

# Swanage Town Council



## Financial Regulations

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## **1. GENERAL**

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's two governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identify the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. A breach of these regulations by an employee may be dealt with under the Council's disciplinary and grievance procedure if thought appropriate.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Town Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
- 1.9. The RFO;
  - acts under the policy direction of the Council;
  - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Council its accounting records and accounting control systems;
  - ensures the accounting control systems are observed;

- maintains the accounting records of the Council up to date in accordance with proper practices;
  - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the Council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time to comply with the Accounts and Audit (England) Regulations.
- 1.11. The accounting records determined by the RFO shall in particular contain;
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Council; and
  - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
  - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
  - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
  - measures to ensure that the risk is properly managed.
- 1.13. The Council is not empowered by these regulations or otherwise to delegate certain specified decision. 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 subject to the limits specified in Regulation 9.6;
  - declaring eligibility for the General Power of Competence; and
  - addressing recommendations in any report from the external auditor,

shall be a matter for the full Council only.

1.14. In addition the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £10,000; and
- in respect of the grade of any employee have regard to recommendations made by the Personnel Committee, having taken appropriate external advice.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or “the regulations” shall mean the Regulations issued under the provisions of Section 27 of the Audit Commission Act 1998, or any superseding legislation, including the Local Audit and Accountability Act 2014, and then in force unless otherwise specified.

1.16. In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils in England - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

## **2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.

2.2. On a regular basis, at least once in each quarter and at each financial year end, the RFO will verify bank reconciliations (for all accounts) produced by the Finance Manager. The RFO 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 noted by the Council’s Finance and Performance Management Committee.

2.3. The RFO (or designated Finance Officer) shall complete the annual statement of accounts, annual report and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year. The RFO, having certified the accounts, shall submit them and report thereon to the Council before 30 June the following financial year.

2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.

- 2.5. The Internal Auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The Internal Auditor shall:
- be competent and independent of the operations of the Council;
  - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
  - initiate or approve accounting transactions; or
  - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. The Finance & Performance Management Committee will receive all Internal Audit reports. It will consider the recommendations and agree any action required.
- 2.9. For the avoidance of any doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as is described in proper practices.
- 2.10. The RFO shall make arrangements for the exercise of electors’ rights in relation to the accounts including the opportunity to inspect the accounts, books and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation and the Accounts and Audit Regulations.
- 2.11. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

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

- 3.1. Each Committee (if any) shall formulate and submit proposals for the following financial year to the Finance & Performance Management Committee not later than the end of December each year.
- 3.2. The RFO must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance & Performance Management Committee and the Council.

- 3.3. The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The Council shall fix the precept (council tax requirement) and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5. The approved annual budgets shall form the basis of financial control for the ensuing year.

#### **4. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1. Responsibility is delegated by the Council to departmental managers to incur, monitor and control income and expenditure within the approved budgets for their service areas, subject to section 4.7 of these Regulations.
- 4.2. The RFO shall maintain overall responsibility for budgetary control. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or other duly delegated committee, subject to section 4.8 of these regulations.
- 4.3. The Finance Manager shall submit a budget monitoring report to the Policy, Finance & Performance Management Committee on a quarterly basis, including explanations of any material variances and projections of the expected year-end outturn position. For this purpose 'material' shall be in excess of £5,000.
- 4.4. It is acknowledged that in some cases income and expenditure are not directly controllable by departmental managers and that it may not be possible to control income and expenditure within budget, e.g. utility costs, urgent maintenance costs, car parking income.
- 4.5. Any potential overspends should be reported to the Finance Manager as soon as possible.
- 4.6. The budget to purchase stock items for trading purposes may be overspent given the approval of the RFO and subject to the control of stock as per Financial Regulation 13.4.
- 4.7. Expenditure on revenue items may be authorised by departmental managers up to £10,000, subject to budgetary limits. This authority is to be determined by the Council for all items over £10,000 and is to be evidenced by a minute. Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.8. The Town Clerk may incur unbudgeted expenditure on behalf of the Council which in their judgement is deemed urgent or is of an emergency nature e.g. work or services

which are required to address an imminent risk to the Council's operations. This expenditure is subject to a financial limit of £10,000 for approval by the Town Clerk and a limit of £25,000 in consultation with the Mayor and Deputy Mayor. The Town Clerk shall report such action to the Mayor as soon as possible and to the Council as soon as practicable thereafter.

