

# **BRIDGNORTH TOWN COUNCIL**

## **FINANCIAL REGULATIONS**



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Adopted July 2016

## **BRIDGNORTH TOWN COUNCIL**

### **FINANCIAL REGULATIONS**

#### **1. General**

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of 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 providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk
- 1.3 The Responsible Financial Officer (RFO) under the policy direction of the Town Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.4 The RFO shall be responsible for the production of financial management information and the timely production of accounts.
- 1.5 In the absence of the RFO the Deputy Responsible Finance Officer (DRFO) shall be responsible for the proper administration of the Council's financial affairs
- 1.6 The council's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of officers.
- 1.7 These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.8 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.
- 1.9 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.
- 1.10 The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. [The Clerk has been appointed as RFO for this council and these regulations will apply accordingly.]

1.11 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.

1.12 The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.

1.13 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.

1.14 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 risk is properly managed.

1.15 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; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

1.16 In addition the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment in excess of [£5,000] in line with terms of reference; and
- in respect of the annual salary for any employee have regard to recommendations Society of Local Council Clerks (SLCC) or National association of Local Councils (NALC) recognised salary scales about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.

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

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

## **2. Annual Estimates and Forward Planning**

- 2.1 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2 The relevant part of the estimates will go for consideration to each Committee in the November cycle of meetings each year before a meeting of the Administration and General Purposes Committee takes place in December. A Council (Budget) meeting will take place in January of each year to confirm the budget and precept required.
- 2.3 Each committee shall review its three year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter

formulate and submit proposals for the following financial year to the council not later than the end of November each year including any proposals for revising the forecast.

- 2.4 The Town Council shall review the estimates not later than the end of January in each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.5 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

### 3. **Budgetary Control and authority to spend**

- 3.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved budget.
- 3.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 3.3 Where practical the RFO shall provide the Town Council with a statement of income and expenditure to date as at the end of the month before the meeting under each head of the approved annual revenue and capital budgets at the first Town Council meeting in any calendar month
- 3.4 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement 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 £2,500 exclusive of VAT. The Clerk (Proper Officer) shall report the action to the Town Council as soon as practicable thereafter.
- 3.5 The Clerk (Proper Officer) may incur expenditure on behalf of the Council which the Chairman (or in the absence of the Chairman the Vice Chairman) and Clerk consider is necessary, up to the sum of £500 exclusive of VAT. (To be reported to members at the next meeting of the Council).

For matters relating to External Audit see 12 b) vi)

- 3.6 Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate by the Council. This could be by a virement between budget headings.

- 3.7 In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of [£500]. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.
- 3.8 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the Town Council are satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.9 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 3.10 The salary budgets are to be reviewed annually in November in conjunction with the Chairman of each committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year at the November meeting of that committee. (Consideration also may need to be given at this point to any unknown tax changes, pension contributions, settlements etc)

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

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2014 or subsequent enactments.
- 4.2 The RFO will be responsible for completing the accounts of the preceding month as soon as reasonably practical but within two weeks of the end of the month in question for presentation at the following Council meeting.
- 4.3 The RFO shall be responsible for completing the annual accounts of the Council within two months of the end of the financial year and shall submit the report thereon to the Town Council.
- 4.4 Members must approve details of all movement to and from Earmarked Reserves on an annual basis or when any movement is required.
- 4.5 Members must approve details of all virements on an annual basis or when any movement is required.
- 4.6 The level of the reserves of the Town Council must be presented to Council for consideration at the first Council meeting in a calendar month.

The following principles shall be observed in connection with accounting duties:

- (a) The duty of providing information, calculating, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or disbursing them.
  - (b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.7 The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 1996 or any subsequent enactments. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.
- 4.8 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.
- 4.9. 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.
- 4.10 The internal auditor shall:
- be competent and independent of the financial operations of the council;
  - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the council.
- 4.11 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.
- 4.12. 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.

