

# FINANCIAL REGULATIONS

<b>Version</b>	<b>Change</b>	<b>Created by</b>	<b>Approved</b>	<b>Review</b>
1.1		Mathew Filmore	7 May 2024	
1.2	Update to incorporate NALC model regulations other minor amendments	Kevin Murray	3 Dec 2024	

## 1. General

- a) 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.
- b) The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Finance Manager has been appointed as RFO for this Council and these regulations will apply accordingly.
- c) In the absence of the Finance Manager, the Town Clerk shall act as the RFO.
- d) Deliberate or wilful breach of these regulations by an employee may give rise to disciplinary proceedings.
- e) 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.
- f) The Finance Manager:
  - acts under the policy direction of the Council and the Strategy and Resources Committee
  - 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
  - ensures that the accounting records of the Council are maintained and kept 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.
- g) The accounting records determined by the Finance Manager shall be sufficient to show and explain the Council's transactions and to enable the Finance Manager to ensure that any income and expenditure account and statement of balances, or records of receipts and payment 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.
- h) The accounting records determined by the Finance Manager shall in particular contain:
  - entries from day to day of all sums of money received and expended by the Council and those matters to which the income and expenditure or receipts and payments 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.
- i) The accounting control systems determined by the Finance Manager 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 submitted to the Council for approval having been approved by the Finance Manager and that the approvals are shown in the accounting records; and
  - measures to ensure that risk is properly managed.
- j) **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 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.**
- k) In addition the Council must determine and keep under regular review the bank mandate for all Council bank accounts.
- l) In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of the Audit Commission Act 1998 or any superseding legislation, and then in force, unless otherwise specified.
- m) In these financial regulations the term 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils – A Practitioners Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) available from the websites of the National Association of Local Councils and the Society of Local Council Clerks.
- n) The Town Clerk shall be responsible for the accountability and control of staff and the security, custody and control of all other resources, including plant, buildings, materials, cash and stores appertaining to their consent, and shall also be responsible for the observance of the Council's Financial Regulations.

## 2. Annual Estimates (Budget) and Forward Planning

- a) **Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- b) **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
- c) Detailed estimates of all income and expenditure including the use of reserves and all sources of funding for the year shall be prepared each year by the Finance Manager in the form of a budget to be considered by the Council.

- d) Each committee shall formulate and submit to the Strategy and Resources Committee a programme of expenditure and income for the following financial year not later than the end of January/beginning of February each year.
- e) The Strategy and Resources Committee shall consider the uses of reserves and all sources of funding and the aggregate effect of these programmes and estimates upon the Council's financial resources and shall submit them to the Council for approval with a recommendation of the precept to be levied for the ensuing financial year. **The Finance Manager shall issue the precept to the billing authority no later than the end of February** and shall supply each Member with a copy of the approved budget.
- f) The annual budgets shall form the basis of financial control for the ensuing year.
- g) The Council shall consider the need for and shall have regard to a three year forecast of revenue and capital receipts and payments and operational impact which may be prepared at the same time as the annual budget.
- h) Contingencies
- i) Provision for salary and wages pay awards – there shall be included in the revenue budget such provision for salary and wages as may be considered necessary.
  - ii) Reserves – the Strategy and Resources Committee may approve expenditure from reserves on unforeseen items without reference to the Council.
  - iii) Delegation to the Town Clerk – there shall be delegated to the Town Clerk a special fund for carrying out emergency repairs subject to:
    - (1) being satisfied that the expenditure is necessary;
    - (2) there not being adequate provision within the specified detailed expenditure head concerned.
  - iv) Provision for inflation – there shall also be included in the revenue estimates a provision for inflation based on the best information available at the time.

### 3. Budgetary Control and Authority to Spend

- a) Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget.

The authority to be determined by:

- The Town Clerk for all items over £1,000
- Budget holding managers for items up to and including £1,000

Such authority is to be evidenced by a signed purchase order. Contracts may not be disaggregated to avoid controls imposed by these regulations.