- 4.9. The Finance Manager will advise the Personnel Committee of the salary budget required each year for the approved staffing structure, and this will be reviewed annually for the following financial year.
- 4.10. Departmental Managers are responsible for controlling staff numbers and hours worked within the approved staffing structure and budget for their service area.
- 4.11. A virement is the transfer of unspent budget resources from one budget head to another.
- 4.12. Managers may exercise virement between budget lines within their own service revenue budgets, with the approval of the RFO, within the overall approved budget total. In practice this does not involve an actual budget transfer but permits managers the flexibility to overspend on one budget head and underspend on another, as long as expenditure remains within the overall approved budget for the department.
- 4.13. A virement between departmental budgets overseen by the same Committee may be made with the approval of the RFO and relevant Committee chairman, up to a limit of £5,000. This must be reported to the next meeting of that Committee and the Policy, Finance and Performance Management Committee. Any such virement exceeding £5,000 must be agreed by the relevant Committee and be subsequently reported to the PF&PM Committee.
- 4.14. A virement to be made between departmental budgets overseen by different Committees must first be reported to the Policy, Finance and Performance Management Committee and a recommendation made by that Committee for approval by full Council.
- 4.15. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year, unless placed in an earmarked reserve by resolution of the Council.
- 4.16. Where emergency or other unavoidable or unforeseen expenditure is to be incurred over and above the approved budget and the sum cannot be met from virement or savings made elsewhere within the budgets, the relevant manager should request a budget overspend from full Council, which wherever practicable should firstly be considered by the Policy, Finance and Performance Management Committee.



- 4.17. 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 is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 4.18. All capital works shall be administered in accordance with the Council's standing orders and section 11 of these Regulations relating to contracts.
- 4.19. Changes in earmarked reserves shall be authorised by the Town Clerk and approved by the Council as part of the budgetary control process and in accordance with the Council's Reserves and Balances Policy.

## **5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

- 5.1. The Council's banking arrangements, including the bank mandate and the setting up of, and any changes to, accounts with banks or other financial institutions, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. Such arrangements must include:
- Approving a list of authorised signatures for each account;
  - Determining the limits of authority for each account signature; and
  - Determining the limits of authority for any amendments to mandates.
- 5.3. Although Council delegates the role of protecting money to individuals, for example to the Town Clerk or the RFO, legal responsibility cannot be delegated and will always remain with the Council and its Councillors.
- 5.4. For operational purposes, given the high volume of transactions requiring approval, the use of electronic banking and payments is delegated to officers. All electronic payments must have dual authorisation and three officers will be included on the bank mandate.
- 5.5. The officers to be authorised on the bank mandate are:
- Town Clerk/RFO – Authorisation level 1 for electronic payments & cheque signatory
  - Finance Manager- Authorisation level 2 for electronic payments & cheque signatory
  - One further officer – Authorisation level 1 for electronic payments
- 5.6. Any transfer of monies between bank accounts shall be made by the Finance Manager and approved by the Town Clerk.
- 5.7. All invoices submitted for payment shall be examined, verified and certified by the relevant budget holder to confirm that the work, goods or services to which each invoice

relates has been received or carried out and represents expenditure previously approved by the Council. Only a senior manager may authorise an invoice for payment.

- 5.8. A designated Finance Officer shall be responsible for examining invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading in the general ledger following authorisation by the budget holder.
- 5.9. A designated Finance Officer shall prepare a schedule of payments requiring authorisation. The Finance Manager shall be responsible for undertaking a final check of the invoices due for payment and authorising the payment run.
- 5.10. A schedule of payments made shall be presented to full Council for monitoring purposes. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.11. All grant applications will be considered by the council's Grants Panel and a recommendation made to Council for approval.
- 5.12. Any compensatory payments may be authorised by the Town Clerk, up to a maximum limit of £500. Any payment above this limit must be authorised by Council.
- 5.13. Any request for the approval of an addition to the suppliers listed on the Council's accounting system must be made in writing to the Finance Manager.
- 5.14. Any changes in the recorded details of suppliers listed on the Council's accounting system, in particular changes to bank details, should only be made by the Finance Manager or designated Finance Officer, upon written notification from a supplier.

## **6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS**

- 6.1. The Council will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5.7 above, the RFO shall have delegated authority to give instruction that a payment shall be made as and when and in a timely manner to ensure that all invoices are paid in accordance with suppliers terms as far as is practicable, typically twice monthly.
- 6.3. All payments shall be effected by BACS, unless a direct debit or standing order has been mandated, and shall require dual authorisation.
- 6.4. The electronic payment schedule shall be submitted to the bank and electronically authorised by officers in accordance with Financial Regulation 5.5.
- 6.5. Payment may be made by variable Direct Debit or standing order provided that the instructions are signed by two authorised signatories and any payments are reported to full Council as made.