- 4.13 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.
- 4.14 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.
- 4.15 A rota of all Councillors to sign off the wages each month will be prepared and approved by Council. A signing rota will be prepared and approved by Council at the Adjourned Annual Meeting. This is a part of the scrutiny role of a Councillor and no Councillor may opt out.

## 5. **Banking Arrangements and Cheques**

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Town Council. A current account shall be maintained at the bank and money invested through a recognised Bank or Building Society. Banking arrangements may not be delegated to a committee. The accounts should be regularly checked for safety and efficiency.

Banking arrangements will be reviewed annually by the Town Clerk.

- 5.2 A schedule of the payment of money shall be prepared by the RFO for approval at Town Council.
- 5.3 All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.4. The RFO shall procure that all invoices for payment are checked for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting within the agreed terms.
- 5.5. Following authorisation of the invoices for payment Councillors are responsible for checking that the payee and amount agree to the supporting documentation, and that the payment has been authorised.
- 5.6 The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council;



- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council; or
  - c) Fund transfers within the councils banking arrangements up to a sum to cover a months' expenditure provided that a list of such payments shall be submitted to the next appropriate meeting of council. This transfer to be authorised by two Town Councillors through on line banking arrangements.
- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants the Council shall approve expenditure within any limits set by council and in accordance with any Policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.9. 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.
- 5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time. A rota of Councillors to sign cheques will be prepared and approved at the Adjourned Annual Meeting. All Town Councillors must be signatories on the Town Council bank accounts with any two Councillors to sign cheques. All changes to bank signatories should be agreed and recorded in the Council minutes.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be received in writing by the Council from the supplier and recorded on the financial system.
- 5.12 Cheques shall be raised within two working days of the meeting where the schedule of payments was approved. Payment by BACS agreed by the Council shall be paid as required.
- 5.13 Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two members within one working day of the cheques being raised.

## 6. **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 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. Apart from petty cash payments, all payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.4. All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice, the officer shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.5. The Outdoors and Properties Manager to be responsible for all orders placed to fulfil the work of the outdoor staff and should ensure that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.6. Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. The RFO shall take all possible steps to settle all invoices submitted following the procedures laid down and which are in order, within 30 days of their receipt. A list of invoices requiring approval be prepared for the next council meeting as referred to in 5.2.
- 6.7. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
  - (a) The RFO shall maintain a petty cash float to a limit of £500 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - (b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
  - (c) Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the Council (under 5.2 above).
- 6.8. Scrutiny of the financial transactions made and procedures followed by the Town Council will take place on a three monthly basis by at least two Councillors by way of a rota. Training will be given to members on their role in this regard.

- 6.9 All purchases and contracts in excess of £500 excluding VAT are to be published each month on the Town Council website.
- 6.10 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the schedule of payment.
- 6.11 Cheques or orders for payment shall not normally be presented for signature other than as described in paragraphs 5.6,5.7,5.8 and 5.12. Any signatures obtained in this way shall be reported to the Council at the next convenient meeting.
- 6.12 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 council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
- 6.13 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.
- 6.14 If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.15 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.
- 6.16 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of 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 and / 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.

- 6.17 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee. This in the office or at home.
- 6.18 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.
- 6.19 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. Verification of the level of security on a Members' computer is required.
- 6.20 Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly 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.
- 6.21 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.22 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 of] the Clerk [the RFO][a member]. A programme of regular checks of standing data with suppliers will be followed.
- 6.23 A pre-paid debit card may be issued to the Clerk and its use restricted to use by the Clerk with a £500 limit. This limit will be set by the council and any amendment to this limit agreed by them. Transactions and purchases made will be reported to the council and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.24 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO shall maintain a petty cash float of £500 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations

6.25 Payments to maintain the petty cash float shall be listed separately on the schedule of payments.

7. **Payments of Salaries and Wages**

7.1 The payment of all salaries and wages shall be made by the RFO from the payroll account in accordance with the payroll records.

7.2 All time sheets shall be certified as to accuracy by or on behalf of the Town Clerk and all overtime shall be duly authorised appropriately. Two Councillors will scrutinise these for accuracy by way of a rota.

