

# UCKFIELD TOWN COUNCIL



## REVISION TO FINANCIAL REGULATIONS

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6	13.04.15	GP.70.04.15 Review and Update
7	15 <sup>th</sup> August 2016	Amendment in response to updated model financial regulations
8	5 <sup>th</sup> November 2018	Amendment in line with revised Standing Orders – GP Committee
9	9 <sup>th</sup> March 2020	Proposed amendments in line with changes to NALC's Model Financial Regulations in 2019
<u>10</u>	<u>20 April 2022</u>	<u>Proposed amendments presented to Finance Sub-Committee prior to GP Committee</u>

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## 1.0 GENERAL

- 1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the council's three governing policy documents provided 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. -The Council is responsible in law for ensuring that its financial management is adequate and effective and that it has a sound system of financial control which facilitates the effective exercise of its functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These Financial Regulations are designed to demonstrate how the Council meets these responsibilities.
- 1.2 The post of Responsible Financial Officer (RFO) is a statutory office under section 151 of the Local Government Act 1972 and shall be appointed by the Council. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with all Acts, Regulations and proper practices. The RFO shall determine on behalf of the Council its accounting records and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices. The RFO shall assist the council to secure economy, efficiency and effectiveness in the use of resources.
- 1.3 The RFO shall produce financial management information as required by the Council.
- 1.4 At least once a year, prior to approving the Annual Governance Statement, and annual accounts, the Council ~~shall conduct~~must a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.5 In these Financial Regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in 'Governance and Accountability in Local Councils ~~in England and Wales~~ - A Practitioners' Guide (England) ~~which is issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of published jointly by NALC and SLCC and updated from time to time.~~
- 1.6 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 the Audit Commission Act ~~2003~~1998, or any superseding legislation and then in force unless otherwise specified.
- 1.7 Section 150(5) of the Local Government Act 1972 which governed the stewardship of money held by local councils has been repealed. It required that 'every cheque or other order for the payment of money be signed by two members of the Council'. Although this requirement has been repealed it is felt that it still remains good practice and will be retained by the Council.

- 1.8 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.9 Members of the 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.
- 1.10 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;  
- identifying the duties of officers.
- 1.11 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. Accounting records 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 assets and liabilities of the council, and;  
- wherever relevant, a record of the council's income and expenditure in relation to the 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 practicable and as accurately and reasonably as possible;  
-procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct 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 the council for approval to be written off expect with the approval of the RFO and that the 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 (council tax requirement);  
-approving accounting statements;  
-approving an annual governance statement;  
-borrowing;  
-writing off bad debts;  
- declaring eligibility for the General Power of Competence;

-addressing recommendations in any report from the internal and external auditors, shall be a matter for General Purposes Committee/Full Council accordingly.

1.14 In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;

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

**2.0 ANNUAL ESTIMATES**

2.1 Each committee shall formulate and submit annual budget proposals to the Council in respect of revenue and capital expenditure for the following financial year (and potential three-year forecast), not later than the end of January each year. Including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

2.2 Detailed estimates of income and expenditure on revenue services and receipts and payments on capital accounts shall be prepared each year by the RFO.

2.3 The Council shall review the estimates not later than the end of January each year and shall fix the precept to be levied for the ensuing financial year. The ~~Mayor or Town Clerk~~RFO shall issue the precept to the billing authority and shall supply each Member with a copy of the approved budget.

2.4 The annual capital and revenue expenditure shall form the Council's budgets and the basis of financial control for the ensuing year.

2.5 In considering its annual estimates the Council shall have regard to its current five year ~~Business Strategic Plan, and Annual Plan.~~

**3.0 BUDGETARY CONTROL**

3.1 Expenditure on revenue items may be ~~incurred~~authorised up to the amounts included in the approved budget.

3.2 No expenditure may be incurred that will exceed the amount provided in the revenue budget for that item of expenditure, unless first approved by the General Purposes Committee or the Urgent Consultation Panel. Unspent provisions in the revenue budget shall not be carried forward to a new financial year, unless moved to other budget headings or placed in an earmarked reserve by resolution of the General Purposes Committee.