- 6.6. Where payment by cheque is required, typically for the reimbursement of the petty cash or other float, this shall be signed by two authorised signatories. Cheques may only be issued to a supplier in exceptional circumstances. Any payments shall be reported to full Council as made.
- 6.7. No employee shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee.
- 6.8. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.9. The Council shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.10. Where internet banking arrangements are made with any bank, the Finance Manager shall be appointed as the Service Administrator.
- 6.11. Access to any internet banking accounts will be directly to the access page. It is recommended that this is saved under “favourites”, and not directly accessed through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work.
- 6.12. A charge card shall be issued to senior managers and will be restricted to a limit of £1,000 per cardholder, subject to automatic payment in full each month. All payments must be immediately notified to the Finance Manager. Personal credit or debit cards of members or staff shall not be used to meet costs that can be met directly by the Council using one of the methods identified in sections 6.3 to 6.6 above.
- 6.13. The Finance Manager may maintain such petty cash floats as are deemed necessary for operational purposes up to a maximum of £300 for any one float and may provide petty cash to officers for the purpose of defraying operational and other expenses or miscellaneous items of an urgent nature. Vouchers for payments made from petty cash shall be kept to substantiate the payment. Such petty cash accounts will be maintained on the Imprest system and any payments to maintain the petty cash float shall be reported to full Council.

## **7. PAYMENT OF SALARIES AND MEMBERS' ALLOWANCES**

- 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 issued by HMRC, as well as all other relevant legislation such as pension regulations and statutory sickness, maternity and paternity rules.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory and

discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts.

- 7.3. The payment process shall be overseen by the Finance Manager, who is responsible for ensuring that all relevant legislation, Council policies and other requirements relating to the payment of salaries and wages are complied with.
- 7.4. All timesheets and overtime and expense claim forms must be certified for accuracy by a departmental manager.
- 7.5. The monthly payroll will be prepared by a member of staff within the finance team and checked for accuracy and signed off for payment by the Finance Manager. All other payroll related payments relating to HMRC in respect of Income Tax and National Insurance Contributions, Dorset County Pension Fund in respect of pension contributions and any trade union subscriptions shall also be checked and signed off for payment by the Finance Manager.
- 7.6. Any significant changes to an employee's pay, hours or terms and conditions of employment (e.g. a regrading or change in job role) can only be made with the prior consent of the Personnel Committee. Any minor changes to an employee's hours or terms and conditions of employment may be approved by the Town Clerk in consultation with that member of staff and reported to the Personnel Committee when practicable.
- 7.7. Payments to employees of net salary and to appropriate creditors of the statutory and discretionary deductions shall be confidential. These confidential records are not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
  - a. by any Councillor who can demonstrate a need to know;
  - b. by the internal auditor;
  - c. by the external auditor; or
  - d. by any person authorised under the Audit Commission Act 1998, or any superseding legislation.
- 7.8. The total of all employee related payments in each calendar month shall be reported with all other payments as made, as may be required under these Financial Regulations.
- 7.9. The Personnel Committee will be responsible for approving any redundancy or termination payments, and any early and flexible retirement requests, which shall be supported by a clear business case. Termination payments shall only be authorised by Council over and above statutory requirements.
- 7.10. Allowances shall be paid in accordance with the Council's adopted scheme of Members' Allowances.

## **8. LOANS AND INVESTMENTS (TREASURY MANAGEMENT)**

- 8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as hire purchase or leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 8.3. The Council shall determine its Treasury Management Practices and prepare a Treasury Management Strategy and an Investment Strategy, which shall be in accordance with relevant regulations, proper practices and guidance. These documents shall be reviewed by the Council at least annually.
- 8.4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with the Council's Annual Investment Strategy.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO or Finance Manager.
- 8.7. Payments in respect of short term or long term investments shall be made in accordance with Financial Regulation 5 (Authorisation of payments) and Financial Regulation 6 (Instructions for payments).

## **9. 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 fees and charges to be made for work done, services rendered or goods supplied (excluding retail items) shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3. The Council will review all fees and charges at least annually, following a report by the Clerk/RFO.
- 9.4. Refunds for paid goods and services may be authorised by departmental managers up to the amount of the original sum taken, in accordance with the terms and conditions of any written agreement. A schedule of refunds issued by departmental managers must be submitted to the Finance Manager at least monthly.

- 9.5. Refunds for payments made by card should be made back onto the card by which the initial payment was made and in a timely manner. Any refunds for which there is a requirement to make payment electronically, must be approved by the departmental manager and submitted for payment authorisation subject to Financial Regulations 5 and 6.
- 9.6. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year. Approval of write off limits are:
- Up to £100 – Town Clerk
  - £100 to £500 – Policy, Finance & Performance Management Committee
  - Over £500 – Council
- 9.7. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.8. The origin of each receipt shall be recorded in a form deemed appropriate by the RFO.
- 9.9. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.10. The Finance Manager 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.
- 9.11. Where any significant sums of cash are regularly received by the Council the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is collected/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.
- 9.12. The amount of cash/coinage to be accepted at the cash desk shall be limited to £500. Payments above this amount shall only be accepted by cheque payment or electronic transfer.
- 9.13. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Financial Regulation 16 below).