- b) Expenditure may not be incurred which cannot be met from the amount provided within the net revenue budget of a committee or when it is likely to result in overspending in the year unless a request for a supplementary estimate has been submitted to the Strategy and Resources Committee. This regulation shall apply where such event would result in an increase in net cost of a committee's budget within the financial year. However, it is recognised that some costs are outside the control of the budget holder including, but not limited to, utility and repairs costs. It is the Council's practice to adjust these items of expenditure in the setting of revised estimates for the current year as part of the next year's budget setting process.

- c) The Strategy and Resources Committee shall be delegated to regulate and control the estimates of the spending committees during the financial year and to approve the spending committees' revised estimates for that year.
- d) Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Strategy and Resources Committee.
- e) The Town Clerk may incur expenditure on behalf of the Council, which is necessary to carry out repair, replacement or other work that is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure. This is subject to a limit of £25,000, following consultation with the Leader of the Council and the Town Mayor. The Town Clerk shall report the action to the Council as soon as practicable thereafter.
- f) Where expenditure is incurred in accordance with 3e) above and the sum required cannot be met from savings made elsewhere within the committee's approved budget it shall be subject to the provisions of a supplementary estimate approved by the Strategy and Resources Committee or the Council.
- g) At each meeting of a budget holding committee the Finance Manager shall provide the committee with a summary of receipts and payments to date under each head of the budgets, comparing actual expenditure to the previous year's expenditure at the same point in the year and showing the percentage of the total budget spent or income received. Commentary on income and expenditure shall be provided and Members' attention drawn to any anticipated or actual increases in expenditure of 50% or more over the budget estimate for an item.
- h) Revenue savings may not be used to meet additional capital spending, nor any capital savings be used to meet additional revenue spending without the approval of Council.
- i) The Town Clerk shall maintain a Repairs and Renewals Fund and shall issue guidelines and advice as necessary.
- j) No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council has approved the necessary funds required, or the requisite borrowing approval has been obtained.
- k) All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- l) Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

#### 4. Accounting and Audit (Internal and External)

- a) All accounting procedures and financial records of the Council shall be determined by the Finance Manager in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- b) The accounting records determined by the Finance Manager must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain;**

- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
  - **a record of the assets and liabilities of the council.**
- c) The Finance Manager shall complete the annual financial statements, 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.
- d) **The Council shall ensure that there is adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.**
- e) **Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit** and shall, as directed by the Council, supply the Finance Manager, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- f) The internal auditor shall be appointed by the Strategy and Resources Committee and shall carry out the work required by the Council in accordance with proper practices.
- g) The Internal Auditor shall:
- be competent and independent of the operations of the Council;
  - report to the Strategy and Resources Committee or Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year;
  - demonstrate competence, objectivity and independence and be free from any actual or perceived conflicts of interest and have no involvement in the financial decision making, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the Council.
- h) 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.
- i) 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.
- j) The Finance Manager 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 and the Accounts and Audit Regulations, or any superseding legislation.
- k) The Finance Manager shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

## 5. Banking Arrangements

- a) The Council's banking arrangements, including the Bank Mandate, shall be made by the Finance Manager and approved by the Council. They shall be regularly reviewed for safety and efficiency.
- b) The Council will operate such bank or other accounts as it considers necessary and appropriate for the efficient conduct of its business.
- c) A current account shall be used for the payment of the Council's bills by cheque, direct debit, BACS and other orders drawn on this account and will require the signature or digital authorisation, for example via email, of two Members of Council, authorised as bank signatories by the Council, on the payment schedules presented by the Finance Manager.
- d) A deposit account shall be used to transfer funds to and from the current account and shall be carried out automatically by the bank. Signatories to this account are determined by Council.
- e) A third account shall be operated on an imprest basis and the maximum level of funds to be transferred from the deposit account to this imprest account in any one transfer shall be set by the Strategy and Resources Committee. Transfers require the signature or digital authorisation, for example via email, of two authorised members of Council. The imprest account shall be used primarily for the payment of salaries and related payments, payments required prior to invoice, refunding deposits or booking/course cancellations, purchase of items by a direct debit card and urgent payments. The signatories for payments from the imprest account are the Town Clerk, the RFO, the Deputy Town Clerk, and the Leisure Services Manager. Two signatories are required to approve payments from this account.
- f) Bank reconciliations for all operating bank accounts shall be prepared by the Finance Manager as soon as practicable after the end of each month.