3.3 The RFO shall regularly provide each committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this

purpose “material” shall be in excess of [15%?] of the budget.

- 3.4 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement, Health and Safety or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Clerk shall report the action to the appropriate committee as soon as possible thereafter.
- 3.5 Where expenditure is incurred in accordance with Regulation 3.4 above such sums shall be approved by the General Purposes Committee at the next available meeting.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure, unless the relevant committee is satisfied that it is contained in the capital programme and that the necessary capital funds are available, or the requisite borrowing approval has been obtained. Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk and where necessary also by the appropriate Chairman.
- 3.7 All capital works relating to contracts shall be administered in accordance with the Council's Standing Orders and these Financial Regulations and contracts may not be disaggregated to avoid controls imposed by these regulations/-
- 3.8 Changes in earmarked reserves shall be approved by the relevant committee as part of the budgetary control process.
- 3.9 The salary budgets are to be reviewed at least annually for the following financial year (as part of the budget setting process) and such review shall be evidenced by a hard copy schedule signed by the Clerk and Chair. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.0 ACCOUNTING AND AUDIT**
- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall be responsible for completing 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 to and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.-
- 4.3 Anti-Fraud and Corruption
- 4.3.1 In accordance with the Accounts and Audit Regulations the separation of duties of Officers dealing with financial transactions shall be carried out wherever practical, thus reducing the risk of fraud or suspicion of fraud.

4.3.2 Wherever possible arrangement shall be made to ensure that the same two Officers carry out no more than two of the following:-

(a) The ordering of works, goods or services.

(b) The acknowledgement of their receipt,

and

(c) The examination and certification of invoices and accounts.

4.3.3 Wherever possible, Officers responsible for the examination and checking of records of cash transactions shall not be engaged in any of these transactions.

#### 4.4 ~~Internal~~ Audit

4.4.1 The RFO shall complete the Annual Accounts of the Council and shall submit the accounts for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.

4.4.2 The RFO shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any Officer or Member shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall, as directed by the council, supply the RFO, ~~or~~ Internal Auditor or External Auditor with such information and explanation as the ~~RFO or Internal Auditor~~ council considers necessary for that purpose.

4.4.3 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the General Purposes Committee in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.

4.4.4 The RFO shall make arrangements for the exercise of electors' rights in relation to accounts including the opportunity for inspection of the accounts, books, and vouchers, and associated documents for the display or publication of any notices and statements of account required by the relevant Acts and Regulations.

4.4.5 The RFO shall, as soon as practicable, bring to the attention of all

Members any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative nature.

4.4.6 Internal or external auditors may not under any circumstances:  
- perform any operational duties;  
- 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.

#### 4.5 Members' Audit

On a monthly basis one Member of the Council will carry out an audit in accordance with the Members' Audit Policy No. 63 and will report their findings to the next meeting of the General Purposes Committee. This audit incorporates spot checks of supplier invoices, customer invoices, timesheets, and bank reconciliation and verification to nominal code, as well as the petty cash for both Uckfield Town Council and Luxfords Restaurant.

4.6 At least once a quarter and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and be noted by the Council. This can form part of the existing member audit procedures.

### 5.0 **BANKING ARRANGEMENTS, ~~CHEQUES~~ BACS AND ELECTRONIC BANKING**

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 efficiency.

5.2 All monies received by the Council, including Luxford's takings, shall be banked daily and a full record made on the reverse of the paying-in slip

5.3 With the exception of the arrangements set out in Regulation 6.1, all certified invoices and payments shall be paid by ~~cheque~~BACs, drawn on the Council's accounts and all ~~cheques~~BACs payments shall be signed by two members of the Council. A schedule of payments, listed by committee heading, and signed by the same two Members of the Council, shall be provided and presented at the next meeting of the committee. 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.