7.3 All Holiday requests and TOIL sheets to be certified as to accuracy by the Town Clerk. In the case of the Town Clerk by the Town Mayor or Deputy Town Mayor in their absence.

7.4 Payment of salaries and wages to be made on the last working week day of each month.

7.5. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

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

7.7 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Administration and General Purposes Committee.

7.8 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 (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

- 7.9 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.
- 7.10 An effective system of personal performance management should be maintained for the senior officers.
- 7.11 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.12 Before employing interim staff the council must consider a full business case.

## 8. **Loans and Investments**

- 8.1 All investments and Council approved loans shall be negotiated by the RFO in the name of the Council, and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Council shall be in the name of the Council.
- 8.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.4 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.
- 8.5 Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State/Welsh Assembly Government (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.

## 9. **Income**

- 9.1 All payments for goods and services provided by the Town Council shall be receipted immediately the payment is received and banked within three working days, except at year end when all cheques received should be banked by close on 31<sup>st</sup> March of each year.
- 9.2 All cash income from Town Events, Markets and on occasion from Severn Park and other services to be counted within two working days and to be banked within 24 hours of counting. The cash counted by an individual is to be checked when counted by a second Member of staff.

- 9.3 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.4 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. All invoices should be issued within five working days of the service being provided.
- 9.5 Any debts over 60 days shall be reported to the Administration and General Purposes Committee.
- 9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- 9.7 The Council will review all fees and charges annually, following a report by the Town Clerk.
- 9.8 Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.
- 9.9 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.10 The origin of each receipt shall be entered on the paying-in slip.
- 9.11 Personal cheques shall not be cashed out of money held on behalf of the council.
- 9.12 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.
- 9.13 Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## 10. **Orders for Work, Goods and Services**

- 10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate, e.g. petty cash purchased. Copies of orders issued shall be maintained and a copy of the official order be attached to the supplier delivery note and invoice.
- 10.2 All orders placed must be allocated to a budget at the time of ordering and where relevant a minute number must be included.

- 10.3 Order books shall be controlled by the RFO and orders signed by either.
- 10.4 All 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.
- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the 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. **Procurement of Goods**

- 11.1 The Town Clerk and the Outdoors and Property Manager will be responsible for drawing up tender specifications for the procurement of goods and services where relevant. It is recognised that there would be times when specialist knowledge is required and at these times the Council will procure the services of professionals in that specialist field of work to write the specification with the relevant officer. Every effort will be made to ensure that tenders cover all planned work in order to ensure that supplementary work not included in the tender is avoided.
- 11.2 Full details of all tender specifications over £10,000 will be given to Members when considering the tenders themselves.
- 11.3 Consideration be given, where considered necessary, to second people onto a given committee who were interested in supporting the Council and be able to offer professional advice.
- 11.4 If relevant in any area of the business of the Town Council draw up a preferred supplier list, many from local suppliers. This would not exclude other companies from applying but would be the list used to approach companies for quotations and tenders.
- 11.5 Tenders should be advertised through social media and the Town Council website. Consideration would be given to using newspapers where relevant.
- 11.6 The Council would not necessarily accept the cheapest tender/quote on every occasion but also look at a proven record of good service and supporting the local economy.
- 11.7 All tenders received would form part of a Tender Register.
- 11.8 All companies who tender for any work would be made aware that their tender documentation, where appropriate, would be publically available and the documents would be open to inspection. It is likely there will be some legal restrictions on certain tenders and information contained therein which the Council would adhere to.



## 12. Contracts

Procedures as to the contracts are laid down in the Council's standing orders as follows:

- (a) 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 standing orders, and no exception from any of the following provisions of these standing orders shall be made otherwise than by direction of the Council or in an emergency by such a committee as foresaid provided that these standing orders shall not apply to contracts which relate to items (i) to (vi) below:
  - (i) for the supply of gas, electricity, water, sewerage, franking machine 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 proprietary articles and/or which are sold only at a fixed price.
  - (vi) 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 Chairman and Vice Chairman of council). To be reported to members at the next meeting of the Council).

