires expenditure being incurred.

Conclusions and recommendation

We are pleased to record that no issues arise in this area at the present time warranting formal comment or recommendation.

Review of Expenditure & VAT

Our aim here is to ensure that: -

- Council resources are released in accordance with the approved procedures and budgets;
- Payments are appropriately supported, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- An official order has been raised on each occasion when one would be expected;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We are pleased to again note that, following our prior year recommendation, the use of separate certification slips has ceased with an appropriately designed rubber certification stamp acquired and now in use on purchase invoices. Whilst councillors attend the offices to sign cheques and initial the Omega generated schedules of payments, which also identify the cheque reference number, we have seen only limited indication that they are initialing the certification stamp on the individual invoices. We do not wish to imply that any improper action by the Finance Officer, but suggest that to further reduce risk, including the potential for duplicated payments arising, members should, when signing cheques, or authorising the release of payments online, also initial or sign-off the hard copy invoices.

To ensure compliance with the above criteria, we have selected a sample of payments in the year to mid-November 2021 for examination. Our test sample includes 46 individual payments plus one annual NNDR amount paid over 10 months and totals £266,000 equating to 62% by value of non-pay related payments in the year to that date.

We note that VAT reclaims are prepared and submitted to HMRC for repayment at the end of each quarter and have checked and agreed detail of the first two reclaims for 2021-22 ensuring appropriate recovery of the amounts by reference to the Omega control account.

Conclusions and recommendations

Whilst pleased to note the acquisition of a rubber certification stamp and as set out in our previous report, we urge that members also evidence their review of the invoices when signing cheques, etc on the actual invoices as well as the accompanying Omega generated schedule of payments by initialling the certification stamp now being placed on each invoice and reiterate last year's recommendation accordingly.

We shall extend our test sample of purchase invoices at our final review, also examining the last two quarters VAT reclaims and agreeing detail to the Omega control account.

R2. Members should evidence their examination of invoices, duly initialling the authorisation boxes on the rubber certification stamp now affixed to invoices.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health / safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We noted in our final 2020-21 report that a Risk Management Register had been developed and was presented to and adopted at the March 2021 Council meeting and reviewed the resultant document considering it appropriate for the Council's requirements at that time.

We have examined the Council's 2021-22 insurance policy with WPS and consider that appropriate cover is in place with Public and Employer's Liability in place at £15 million and £10 million respectively, together with Fidelity Guarantee cover at £1 million and Business Interruption – Loss of Revenue cover also in place at £337,414, which adequately covers the Assembly Hall and Town Hall hire income.

We also note that annual inspections of play areas are undertaken by a RoSPA accredited company, supplemented by regular "in-house" inspections with any remedial works required undertaken either by the Council's own maintenance staff or an appointed specialist contractor.

Conclusions

We are pleased to record that no issues arise in this area currently warranting formal comment or recommendation. We do, however, take this opportunity to remind officers and members of the requirement for risk registers to be subjected to annual review, update (if appropriate) and formal re-adoption at least once annually (The Governance and Accountability Manual – The Practitioner's Guid refers).

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from Wiltshire Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

This review has been undertaken in advance of the Council's formal consideration and determination of the budget and precept requirements for 2022-23: consequently, we will check the outcome of members;' deliberations at our next review visit, also ensuring the formal approval and adoption of that year's precept.

We are pleased to note that members continue to be provided with routine budget reports throughout the year based on the accounting software with questions raised periodically and investigated accordingly. We have reviewed the latest Omega budget report (as at 30th November 2021) seeking and obtaining appropriate explanations for the few significant variances arising by reference to the detailed transaction reports in the Omega nominal account codes. Understandably, income from hall hires and promotional events / live performances has been curtailed in the early stages of the year due to the ongoing Covid situation.

Conclusions

No issues arise in this area warranting formal comment or recommendation currently. We will undertake further work at our final review, ensuring formal consideration and adoption of the 2022-23 budget and precept, examining the final budget outturn for the year, and assessing the ongoing appropriateness of the level of retained reserves to fund planned revenue spending and development aspirations.

Review of Income

Our objective in this area is to ensure that the Council identifies and recovers all income to which it is entitled and has appropriate arrangements in place to ensure its prompt recovery. The Council generally receives income from a variety of sources in addition to the annual precept, detail of which is analysed and recorded appropriately in the Omega accounts. Obviously, the Covid situation has given rise to significant reductions in the level of income over the past eighteen months with the Assembly Hall closed for a large part of the time.

We note that management of the allotment rents has now been migrated to the Rialtas allotment software package for 2021-22. The allotment tenancy year runs from 1st March annually with tenants being invoiced in February and the majority paying their rents prior to 31st March annually. We have reviewed the relevant Rialtas records noting that virtually all tenants paid their rent prior to 31st March 2021 with only a handful of stragglers paying their rent in the new financial year with none outstanding at the present date.