5.4 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 disclosable prejudicial interest or other interest, unless a dispensation has been



granted.

5.5 The council will aim to rotate the duties of member in these Regulations so that onerous duties are shared out as evenly as possible over time.

## **6.0 PAYMENT OF ACCOUNTS**

6.1 The council will make safe and efficient arrangements for the making of its payments.

6.2 Following authorisation under Financial Regulation 5, the council, a duly delegated committee or the Clerk or RFO shall give instruction that a payment shall be made.

6.3 Apart from petty cash, payments shall be effected by ~~cheque~~ BACs or other order drawn on the Council's bankers.

6.42 All invoices for payment shall be examined, verified and certified by the Officer issuing the order. Before certifying an invoice, the Officer shall be satisfied that the works, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.53 Duly certified invoices shall be examined in relation to arithmetical accuracy and authorisation, and shall be coded to the appropriate expenditure head. The RFO or appropriate Officer shall take all possible steps to settle all invoices or statements submitted, and which are in order, within 30 days of their receipt, or earlier, or in such manner, (e.g. standing order, direct debit etc), if such payment results in benefit to the Council, subject to any initial instruction forms or letters being signed by two Members of the Council.

6.64 All duly certified invoices will then be entered on the schedule of payments made and presented to the next meeting of the appropriate committee in accordance with Regulation 5.3.

6.75 The RFO or other appropriate Officer may authorise petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers, relevant receipts or other supporting documentary evidence for payments made shall be forwarded to the RFO with a claim for reimbursement.

- (a) The RFO shall maintain a petty cash float of no more than £200 for the purpose of defraying operational and other expenses incurred by the Council.
- (b) The RFO shall maintain a petty cash float of no more than £250 for the purpose of defraying operational and other expenses incurred by Luxfords Restaurant.
- (c) Re-imburement for sums over £50 from any petty cash float shall only be made by cheque.

- (d) Income received must not be paid into the petty cash float but must be separately banked as provided in Regulation 9.
- (e) Management of petty cash will be in accordance with internal audit procedures.

~~6.86.~~ Corporate credit card accounts must be set up to operate within defined limits and be specifically restricted to use by the Town Clerk, RFO and Estates & Facilities Manager. The credit card will be subject to automatic cleared monthly payment by direct debit in full from the main bank account each month. Personal credit or debit cards of members or staff shall not be used under any circumstances.

6.9 If thought appropriate by the council, payment for utility supplies (energy, telephone and water) 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 the relevant committee. The approval of the use of a variable direct debit shall be renewed by resolution by the relevant committee at least every two years.

6.10 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.

6.11 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 the 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.

6.12 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.

6.13 Where a computer requires use of a PIN number or other passwords, for access to the council's records on that computer, a note shall be made of the ~ PIN and passwords, and shall be handed to and retained by the Chair of the Council in a sealed dated envelope. This envelope may not be opened, other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN/or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank

payments.

6.14 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 duly delegated committee.

6.15 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer and preferably off site.

6.16 The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.17 Where internet banking arrangements are made with any bank, the RFO shall be appointed as Service Administrator, alongside the Town Clerk. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

6.18 Access to any internet banking accounts will be directly to the access page, and not through a search engine or e-mail link. Remembered or saved password 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.

6.19 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by two signatories (Town Clerk/RFO or authorised member signatory). A programme of regular checks of standing data with suppliers will be followed.

## **7.0 PAYMENT OF SALARIES AND WAGES**

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 salaries shall be as agreed by the Council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, National Insurance and pension contributions, or similar statutory or discretionary deductions may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.-

7.3 No changes shall be made to any employee's pay, emoluments, or terms and

conditions of employment without the prior consent of General Purposes Committee.

7.3 All time sheets where applicable shall be in a form prescribed by the RFO and certified as to their accuracy by the member of staff and countersigned by the appropriate manager.