## 6. Authorisation of Payments

- a) All payments shall be effected by cheque, direct debit, BACS or other order drawn on the Council's bankers.
- b) All invoices for payment shall be examined, verified and certified by authorised officers who are budget managers. The officer shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved. The officer shall also satisfy him/herself that the account has not been previously passed for payment and is a proper liability of the Council and then allocate expenditure to the appropriate budget expenditure heading.
- c) The Finance Manager shall examine invoices in relation to arithmetical accuracy. The Finance Manager shall take all steps to settle all invoices submitted within 30 days.
- d) At least twice monthly the Finance Manager shall collate, review and sign schedules of supplier cheque or BACS payments required, together with the relevant invoices and other supporting information. The Town Clerk will review and sign the schedule(s) in the RFO's absence.

- e) In the case of a schedule for cheque payments, authorisation will be indicated by the signature of two councillors who are authorised bank signatories on the face of the schedule(s) and by initialling invoices to indicate that the schedule has been agreed to the supporting documentation.
- f) Cheques drawn on the account in accordance with 6 d) shall be signed by two of the bank signatories authorised by Council.
- g) In the case of a schedule for BACS payments, authorisation will be indicated via email by two Council appointed bank signatories in accordance with 6d)
- h) Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- i) Payments from the Imprest account shall be authorised by the Town Clerk with a schedule of such payments presented to two signatories authorised by Council for information. Salaries shall be paid from the Imprest account and all required transfers of funds to the Imprest account from the deposit account shall be approved by email by two signatories authorised by the Council. Debit card payments come from the Imprest account and the process for this is set out in Regulation 8.
- j) The Finance Manager may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Finance Manager with a claim for reimbursement.
- i) The Finance Manager shall maintain a petty cash float of up to £250 for the purpose of defraying operational and other expenses. Vouchers for the payments made from petty cash shall be kept to substantiate the payment.
  - (1) Income received must not be paid into the petty cash float but must be banked separately.
  - (2) Payments to maintain the petty cash shall be made from the Town Clerk's Imprest account and signed by two authorised officers.
  - (3) Petty cash floats at the Leisure Centre are maintained by the Finance Manager.
- k) If thought appropriate by the Council, payment for utility supplies (rates, energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by two appointed bank signatories.
- l) All payments in each month from the Council's current and imprest accounts shall be provided to the Strategy and Resources Committee for noting.

## **7. Instructions for the Making of Payments**

- a) The Council will make safe and efficient arrangements for the making of its payments.
- b) Following authorisation under Financial Regulation 6 above, the Finance Manager shall give instruction that a payment shall be made.



- c) Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to the Strategy and Resources Committee shall be signed by two members of Council. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and/ or permissible to be a signatory to the transaction in question.
- d) The Finance Manager shall take all possible steps to settle invoices within 30 days of the date on the invoice.
- e) Payments may be made by BACS or CHAPS processes provided that the instructions for each payment are signed by two authorised bank signatories, are retained and that payments made are presented to the Strategy and Resources Committee for noting.
- f) No employee shall disclose any pin or password relating to the working of the Council or its bank accounts to any person not authorised by the Council or a duly delegated committee.
- g) Regular back-up copies of the financial and other relevant records on any computer shall be made and shall be maintained off site.
- h) The Council shall ensure that anti virus, anti spyware and firewall software with automatic updates are installed and operating.
- i) Where BACS or any other internet banking arrangements are made with any bank, the Finance Manager shall be appointed as the service administrator and will prepare the payments for authorisation. Once authorised, one of either the Town Clerk, Deputy Town Clerk or Leisure Services Manager will process the payments that have been duly authorised by two bank signatories,
- j) Access to any internet banking accounts will be directly to the Bank's home/access page - which must be saved under 'favourites' - and not through a search engine or email link. Saved passwords functions must not be used on any computer used for banking arrangements/payments. Any breach of this regulation will be treated as a serious matter.
- k) Changes to account details of suppliers which are used for internet banking may only be made after following the procedure of checking with the supplier by phone and requesting a confirmation by email. A hard copy of the newly amended account details will be signed by the Finance Manager. A programme of regular checks of suppliers' data will be followed.