We are also pleased to note that the Council has recently acquired the Omega Sales Ledger to help manage debt collection and have reviewed the current position with only one unpaid debt at 30th November 2021.

Finally, in this area, we have examined the nominal income transactions for the year to date recorded in the Omega accounts with no obvious mis-postings or areas of uncollected debt apparent: we do, however, understand that income in respect of certain leased premises was waived for part of the year due to the Covid situation.

Conclusions and recommendations

Whilst we are pleased to record that no issues of concern arise in this area currently: as indicated above, we shall focus attention in this area at our final visit examining the controls in place over

the various income streams, including examining that arising from allotment rents that fall due from 1st March 2022.

Petty Cash Account

We are required, as part of the AGAR internal audit certification process to assess the Council's approach to and control of the management of petty cash account transactions. The Council operates a small petty cash account with periodic round sum top-ups as and when required. Additionally, a bar "change float" is held at the Assembly Rooms.

We have at this first interim review, examined the transactions through the petty cash account for three months from July to September 2021 inclusive ensuring that each was appropriately supported with either a trade invoice, till receipt or signed petty cash slip acknowledging receipt of the funds. We are pleased to record that no issues have been identified in this respect, also noting that VAT is being identified and recorded appropriately for recovery as part of the quarterly reclaims.

We have also checked the physical cash holding at the time of this first visit for the year noting a de minimus cash shortfall of 10 pence.

Conclusions and recommendation

Whilst the identified shortfall in cash held at the time of our interim visit is immaterial, as recommended last year a periodic independent check of the cash holding should be undertaken "in-house" periodically during the financial year.

R3. system of periodic independent checks on the petty cash account should be introduced with documentation duly signed-off.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HMRC legislation as regards the deduction and payment over of income tax and NI contributions, together with contributions to the LG Pension Scheme. We note that preparation of the monthly payroll continues to be outsourced to Wiltshire Council. To meet the above objective, we have:

- Examined payslips for all staff in November 2021 agreeing the gross salaries payable to the "Establishment record" provided;
- Checked detail of hours paid to casual bar workers in November by reference to their time records which we are pleased to note are signed by the staff and certified correct by a supervisor;
- Ensured that tax and NI deductions, together with pension contributions, have been calculated applying the appropriate tax code and NI Table for the test month, also ensuring that the relevant deductions / contributions have been paid over to HMRC and the Pension Fund Administrators accurately, and
- Checked to ensure the accurate payment to staff of their salaries for November 2021.

Conclusions and recommendation

We are pleased to report that no major issues have arisen from our work in this area. However, in examining the calculation of casual bar staff salary payments we noted that all were actually paid

double the hours recorded on their timesheets: this has apparently arisen as a result of the need to submit amended detail to the Wiltshire CC payroll section, who then erroneously paid all these staff on the basis of both submissions, effectively doubling the amount paid. We have also noted that, in a few instances where the time sheets record part hours in terms of minutes rather than a ¼ or ½ hour, etc the incorrect payment has been made in addition to the doubled up salary. We have also noted a few instances where the doubled hours have also been overpaid by an additional one or more hours (e.g., Employee ref nos. 432117, 431096, 431127, 457007, 431118).

R4. Prior to submission of the December 2021 detail of casual staff hours, the amounts paid to casual workers in November should be scrutinised closely to ensure that all overpaid hours, be they doubled or just miscalculated and overpaid by 1 or more hours over the doubled actual time worked, are appropriately adjusted with the overpaid amounts deducted from the gross December salary payments.

Investments and Loans

We aim here to ensure that the Council is maximising its interest earning potential through the “investment / deposit” of surplus funds in appropriate interest bearing accounts/deposits. Despite the level of retained funds exceeding £1 million, the Council to have received no interest in either last or this current financial year. Whilst we acknowledge the impact of the Covid situation on interest rates generally, the Council should seek to ensure that interest earning opportunities are maximised in accordance with its adopted Investment Policy, which appears to have been last reviewed in May 2018.

In examining the Investment Policy content at last year’s final review, we noted that it refers to legislation and associated guidance as “*optional for parish councils where investments are not expected to exceed £500,000 and no action is required below £10,000*” (Para 1.3 refers). Legislation changed in April 2018 and now requires all councils with funds in excess of £100,000 to adopt a formal Investment Policy / Strategy. Whilst the Council’s funds exceed the former £500,000 threshold, the Policy / Strategy needs update to reflect the above legislative change.