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. 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;  
(d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

7.54 Appropriate Officers shall notify the RFO as soon as possible of all matters affecting the payment of salaries and wages and in particular:-

- Appointments, resignations, retirements, dismissals, suspensions, secondments and all other staff movements.
- Absences from duty for sickness or other reasons.
- Information necessary to maintain records of service for superannuation, income tax and national insurance.
- Changes in remuneration, allowances or working times.

7.65 The RFO and the Town Clerk are authorised to make payments of salaries and wages through 'Bankline' subject to such initial permission being signed by two Members of the Council. 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.

7.76 In the event of emergencies where no two authorised Officers are available to make such payments, the RFO or Town Clerk shall request two Members of the Council to be present.

7.87 The salary budgets are to be reviewed at least annually 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 Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time. This forms part of the annual budget setting process.

7.9 An effective system of personal performance management should be maintained for the senior officers.

7.10 Termination payments shall only be authorised by General Purposes Committee and before employing interim staff, General Purposes Committee must consider a full business case.

## **8.0 LOANS AND INVESTMENTS**

8.1 All loans and investments shall be negotiated by the RFO in the name of the Council, and shall be for a set period of time in accordance with any appropriate Council Policy. Changes to loans and investments should be reported to the General Purposes Committee at the earliest opportunity.

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 General Purposes Committee. In each case a report in writing shall be provided, in respect of value for money for the proposed transaction.

~~8.32~~ The Council's Investment Policy (No. 45) shall be in accordance with relevant regulations, proper practices and guidance and reviewed at least annually. **Prior to the receipt of the precept instalment every six months, the Finance Sub-committee will provide information to the General Purposes Committee on the possible investment of these funds.**

~~8.43~~ All investments of money under the control of the Council shall be in the name of the Council.

~~8.54~~ All borrowings shall be aeffected 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 and subsequent arrangements for the loan shall only be approved by full council. The terms and conditions of borrowings shall be reviewed at least annually.

~~8.65~~ 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 (Banking arrangements) and Regulation 6 (payment of accounts).

## **9.0 INCOME**

9.1 The collection of all sums due to the Council shall be the responsibility of, and under the supervision of the RFO.

9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.

- 9.3 Appropriate committees will review their fees and charges annually following a report by the RFO or other appropriate Officer.
- 9.4 All accounts due will be collected in accordance with these Regulations and any sums found to be irrecoverable or any subsequent bad debts shall be reported to the General Purposes Committee.
- Overdue accounts and bad debts shall be treated in the following manner:-
- (i) Customers with outstanding accounts at 90 days shall be passed to a registered debt collector following a final seven day warning at the discretion of the RFO or appropriate Officer of the Town Council.
  - (ii) Any bad debts that cannot be recovered shall be referred to the General Purposes Committee for authorisation to be written off or for authorisation to make arrangements to collect the debt in other ways.
- 9.5 All sums received on behalf of the Council shall either be submitted to the RFO for banking or to the appropriate Officer collecting the money as directed by the RFO. In all cases all receipts shall be deposited with the Council's bankers in accordance with Regulation 5.2 or in such manner as subsequently directed by the Council's Internal Auditor.
- 9.6 A reference to the related invoice, or otherwise, indicating the origin of each receipt, shall be entered on the paying-in slip.
- 9.7. All sums received by BACS will be made available for scrutiny for subsequent audits.
- 9.8 Every transfer of official money from one member of staff to another shall be checked and signed for by the receiving Officer.
- 9.9 The RFO shall promptly complete any VAT return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.10 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the General Purposes Committee to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.11 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.0 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, e.g. petty cash purchases. Where an order number is given verbally, a written order must be raised. Copies of all orders issued shall be retained.

