



# **FINANCIAL REGULATIONS**

December 2019

To be approved by FGP Committee on 10/12/19 and adopted by Full Council on 14/01/20

Based on the Model produced by NALC in 2016 and the 2019 updated model from SLCC

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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 governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts.
- 1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3 The Council's accounting control systems must include measures:
- For the timely production of accounts;
  - That provide for the safe and efficient safeguarding of public money;
  - To prevent and detect inaccuracy and fraud; and
  - Identifying the duties of officers.
- 1.4 These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7 Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8 The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. With effect from **1<sup>st</sup> July 2019** the Assistant Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
- 1.9 The RFO:
- Acts under the policy direction of the Council;
  - Administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - Determines on behalf of the Council its accounting records and accounting control systems;
  - Ensures the accounting control systems are observed;
  - Maintains the accounting records of the Council up to date in accordance with proper practices;
  - Assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - Produces financial management information as required by the Council.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the

Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.

1.11 The accounting records determined by the RFO shall in particular contain:

- Entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- A record of the assets and liabilities of the Council; and
- Wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12 The accounting control systems determined by the RFO shall include:

- Procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- Procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- Identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- Procedures to ensure that uncollectable amounts, including any bad debts are not submitted to Council for approval to be written off except with the approval of the RFO and that approvals are shown in the accounting records; and
- Measures to ensure that risk is properly managed.

1.13 The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- Setting the final budget or the precept;
- Approving accounting statements;
- Approving an annual governance statement;
- Borrowing
- Writing off bad debts
- Declaring eligibility for the General Power of Competence; and
- Addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.

1.14 In addition the Council must:

- Determine and keep under regular review the bank mandate for all Council bank accounts;
- Approve any grant or a single commitment in excess of £5,000; (was £10,000) and

- In respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the staffing committee in accordance with its terms of reference.

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

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)*.

## **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 regular basis, at least once in each quarter, and at each financial year end, at least two members shall be appointed to verify bank reconciliations (for all accounts) produced by the Administration Officer. The member shall sign the members audit document and the front of the bank statement as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance and General Purposes Committee.
- 2.3 The Chair of the Full Council meeting shall sign the bank reconciliation and it shall be minuted that this has been done
- 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 of the Council as appear to the RFO or internal auditor to be necessary for the purpose of the audit and shall supply the RFO, internal auditor, or external auditor with such information and explanation as the RFO or auditor considers necessary for that purpose.
- 2.5 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6 The internal auditor shall:
- Be competent and independent of the financial operations of the Council;
  - Report to Council in writing, or in person, on a regular basis with a minimum of two written reports during each financial year;
  - To demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - Have no involvement in the financial decision making, management or control of the Council.
- 2.7 Internal or external auditors may not under any circumstances:
- Perform any operational duties for the council;

- Initiate or approve accounting transactions; or
  - Direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8 For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as is described in proper practices.
- 2.9 The RFO shall make arrangements for the exercise of electors’ rights in relation to the accounts including the opportunity to inspect the accounts, books and vouchers and display or publish any notices and statements of account required by the 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. Any recommendations should be implemented or reasons why they are not, recorded in the minutes.

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

- 3.1 Each Committee shall review its forecast of revenue and capital receipts and payments and having regard to this shall formulate and submit proposals for the following financial year to the Finance and General Purposes Committee not later than by the end of **November** each year including any proposals for revising the forecast.
- 3.2 No major projects should be undertaken without a detailed feasibility report which will include funding sources, cash flow forecasts and revenue implications for future years. Commitments to capital schemes should not be entered into unless and until the financial consequences have been incorporated in the Council’s approved budget.
- 3.2 The RFO must each year, by no later than the middle of November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following year in the form of a budget to be considered by the relevant committees and the Council. They should also include forecasts for the following two years. These should be accompanied by a report from the RFO.
- 3.3 The Finance and General Purposes Committee shall review the estimates and submit them to the Council for consideration at the January meeting in each year and shall recommend the precept to be levied for the ensuing financial year.
- 3.4 The Council will consider the detailed budget and will review the resources available to it, including grants and reserves and shall set 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. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 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 may be incurred up to the amounts included for that class of expenditure in the approved budget under the delegated authority given to each committee.
- 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 or general reserve as appropriate ('virement').

