

## **Responsible Financial Officer Reports 7 – 11**

### **Update - for information only**

Trust Accounts – additional information was requested to complete the change of signatories to the accounts, and this has now been submitted.

## **7. Budget Monitoring – To receive an update of income and expenditure against agreed budget to 30 June 2019**

### **Attachments – 7.1 Budget Report, 7.2 Budget Monitoring Report**

Information has been presented to the end of June 2019. Due to staff leave over the summer period, and some initial checks required to submit the first VAT return produced from this system, we are not as far ahead with input as had been hoped.

### **Recommendation: To accept the budget report to 30 June 2019**

## **8. Youth Grants Policy – To agree the policy**

### **Attachments 8.1 Youth Grant Awarding Policy**

The existing Grant Awarding Policy including the application form has been modified to make it specifically relevant to youth grants and use by the Youth Council when making recommendations on applications.

### **Recommendation: To agree the new Youth Grant Awarding Policy**

## **9. Aged Debtors - To receive a report on aged debtors and agree the write off of unrecoverable amounts**

As at 31 August 2019 the following amounts were outstanding:

<b>Outstanding</b>	<b>31 - 60 Days</b>		<b>61 - 90 Days</b>		<b>91+ Days</b>	
	<b>No. of customers</b>	<b>Amount</b>	<b>No. of customers</b>	<b>Amount</b>	<b>No. of customers</b>	<b>Amount</b>
Public Hall Standard	3	106.00	0	0.00	2	36.00
Public Hall Discount	4	107.00	0	0.00	1	10.50
Guildhall tenants	1	451.00	1	243.10	0	0.00
<b>Totals</b>	<b>8</b>	<b>£558.00</b>	<b>1</b>	<b>£243.10</b>	<b>3</b>	<b>£46.50</b>

The new Credit Management Policy and Procedures implemented in July 2019 is proving a good framework for following up outstanding invoices. We now have no invoices for Public Hall bookings in the 61 – 90 days category. Those in the 91+ days

category relate to bookings between January and March 2019, of which two were bookings cancelled but with insufficient notice. The final invoice is linked to an historic missed payment more than two years ago which we have been unable to identify. In view of the amounts involved and the staff time required to take further action, it is recommended these amounts are written off. The Facilities Manager will be asked to speak to the Guildhall tenants with outstanding invoices in person.

**Recommendation: To accept the aged debtors report and agree to write off £46.50 of unrecoverable debt**

## **10. Banking arrangements**

### **a) To approve the use of BACS and internet payments via HSBCnet**

#### **Attachments – 10.1 HSBCnet Restricted Pricing information sheet, 10.2 Launceston Town Council Online Payment Procedures and Protocols**

The recent Internal Auditor's report included the following recommendation:

- 1. The Council has introduced BACS payments. FR 6.8 confirms two members (authorised bank signatories) are retained. Currently one officer is instructing and authorising. It is recommended that this regulation is reviewed by the Council.*

Following the adoption of updated Financial Regulations by Council in August 2019 the relevant extracts are as follows:

*6.9 If thought appropriate by the council, 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 renewed by resolution of the council at least every two years.*

*6.10 If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.*

Our bankers, HSBC advise that to facilitate all BACS/online payments being authorised electronically by two account signatories before release, we would need to switch to their HSBCnet system. This would involve an officer inputting all the required information for the payment to be made, with a second stage to the process then requiring two Councillors who are signatories logging in remotely to check and authorise the payments before they can be released. This system is currently used by Launceston Town Council.

We are currently on an electronic banking tariff with HSBC which carries a monthly account maintenance fee of £6.50 (wef 01/09/19) and all electronic payments are free. The new tariff is estimated as follows:

<b>Implementation fee</b> This includes training via webinar / conference call (additional onsite training can be purchased from £400 per visit)	<b>£350.00</b>
<b>Monthly fees</b>	
Account maintenance fee	21.00
Additional user charges (5 included in account package) 2 x £11 (this would allow 2 officers and 5 Councillors to be users)	22.00
BACS payments (24p per payment) Approx. 50 per month @ 24p	12.00
<b>Total monthly fee</b>	<b>£55.00</b>
<b>Monthly increase in bank charges</b>	<b>£48.50</b>

The package comes with 5 security devices, however HSBC have indicated that they would be able to supply 10 at the outset to meet our user requirements and have spares in needed. (Additional devices would usually be supplied at £12 per item).