- 10.2 Access to the ordering programme shall be controlled by the RFO.
- 10.3 All Members of the Council and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order is to ensure as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.
- 10.4 Only the Town Clerk, RFO, ~~Civic Centre Estates & Facilities~~ Manager or ~~other such Officers~~ Hospitality Manager nominated by them, may initiate orders which shall be endorsed by a second Officer. A member may not issue an official order or make any contract on behalf of the council.
- 10.5 Goods and services received shall be checked against the relevant copy of the purchase order.

10.6 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 statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

## **11.0 CONTRACTS**

- 11.1 Every contract, whether made by the Council or by a committee to which the power of making contracts has been delegated, shall comply with these Financial Regulations and no exception from any of the following provisions of these Regulations shall be made other than in an emergency, provided that these Regulations shall not apply to the contracts which relate to items (i) to (vi) below:-
- (i) For the supply of gas, electricity, water, sewerage and telephone services.
  - (ii) For specialist services such as are provided by legal professionals acting in disputes (solicitors, accountants, surveyors and planning consultants or other services) identifies to be of a specialist nature by the Town Clerk, RFO or ~~Civic Centre Manager~~ Estates & Facilities Manager:-
  - (iii) For work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant:-
  - (iv) For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;



(v) For additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chair and Vice Chair of council), and;

(vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed prices

11.2 Where it is intended to procure or award enter into a public supply contract, public service contract or public works contract:-

(i) For expenditure of £10,000 or less in value, the Town Clerk or a duly approved Officer shall have authorisation to obtain such goods or services from an appropriate firm.

(ii) For any proposed contract for the supply of goods, materials, services and the execution of works or specialist services with an estimated value between £10,000 but not exceeding £25,000, the Town Clerk or RFO shall invite quotations from at least three appropriate firms from a preferred list of contractors as set out in the Financial Regulations.

(iii) For expenditure which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations (requiring the Council to use the Contracts Finder Website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the aware of new contracts).

(iv) The full requirements of the Regulations [The Public Contracts Regulations 2015], as applicable, shall be followed in respect of the tendering and award of a public supply contract, public services 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). ~~(Where the value of a contract is in excess of £181,302 (which may change from time to time) for a public service or supply contract or in excess of £4,551,413 for a public works contract (or other thresholds determined by the European Commission every two years and published in the Official Journal of the European Union (OJEU) shall comply with the relevant procurement procedures and other requirements in the Public Contracts Regulations 2015 which include advertising the contract opportunity on the Contracts Finder website and in OJEU).~~

(v) Any invitation to tender issued under this regulation shall be subject to Standing Order 34.3 and shall refer to the terms of the Bribery Act 2010.

~~(v) — A public contract in connection with the supply of gas, heat, electricity, drinking water, transport services, or postal services to the public; or the provision of a port or airport; or the exploration for or extraction of gas oil or solid fuel with an estimated value in excess of £363,424 for a supply, services or design contract; or in excess of £4,551,413 for a works contract, or £820,370 for a social and other specific services contract (or other thresholds determined by the European Commission every two years and published in OJEU) shall comply~~



~~with the relevant procurement procedures and other requirements in the Utilities Contracts Regulations 2016.~~

- 11.3 Invitations to tender shall state the period and the general nature of the intended contract and the Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. In addition, the invitation shall state that tenders must be addressed to the Town Clerk and the last date by which such tenders should reach the Town Clerk. Each tendering firm shall be supplied with a specially marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
  - 11.4 All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk or other appropriate Officer in the presence of at least two Members of the Council.
  - 11.5 The Town Clerk or other appropriate Officer shall record the details of the tender, the names and addresses of each tenderer, the amount or price of the tender, the time and place of opening, and the names and signatures of those present at the opening of the tenders. The above details shall be reported to the Council, or where the tenders have been sought by a committee to that committee.
  - 11.6 If fewer than three tenders are received for contracts valued above £50,000 or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
  - 11.7 Any invitation to tender issued under this Regulation shall contain a statement of the effect of Standing Orders Nos: 25.1. 25.2 and 25.3.
  - 11.8 When applications are made to waive ~~Standing Orders~~financial regulations relating to contracts to enable tenders to be negotiated without competition, the reason shall be embodied in a recommendation to the General Purposes Committee.
  - 11.9 Neither the Council, nor any committee is bound to accept the lowest or any tender, quote or estimate
  - 11.10 Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, that 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 undertaken.
- 12.0 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 receipt of authorised certificates issued by the architect or other consultants engaged to supervise the contract

and a valid claim for payment from the contractor. (Subject to any percentage withholding as may be agreed in the particular contract).