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

- 10.1. An official 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. Copies of orders (either paper or electronic) shall be retained.

- 10.2. The Purchase Order system shall be controlled by the Finance Manager. Departmental managers shall be responsible for raising orders and drawing up contracts on behalf of the Council for goods and services within their service area.
- 10.3. Officers may have delegated authorisation to place orders on behalf of a departmental manager and a list of authorised officers for each department shall be included on an approved list held by the Finance Manager.
- 10.4. All Members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Financial Regulation 11.11 below.
- 10.5. A Member may not issue an official order or make any contract on behalf of the Council.
- 10.6. Prior to any order being placed, the relevant officer must take reasonable steps to ensure that the purchase is lawful, including seeking advice from the Town Clerk/RFO to clarify any uncertainty.

## **11. CONTRACTS**

- 11.1. 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 (a) to (g) below:
- a. for the supply of gas, electricity, water, sewerage and telephone services;
  - b. for the undertaking of specialist services or works in which the exercise of professional knowledge is of primary importance, e.g. solicitors, surveyors, contract administration services and planning consultants;
  - c. for the purchase of goods, materials, services or works under a partnership arrangement with another local authority or public sector body where there has been an earlier competitive selection and award process and/or where a framework agreement already exists;
  - d. 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;
  - e. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - f. for additional audit work of the external Auditor up to an estimated value of £2,500 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of Council); and
  - g. for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- 11.2. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contract Regulations 2015

("the Regulations"), or other subsequent legislation, which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations:

- a. to use the Contracts Finder website to advertise contract opportunities;
- b. to set out the procedures to be followed in awarding new contracts; and
- c. to publicise the award of the contract.

11.3. The full requirements of the Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceeds the threshold in the Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).

11.4. The terms of the Utilities Contract Regulations 2016, including thresholds, shall be followed.

11.5. When applications are made by senior officers to waive financial regulations relating to contracts to (for example to enable a price to be negotiated without competition) the reason shall be embodied in a recommendation to the Council or relevant committee.

11.6. Invitations to tender shall state the general nature of the intended contract and the nominated senior manager shall obtain the necessary technical assistance to prepare a specification in appropriate cases.

11.7. Such invitations to tender shall state that tenders must be addressed to the Town Clerk in the ordinary course of post, unless the tendering process is to be managed through an e-tendering system. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. Where the tendering process is managed by another local authority or public sector body this Financial Regulation will not apply and the procurement process will be managed in accordance with that organisation's constitution.

11.8. 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.

11.9. If less than three tenders are received for contracts above £25,000 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.

11.10. Any invitation to tender issued under this regulation shall contain an anti-collusion certificate and shall refer to the terms of the Bribery Act 2010.



11.11. When it is to enter into a contract less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the relevant Officer shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £10,000 and above £2,500 Officers shall strive to obtain three estimates. Otherwise, Regulation 10 (4) above shall apply.

11.12. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

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

11.14. The Council shall publish details of a new contract valued at over £5,000 on its website in accordance with Transparency Code 2015.

## **12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.

12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Town Clerk and confirmed to the Contractor in writing by the contract administrator, the Council being informed where the final cost is likely to exceed the financial provision.

## **13. STOCK, STORES AND EQUIPMENT**

13.1. Departmental Managers are responsible for the care and custody of any consumable stock, stores and equipment in their department.

13.2. 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.

13.3. A stock control system should be maintained, where appropriate, for all material consumable stocks held by the Council.

- 13.4. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.5. The Finance Manager shall be responsible for overseeing periodic checks of stocks and stores at least annually.

#### **14. 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 held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £10,000.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents 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, wherever appropriate, an adequate level of consultation with the electorate).
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including wherever appropriate an adequate level of consultation with the electorate).
- 14.5. 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 in the Register shall be verified at least annually.

#### **15. INSURANCE**

- 15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO/designated Finance Officer shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2. The RFO/designated Finance Officer shall record and arrange appropriate cover of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO/designated Finance Officer shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

15.4. The RFO/designated Finance Officer 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 Policy, Finance and Performance Management Committee at the next available meeting.

15.5. All appropriate Members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Policy, Finance and Performance Management Committee.

## **16. CHARITIES**

16.1. Where the Council is sole managing trustee of a charitable body the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO/designated Finance Officer shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **17. RISK MANAGEMENT**

17.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk 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 Council at least annually.

17.2. When considering any new activity, the Town Clerk or senior manager shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

## **18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

18.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town Clerk and Finance Manager 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.

18.2. The Council may, by resolution 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 presented to all members of Council.