## **8. Debit Card Payments**

- a) Debit card payments from the imprest account are only made when it is not possible to pay by cheque or BACS, or where a saving to the Council can be made.
- b) The debit card is never to be used for anything other than proper business use.
- c) Two debit cards will be issued to Woodley Town Council, with the Town Clerk and the Finance Manager as the authorised signatories, and these are to be kept in a locked drawer at all times when not in use.

- d) Debit card payments for goods made by officers other than the Town Clerk or Finance Manager must be approved by the Town Clerk or Finance Manager. Approval will be shown by the Town Clerk / Finance Manager counter signing the purchase order for the expenditure.
- e) The limit for normal expenditure by debit card is set at £2,500 per month. Where expenditure by debit card is required in excess of this in any month then this must be authorised by the Town Clerk.
- f) Any expenditure by debit card is to be supported by a purchase order and invoice/receipt and authorised in the same way as other payments from the imprest account.
- g) The payments made by debit card from the imprest account are to be checked by the Finance Manager, included in the imprest payments list and in the list provided to the Strategy and Resources Committee for ratification.

## 9. Payment of Salaries

- a) **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; any necessary deductions will be made as required.
- b) Payment of salaries and payment of deductions from salary as required e.g. tax, National Insurance, pension contributions, union dues must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts.
- c) All time records or other pay documents shall be certified as to accuracy by the individual's manager and retained by the Finance Manager.
- d) 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. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000, or other current legislation, or otherwise other than:
  - by any councillor who can demonstrate a need to know
  - by the internal auditor
  - by the external auditor, or
  - by any person authorised under the Audit Commission Act 1998, or any superseding legislation
- e) All claims for payment of car allowance, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified, in a form approved by the Town Clerk, except the Town Clerk's claims which shall be approved by the Leader of the Council.
- f) No changes shall be made to any employee's pay, emoluments or terms and conditions of employment without the approval of the Strategy and Resources Committee, apart from progression through the points of an employee's payscale which requires confirmation from an employee's line manager.
- g) Any termination payments shall be supported by a clear business case and reported confidentially to the Strategy and Resources Committee for approval.

- h) Payments to Members, including co-opted Members of the Council or its committees, who are entitled to claim travelling or other allowances, will be made by the Finance Manager upon receipt of the prescribed form duly completed. All claims for the financial year are to be submitted not less frequently than quarterly.
- i) The certification by an officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

## 10. Loans and Investments

- a) All investments of money under the control of the Council shall be in the name of the Council.
- b) 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. An application for borrowing approval and subsequent arrangements for the loan shall only be approved by Full Council.
- c) Matters relating to Council investments and treasury management are set out in the Council's Treasury Management Strategy and reviewed annually by Full Council.
- d) All investment certificates and other documents relating thereto shall be retained in the custody of the Finance Manager, apart from the Council's investment portfolio, managed by the Council's appointed investment management professionals, who hold such documents and certificates on the Council's behalf.

## 11. Transfer of Funds

- a) The Town Clerk shall be authorised to make short-term investments of the maximum sum in one transaction, as set out in the Council's Treasury Management Strategy, at any one time in financial institutions approved by the Council. All other transfers shall be authorised by Members as approved by the Council.

## 12. Income

- a) The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Finance Manager.
- b) The Council will agree all fees and charges annually, following a report of the Town Clerk.
- c) Any sums found to be irrecoverable and any bad debts shall be reported to the Strategy and Resources Committee. Strategy and Resources Committee may recommend that the Council write-off any amount due to be paid to the Council.