Whilst we appreciate that, in the present circumstances, the opportunities for gaining any reasonable rate of return on funds held in bank accounts are very limited, councils have a duty to endeavour to maximise their interest earning opportunities, whilst ensuring public funds are appropriately safeguarded. With over £500,000 held currently in the combined two Co-op accounts and almost £650,000 in the Assembly Hall account, should either fail, the Council would, at best, only be able to recover a maximum of £85,000 through the Governments Compensation Scheme from each bank.

The Council has no loans repayable to external bodies at the present time.

Conclusions and recommendations

Whilst no significant control issues arise in this area, we again remain concerned that the Council does not appear to be seeking to maximise its interest earning potential and, with the majority of funds effectively held in two banks, it also remains at a high degree of risk of loss should either bank “fail”, however unlikely that may be.

R5. The extant Investment Policy should be amended to reflect current legislative requirements and be subjected to regular, ideally annual, review and formal re-adoption.

- R6. Consideration should be given to the diversification of funds into further banking institutions to ensure the funds are fully and effectively protected against potential loss in the event that either bank should “fail”.*
- R7. The Council should review available investment opportunities to ensure that interest earning potential is maximised whilst continuing to ensure that funds are adequately protected.*

Rec. No.	Recommendation	Response
Review of Accounting Records and Bank Reconciliations		
R1	The Council must implement the agreed independent review and sign-off of bank reconciliations by a nominated councillor as soon as is practicable in accordance with the adopted Financial Regulations (Para 2.2 refers): we also urge that, when undertaking that review, the nominated councillor also signs of the month-end cashbooks and bank statements evidencing completion of their review and agreement of detail on the reconciliation statements.	
Review of Expenditure & VAT		
R2	Members should evidence their examination of invoices, duly initialling the authorisation boxes on the rubber certification stamp now affixed to invoices.	
Petty Cash Account		
R3	A system of periodic independent checks on the petty cash account should be introduced with documentation duly signed-off.	
Review of Staff Salaries		
R4	Prior to submission of the December 2021 detail of casual staff hours, the amounts paid to casual workers in November should be scrutinised closely to ensure that all overpaid hours, be they doubled or just miscalculated and overpaid by 1 or more hours over the doubled actual time worked, are appropriately adjusted with the overpaid amounts deducted from the gross December salary payments.	
Investments and Loans		
R5	The extant Investment Policy should be amended to reflect current legislative requirements and be subjected to regular, ideally annual, review and formal re-adoption.	
R6	Consideration should be given to the diversification of funds into further banking institutions to ensure the funds are fully and effectively protected against potential loss in the event that either bank should “fail”.	
R7	The Council should review available investment opportunities to ensure that interest earning potential is maximised whilst continuing to ensure that funds are adequately protected.	

Internal Audit Report – Interim 2021/2022 – Recommendations and Actions Taken

1. R1 – The Council must implement the agreed independent review and sign-off of bank reconciliations by a nominated councillor as soon as is practicable in accordance with the adopted financial regulations. We also urge that when undertaking that review, the nominated councillor also signs off the month-end cashbooks and bank statements evidencing completion of their review and agreement of detail on the reconciliation statements

Email to be sent to the Councillors responsible for this, copying in the Finance Officer, asking them to ensure that this is done.

2. R2 – Members should evidence their examination of invoices, duly initialling the authorisation boxes on the rubber certification stamp now affixed to invoices.

Email to be sent to the Councillors responsible for this, copying in the Finance Officer, asking them to ensure that this is done.

3. R3 – System of periodic independent checks on the petty cash account should be introduced with documentation duly signed-off.

Email to be sent to the Councillors responsible for this, copying in the Finance Officer, asking them to ensure that this is done.

4. R4 – Prior to submission of the December 2021 detail of casual staff hours, the amounts paid to casual workers in November should be scrutinised closely to ensure that all overpaid hours, be they doubled or just miscalculated and overpaid by one or more hours over the doubled actual time worked, are appropriately adjusted with the overpaid amounts deducted from the gross December salary payments.

The Assistant to the Town Clerk is to ensure that this is done when completing the December payroll.

5. R5 – The extant Investment Policy should be amended to reflect current legislative requirements and be subjected to regular, ideally annual, review and formal re-adoption.

A review of current policies is currently being carried out by the Assistant to the Town Clerk. This will be incorporated as part of the review.

6. R6 – Consideration should be given to the diversification of funds into further banking institutions to ensure the funds are fully and effectively protected against potential loss in the event that either bank should 'fail'.

The Assistant to the Town Clerk is to investigate options and report to the Town Clerk.

7. R7 – The Council should review available investment opportunities to ensure that interest earning potential is maximised whilst continuing to ensure that funds are adequately protected.

The Assistant to the Town Clerk is to investigate options and report to the Town Clerk.

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