All contracts awarded are subject to the same rules.

- (b) Where it is intended to enter into a contract:
  - (i) exceeding £5,000 (excluding VAT) 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 Town Clerk shall obtain tenders from at least three firms.
  - (ii) In exceptional circumstances or in an emergency expenditures of £5,000 or less in value the Town Clerk together with the Chairman of the spending committee or his appointed Vice Chairman, shall have executive power.

- (iii) the advertising of contracts as defined in Standing Order 33e will be used where applicable.
  - iv) that all purchases of under £500 the Town Clerk would make the decision on a purchase and not required to be agreed through the Administration and General Purposes Committee provided that quotations be obtained, the process recorded and that the purchase was from an allocated budget.
- (c) When applications are made to waive standing orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council and the details to be included in the minutes of that meeting.
- (d) Every exception under 11 b ii) shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.
- (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 the last date by which such tenders should reach the Town Clerk in the ordinary course of post. 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.
- (f) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk and the Chairman of the Administration and General Purposes Committee (and in their absence the Vice-Chairman) and one other representative from the Committee in line with Standing Order 33civ.
- (g) If less than three tenders are received for contracts valued above £5,000, 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.
- (h) The Council shall not be obliged to accept the lowest or any tender, or any quote or estimate.
- (i) All tenders opened shall be signed by the Councillors opening the tenders.
- (j) Any invitation to tender issued under this regulation shall be subject to Standing Order 33 and shall refer to the terms of the Bribery Act 2010.
- (k) When it is to enter into a contract of less than [£60,000] 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 Clerk or RFO shall obtain 3

quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

- (k) 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.
- (l) The European Union Procurement Directive shall apply and the terms of the Public Contract Regulations 2015/102 including thresholds shall be followed.

### 13. **Payments under Contracts for Building or Other Construction Works**

- 13.1 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.
- 13.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more, a report shall be submitted to the appropriate committee.
- 13.3 Any material variation to a contract or addition to or omission from a contract must be approved by the Town Clerk in writing, the appropriate committee or Council being informed where the final cost is likely to exceed the financial provision.

### 14. **Stores and Equipment**

- 14.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 14.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regards the goods ordered at the time delivery is made.
- 14.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 14.4 The RFO, delegated to the relevant officer or supervisor, shall be responsible for a quarterly check of all stocks and stores.

15. **Properties and Estates**

- 15.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned 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 regulation 4(3)(b) of the Accounts and Audit Regulations 1996.
- 15.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

16. **Insurance**

- 16.1 The Town Council insurance cover shall be reviewed annually.
- 16.2 The RFO shall affect all insurances and negotiate all claims on the Council's insurers.
- 16.3 The Clerk shall promptly ensure that all new risks, properties or vehicles which are required to be insured are notified to the Council's insurers and be responsible for any alterations affecting existing insurances.
- 16.4 The RFO shall on a bi-annual basis obtain up to date valuations for all Town Council assets.
- 16.5 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- 16.6 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 16.7 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

17. **Charities**

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

## 18.0 **Vat Returns**

18.1 The Council should ensure that quarterly VAT returns are made within one month of the end of the quarter in question.

## 19.0 **Risk Management**

19.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk or an appointed person 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.

19.2. When considering any new activity, the Clerk or an appointed person shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

19.3 The Risk Management Strategy will be reviewed annually at the June Council meeting.

## 20.0 **Suspension and Revision of Financial Regulations**

20.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The 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.

20.2. 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 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.

### Adopted on:

January 2007

January 2010 Special Town Council meeting (Amended)

February 2011 Finance Committee (Amended)

May 2012 Extraordinary Town Council (Amended)

March 2013 Finance and General Purposes Committee and Town Council (Amended)

September 2014

June 2015

July 2015

May 2016 (Town Council Meeting)

July 2016