- d) All sums received on behalf of the Council shall be banked intact as directed by the Finance Manager. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Finance Manager considers necessary.
- e) Personal cheques shall not be cashed out of money held on behalf of the Council.
- f) The Finance Manager shall ensure that VAT Returns are promptly submitted and that that any repayment claims are made and received. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- g) VAT payable on charges for services will be applied on advice from the Council's accountants and must be authorised by the Finance Manager.
- h) Where any significant sums of cash are regularly received by the Council, more than one person will be present when the cash is counted in the first instance, and the Finance Manager will ensure that appropriate care is taken in the security and safety of individuals banking such cash.
- i) The Town Council is permitted to sell any excess electricity generated by its solar panels back to our supplier under the incidental power in section 111 of the 1972 Act to reduce the liability to the supplier.

### 13. Orders for Work, Goods and Services

- a) A purchase order shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate eg for services provided under a contract agreement. Copies of purchase orders will be retained for Council records, either digitally or in hard copy as appropriate.
- b) Order books shall be controlled by the Finance Manager.
- c) 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. If the order is for under £3,000 the officer shall satisfy him/herself that the Council is receiving the best value for money. Suppliers and services will be reviewed on a regular basis for cost efficiency.
- d) Any purchase order over £1,000 must be approved by the Town Clerk.
- e) The Town Clerk is responsible for ensuring purchases made by the Council are lawful.

### 14. Contracts

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (v) below:
  - i) for the supply of gas, electricity, water, sewerage, IT 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 goods or materials proposed to be purchased which are specialist or proprietary articles and/or are only sold at a fixed price.
- b) For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**
- c) Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 6.12) obtain prices as follows:
- i) For contracts estimated to exceed £60,000 including VAT, the Clerk shall {seek formal tenders from at least [three] suppliers agreed by [the council]} OR {advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation}. Tenders shall be invited in accordance with Appendix 1.
  - ii) For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation<sup>1</sup> regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embedded in a recommendation to the Strategy and Resources Committee or the Council.
- e) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Town Clerk and sent by post. Each tendering firm shall mark the envelope with the words "Tender Submission" and the tenders are to remain sealed until the prescribed date for opening tenders for that contract.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council.
- g) Any invitation to tender issued under this regulation shall be subject to Standing Order 23.1.c and shall refer to the terms of the Bribery Act 2010.
- h) For contracts greater than £3,000 (excluding VAT) the appropriate budget holder shall obtain 3 quotations. Where it is not possible to obtain three quotations, the appropriate budget holder shall proceed in line with Regulation 13 c), and the Town Clerk or Finance Manager is authorised to accept the quote.
- i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate. However, a tender other than the lowest tender, if payment is to be made by the Council, or the highest, if payment is to be received by the Council, shall not be accepted until the Strategy & Resources Committee has considered a written report from the Town Clerk.

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<sup>1</sup> The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

- j) Should it occur that the Council, or duly elected committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, providing 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 undertaken.
- k) Any tender submitted in competition received after the specified time shall be returned promptly to the tenderer by the Town Clerk. The tender may be opened to ascertain the name of the tenderer but no details of the tender shall be disclosed. A later tender may be considered when the Town Clerk is satisfied that there is evidence of posting in time for delivery by the due date in the normal course of post and the other tenders have not been opened.
- l) Where examination of tenders reveals errors or discrepancies which would affect the tender figures in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and afforded an opportunity of withdrawing or confirming the offer.
- m) If the tenderer withdraws, the next tender in competitive order is to be examined and dealt with in the same way. Any exception to this procedure may be authorised only by, and on behalf of, the committee concerned, after consideration of a report by the Town Clerk.
- n) The Town Clerk is authorised to accept tenders, providing tenders are within the budget provision.
- o) All contracts shall be in writing and shall specify:
  - i) the work, materials, matters or things to be furnished, had or done, including any appropriate technical specification(s);
  - ii) the price to be paid with a statement of discounts or other deductions;
  - iii) the time, or times, within which the contract is to be performed.

No work shall commence until the Town Clerk is satisfied that any necessary contract documents have been completed in a form approved by him/her.