- 4.3 Unspent provisions in the revenue and capital budgets for completed projects shall not be carried forward to a subsequent year. Unspent balances will be transferred to general reserves at the end of the financial year.
- 4.4 The salary budgets are to be reviewed at least annually before the end of October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of the relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.4 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 £3000. The Clerk shall confer with the Chairman of the Council and Chairman of the relevant committee, if possible, and report the action to the appropriate committee as soon as practicable thereafter.
- 4.5 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the committee concerned is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.6 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts. Payments on any capital project should be made in accordance with forecast cash flows included in the approved project plan.
- 4.7 The RFO shall at least quarterly provide each committee with a budgetary control statement showing income and expenditure to date under each head of the budgets, comparing actual expenditure to budget and with explanations for variances.
- 4.8 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 Administrative Officer will prepare each invoice for authorisation and will examine each one for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Administrative Officer shall take all steps to pay all invoices submitted, and which are in order, within 30 days. [All Payments to be authorised before payment.](#)
- 5.3 All invoices for payment shall be examined, verified and authorised by the RFO to confirm that the work, goods or services to which each invoice relates has been received and carried out and represents expenditure previously approved by the council.
- 5.4 The invoices for authorisation shall be inspected and checked against the appropriate SAGE report, payflow documentation and cheque counterfoils as part of the monthly member's audit by a designated member of the FGP Committee.

- 5.4 Payments generally will be made by payflow, with the documentation signed by two Councillors and with a third signature by the RFO. Urgent payments may be made by cheque, to be signed by two Councillors [providing the RFO or Clerk have authorised payments on sticker attached to invoice](#). Cheque counterfoils are to be initialled by all signatories.
- 5.5 The Administrative Officer will prepare a schedule of payments for authorisation by Council, this will form part of the Agenda for the Council meeting. Total salary, National Insurance, Pension and Income Tax payments will be listed separately. The Council shall review the schedule for compliance and having satisfied itself will authorise the payments by resolution of the Council. The Chairman of the Meeting will sign the schedule.
- 5.6 The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled payflow, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council;
  - b) An expenditure item authorised under 5.7 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council; or
  - c) Fund transfers within the councils banking arrangements up to the sum of £50,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 5.7 For each financial year the RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 5.8 A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.9 In respect of grants the FGP committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council.
- 5.10 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
- 5.11 [Before any grant is agreed, the grant procedures should be adhered to. A application form and where applicable a grant monitoring form.](#)
- 5.12 [Bank details for the guarantee organisation shall be provided on a signed form. If incorrect bank details are provided that result in a charge being made by the bank to the Parish Council, the amount of the bank charge will be deducted from the grant payment.](#)

## **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 Administration Officer shall arrange for payment to be made.
- 6.3 Payments shall be effected by payflow, cheque or other order drawn on the Council's bankers or otherwise, in accordance with a resolution of Council.
- 6.4 Cheques or orders for payment drawn on the bank account in accordance with the schedule of payments as presented to Council shall be signed by two members of Council and countersigned by the Clerk. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6 If thought appropriate by the council, payment for utility supplies (energy, telephone and water), internet provider and CCTV broadband and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the FGP Committee at least every two years and the appropriate resolution recorded in the Minutes.
- 6.7 If thought appropriate by the council, 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 members are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
- 6.8 If thought appropriate by the council payment for certain items may be made by internet banking or BACS transfer providing evidence is retained showing which members approved the payment.
- 6.9 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and it shall be retained in the safe.
- 6.10 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.
- 6.11 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.
- 6.12 The Council shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used on the Council's computers.
- 6.13 Where internet banking arrangements are made with any bank, the Clerk/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 that the Service Administrator can move payments between the accounts.
- 6.14 Access to any internet banking accounts will be directly to the access page (which may 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.

- 6.15 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 the RFO. A programme of regular checks of standing data with suppliers will be followed.
- 6.16 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk. The card will only be used in circumstances where urgent goods or services are needed and the company concerned will not issue an invoice or accept payment in any other way. The credit card limit is £1000 and any balance will be cleared fully within the specified payment period, so that no interest is incurred. Personal credit or debit cards of members or staff shall only be used as a last resort.
- 6.17 The corporate credit card will be held by the Clerk who will obtain verbal (or written if time allows) approval from the Chairman or Vice-Chairman of the Council or Chairman of the appropriate Committee for any expenditure over £30. Any payments made will be reported to Council and approved in the usual way.
- 6.18 A Petty cash float of £200 is kept in the safe and should only be used for postage and other very small items of expenditure. Only the RFO or the Administrative Assistant responsible for finances, can refund employees for expenditure being claimed. All expenditure must be supported by a voucher for the payment which must be retained. A separate record is kept and is checked by a designated member of the FGP Committee as part of the member's audit.
- 6.19 Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- 6.20 Payments to maintain the petty cash float shall be shown on the schedule of payments presented to council under 5.5 above.

## **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 as recommended by the duly delegated 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 the regulations above.
- 7.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the relevant committee and the Council.
- 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 (payroll folder). 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 staff.

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.

7.8 Before employing interim staff the Council and/or relevant Committee must consider a full business case.

7.9 Timesheets shall be completed and certified as to accuracy by or on behalf of the Clerk.

## **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. 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 by the RFO in the name of the Council and shall be for a set period in accordance with Council policy. Any changes should be approved by the FGP Committee.

8.4 The Council shall 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.

8.5 All investments of money and loans 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 the appropriate Administrative Officer under the supervision of the RFO. Invoices should be issued promptly and there should be efficient collection arrangements of payments.

- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the appropriate Committee or Council.
- 9.3 The Council will review all fees and charges at least annually, following a report by the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Finance and General Purposes Committee 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 by the appropriate Administrative Officer in a timely manner.
- 9.6 The origin of each receipt and relevant reference details 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 ensure the prompt completion of any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 s. 33 shall be made at least annually 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 invoices, 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. If it is an ongoing payment, authority will be given by the Managing Trustees at the start of the payments.

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

- 10.1 An official order 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.
- 10.2 Order books shall be controlled by the appropriate officer under the direction of the 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 three or more estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4 A member may not issue an official order or make any contract on behalf of the Council.
- 10.5 The RFO 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 shall ensure that the Council has the power to make the payment. If the Council does not have the General Power of Competence the relevant power shall be recorded.

## **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, broadband 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/or RFO shall act after consultation with the Chairman and Vice-Chairman of the Council); and
  - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price
- b) Longer term contracts for the supply of services such as gas, electricity, water and telephones should be regularly reviewed to ensure that the best terms are being obtained with regards to tariffs and supplier, Other ongoing arrangements such as with professional advisers, banks, insurance providers, maintenance contractors etc should be reviewed at least every three years.
- c) Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations.
- d) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- e) The Council must advertise the contract opportunity on the “Contract Finder” website within 24 hours of advertising it elsewhere.
- f) 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.
- g) The Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list if available, or from established specialist suppliers from whom references shall be obtained.
- h) 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.
- i) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or properly authorised deputy in the presence of at least one member of the Council. Tenders

will then be assessed and reported to the appropriate Committee or full Council and a decision taken by a majority of the councillors present.

- j) Any invitation to tender issued under this regulation shall be subject to the Council's Standing Orders and shall refer to the terms of the Bribery Act 2010.
- k) If less than three tenders are received for contracts above £25,000 in value 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.
- l) The Clerk must ensure that any contract contains suitable provisions stating that valid undisputed invoices will be paid within 30 days.
- m) When a contract is awarded, a Council, having regard to guidance issued by the Minister for the Cabinet Office, must publish on the Contracts Finder the information set out in Regulation 112. The Council may withhold this information from publication where its release would:
  - i. impede law enforcement or would otherwise be contrary to the public interest;
  - ii. prejudice the legitimate commercial interests of a particular economic operator, whether public or private; or
  - iii. might prejudice fair competition between economic operators.
- n) Where contracts to a value of less than £25,000 are to be entered into 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) above, the Clerk or RFO shall obtain 3 quotations. Where the value is below £5,000 and above £1,000 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, regulation 10.3 shall apply.
- o) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- p) 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.
- q) In the event that the contract value exceeds the value of the European Union Procurement Directive Threshold at that time, (currently £164,176 for supplies and services and £4,104,394 for works) the terms of the Public Contracts Regulations 2015 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 by 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 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as to order and quality at the time delivery is made.
- 13.2 Stocks shall be maintained at the minimum levels required for operational purposes.
- 13.3 The Administrative Officer shall be responsible for periodic checks of stocks and stores at least quarterly.

### **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 moveable property does not exceed £500.
- 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 consents required by law. In each case the Clerk shall provide a written report to the 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 Regulation 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. Capital assets should be recorded in the register at original cost. Where appropriate assets should be properly maintained and sufficient funds should be included in the revenue budget to enable this to happen. 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. Assets, particularly land and buildings, should be reviewed to assess if the council is making the most effective economic use of them. Surplus assets should be disposed of, with the approval of council, for the best possible price.

### **15. INSURANCE**

- 15.1 The RFO shall effect all insurances and negotiate all claims on the Council's insurers, in consultation with the Clerk. Regard shall be had to any implications arising from the Council's risk assessment procedures.

- 15.2 The RFO shall ensure prompt notification to the insurers of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The RFO or appropriate officer 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 report these to Council at the next available meeting.
- 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 duly delegated Committee.

## **16. CHARITIES**

- 16.1 Where the Council is sole managing trustee of a charitable body the 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 RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document and will ensure that the relevant return is filed with the Charity Commission. The Council as trustee must at all times manage the charity's finances in the best interests of the object of the charity.

## **17. RISK MANAGEMENT**

- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Council and relevant Committees, 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 and will be recorded in the minutes.
- 17.2 At every meeting of the Council or one of its Committees, the implications for risk management shall be discussed and agreed and, where necessary, the Clerk shall ensure that the appropriate risk list is updated accordingly.
- 17.2 When considering any new activity, the Clerk 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 Finance and General Purposes Committee to review the Financial Regulations of the Council annually. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Committee of any requirement for a consequential amendment to these Financial Regulations.
- 18.2 The Council may, by resolution of the Council or relevant Committee duly notified prior to the relevant meeting, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising have been drawn up and presented in advance to all members of the Council or Committee.