Although a fee would now be chargeable for online payments, this remains cheaper than payment by cheque at a cost of 90p per item (WEF 01/09/19).

To proceed with the arrangement, we need to nominate a system administrator – this can be a role under single or dual authority. The authority and responsibilities of this role are as follows as detailed on the application form:

*The named System Administrator will be set up on HSBCnet to automatically have access to all accounts and services loaded onto the E-Channel profile (now and in the future), have full administration privileges (including the set up and entitlement for all other users set up on the E-Channel profile)*

*The Profile Owner (Liskeard Town Council) acknowledges that in setting up System Administrators, such System Administrators are fully empowered to represent the Profile Owner and undertake a wide range of activities, including the operation of accounts linked to that E-Channel.*

*Each System Administrator listed above (or any subsequent System Administrator) is authorised by the Profile Owner to:*

- give instructions via HSBCnet to the Profile Bank (including the creation and/or authorisation of payment instruction,) in respect of any accounts or services accessed via HSBCnet;*
- appoint other System Administrators and other users and to assign entitlements to those System Administrators and other users,*
- order Security Devices and suspend or delete System Administrators or other users.*
- authorise other individuals to give instructions to the Profile Bank on the Profile Owner's behalf in respect of any accounts or services accessed via HSBCnet; and*
- otherwise perform acts under the applicable terms and conditions on the Profile Owner's behalf.*

In addition, several Councillors will need to be set up as users, two of which will be required to electronically authorise all payments before they can be released. The Financial Regulations require that these must also be signatories to the account. This should be confirmed after the next item.

Payments take three days to be processed through this system. Launceston Town Council have an appendix to their Financial Regulations (see attached) which sets out a timetable and procedure for how payments will be processed to ensure deadlines such as payment of salaries are always met. They have also inserted some additional relevant Financial Regulations which include:

- *All suppliers who are paid by BAC's must be dealt with in accordance with Appendix 1 Payment Protocols*
- *No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts*
- *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 in terms of internal money movements or by the Service Administrator with a stated number of approvals.*

The system has the capacity for files to be downloaded from Sage Payroll and Rialtas Accounting software and uploaded to HSBCnet saving the need to input information.

**Recommendations: (i) To approve the use of BACS payments as per Financial Regulation 6.9 (ii) To approve the use of HSBCnet to facilitate BACS payments compliant with Financial Regulations 6.9 and 6.10 as recommended by the internal auditor (iii) To agree agreements for the role of System Administrator**

**b) To review the signing mandate of the HSBC and Lloyds Bank accounts**

Current signatories to the HSBC account are Councillors Brooks, Goldsworthy, Hawken, Pascoe, Powell and Whitty. To operate the HSBCnet system it will be important to ensure that some of those Councillors who are signatories to the account and will be set up as users on the system are able to access the bank account remotely and can meet the necessary timescales to ensure payments are made on time. It is recommended that a second group of Councillors who will not be signatories to the account undertake some of the new internal controls to be implemented from November 2019.

Signatories to the Lloyds Bank account are Councillors Powell and Whitty. This account only provides a debit card facility, and no other payments are made from it. However, to ensure it is possible to give instructions to make any necessary changes to the account it is important the mandate provides for two from a group of Councillors to complete such instructions to ensure there is always somebody available.

**Recommendations: (i) To agree which Councillors are to be signatories to the HSBC account (ii) To agree which of the signatories to the HSBC account are**

**to authorise BACS payments (iii) To agree which Councillors are to be authorised signatories of the Lloyds Bank account.**

**11. Schedule of Payments – To receive and approve**

**Attachment 11 Schedule of Payments**

**Recommendation: To approve the schedule of payments**