- p) It shall be a condition of the engagement of the services of any architect, engineer, surveyor or other consultant [not being an officer of the Council] who is responsible to the Council for the supervision of a contract on its behalf, that in relation to that contract he/she shall:
  - i) comply with these Standing Orders as though he/she were an officer, subject to the modification that the procedure to be followed in inviting and opening tenders shall be approved in advance by the Town Clerk;
  - ii) at any time during the carrying out of the contract, produce to the Town Clerk, or his/her representative, on request, all the records maintained by him/her in relation to the contract;
  - iii) on completion of a contract, transmit such records to the Town Clerk, or other appropriate officer, as required.
- q) All tenders for the execution of works or the supply of goods or materials shall, except to the extent that the Council in a particular case or specified categories or contract otherwise decides, be based on a definite specification.

- r) Payments under contracts for building or other construction works
  - i) Payments on account of the contract sum shall be made within the time specified in the contract by the Finance Manager upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding, usually in the form of a retention of 5% of the contract value retained for 6 months after completion/certificate of completion is issued, as may be agreed in the contract).
  - ii) Where contracts provide for payment by instalments the Finance Manager shall maintain a record of all such payments and report to Council where it is estimated that the cost of the works will exceed the contract sum.
  - iii) Any variation to a contract or addition to or omission from a contract must be approved by the officer managing or overseeing the contract, in consultation with the chairman and vice chairman of the appropriate committee and by the Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.
  - iv) The Chairman of the appropriate committee shall consider whether the variation is material and therefore requires committee approval.

## 15. Stores and Equipment

- a) The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- b) Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- c) Stocks shall be kept at minimum levels consistent with operational requirements.
- d) The Finance Manager will be responsible for arranging periodic checks of stocks and stores by persons other than those responsible (at least annually) and will report on these to the appropriate committee.

## 16. Assets, Properties and Estates

- a) The Town Clerk shall make arrangements for the custody of all title deeds of properties owned by the Council. The Finance Manager shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- b) No tangible moveable property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.
- c) No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to the Strategy and Resources Committee in respect of valuation and surveyed condition of the property (including matters such as planning permission and covenants) together with a proper business case (including an adequate level of consultation with the electorate) and any recommendations made to Full Council.



- d) No real property (interests in land) shall be purchased or acquired without the authority of the Council. In each case, a report in writing shall be provided to the Strategy and Resources Committee 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) and any recommendations made to Full Council.
- e) The Finance Manager shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually. Any losses shall be reported to the Strategy and Resources Committee.
- f) The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific instructions issued by the Town Clerk.

## 17. Insurance

- a) The Finance Manager shall effect all insurances and negotiate all claims on the Council's insurers in line with its Risk Management Strategy.
- b) The Finance Manager shall ensure that all new risks, properties, vehicles which require insurance or any alterations affecting existing insurances are promptly added included in the Council's insurance policies.
- c) The Finance Manager shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it,
- d) The Finance Manager shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the Strategy and Resources Committee/Council at the next available meeting.
- e) All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

## 18. Risk Management

- a) **The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- b) The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare for approval by the Council a Risk Management Strategy and risk register in respect of all activities of the Council. These shall be reviewed by the Council annually.
- c) **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.** This is contained in the internal auditors report.



- d) The accounting control systems determined by the Finance Manager must include measures to;**
- **ensure that the risk is appropriately managed;**
  - **ensure the prompt, accurate recording of financial transactions;**
  - **prevent and detect inaccuracy or fraud; and**
  - **allow the reconstitution of any lost records;**
  - **identify the duties of officers dealing with transactions and**
  - **ensure division of responsibilities**

## **19. Charities**

- a) Where the Council is sole trustee of a charitable body, the Finance Manager 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 Finance Manager shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **20. Suspension and Revision of Financial Regulations**

- a) It shall be the duty of the Council to review the Financial Regulations of the Council every three years or at the request of Full Council. The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.
- b) The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these financial regulations provided that the reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

**TENDER PROCESS**

- 1) Any invitation to tender shall state the general nature of the intended contract and the Town Clerk or authorised officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post, unless an electronic tendering process is being used.
- 3) Where a postal process is used, each tender is to remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Where 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, 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.