12.2 Where contracts provide for payments by instalments, the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of the work carried out under a contract, excluding fluctuation clauses agreed variations, will exceed the contract sum by five per cent or more, a report shall be submitted to the Council or relevant committee.

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

### **13.0 STOCKS, STORES AND EQUIPMENT**

13.1 The Officer in charge of each section shall be responsible for the care and security of all relevant buildings, furniture, equipment, cash, stocks and stores in that section.

13.2 Appropriate Officers shall ensure that all conditions of insurance are complied with in respect of cash, valuables and property.

13.3 Delivery notes or invoices must be obtained in respect of all goods received, and goods must be checked as to quantity and quality against the purchase orders at the time delivery is made.

13.4 Stocks and stores shall generally be maintained at the minimum levels consistent with operational requirements.

13.5 The RFO or appropriate Officer shall be responsible for periodic checks of stocks and stores at least annually.

### **14.0 ASSETS, PROPERTIES AND ESTATES**

14.1 The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties owned by the Council. The Estates & Facilities Manager and RFO shall ensure a record is maintained of all assets owned by the Council, recording the location, extent, plan, reference, purchase details, (where possible), nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with the current Accounts and Audit Regulations.

14.2 The RFO shall ensure that an appropriate and accurate register of assets and investments is kept up to date. The continued existence of tangible assets shown on the register shall be verified at least annually with a safety inspection of assets.

14.3 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consent required by law. In each case a report in writing shall be provided to council in respect of valuation and

surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.4 No 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 No , save where the estimated value of any one 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.

14.6 Subject only to the limit set in Regulation 14.5 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.

## **15.0 INSURANCE**

15.1 Following the annual risk assessment (Financial Regulations 16.1 and 16.2), the RFO shall effect all insurancess and negotiate all claims on the Council's insurers.

15.2 The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim, and shall report to the appropriate committee at the next available meeting.

15.3 The ~~RFO~~ or appropriate Officer shall give prompt notification to the ~~insurers~~ RFO of all new risks, properties or vehicles which require to be insured and of any alterations effecting existing insurances.

15.4 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered and annually review the Council's insurance requirements.

15.5 All appropriate members and employees of the Council shall be included in suitable fidelity guarantee insurance which shall cover the maximum risk exposure ~~of the~~ as determined by the Council or relevant committee.

## **16.0 RISK MANAGEMENT**

16.1 The Council is responsible for putting in place arrangements for the management of risk. The RFO or appropriate Officer shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the General Purposes

Committee at least annually.

- 16.2 When considering any new activity, the RFO or appropriate Officer shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the General Purposes Committee.

**17.0 SECURITY AND MANAGEMENT OF INFORMATION**

- 17.1 Records of a financial nature shall be retained in accordance with a schedule of minimum periods to comply with tax and insurance requirements or other instructions or advice received from the appropriate authorities. Regardless of the above all records must be retained, as a minimum, until after the completion of each year's external audit.

- 17.2 The Council will comply with the Freedom of Information Act and any other appropriate Council policy or other applicable legislation that may be introduced or amended from time to time.

**18.0 REVISION OF FINANCIAL REGULATIONS**

- 18.1 It shall be the duty of the General Purposes Committee to review these Financial Regulations from time to time. The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the General Purposes Committee of any requirement for a consequential amendment to them.

- 18.2 The council, may, by resolution of the council duly notified prior to the relevant meeting of the council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of the council.