THATCHAM TOWN COUNCIL FINANCIAL REGULATIONS

Adopted by Thatcham Town Council on 25th January 2021

Financial Rules of the Town Council

THATCHAM TOWN COUNCIL

Financial Regulations

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Definitions

Definitions in the Standing Orders apply unless specifically mentioned in this document

Accounts and Audit Regulations

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.

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).

Public Contracts Regulations

In these Financial Regulations, references to the Public Contracts Regulations 2015 or "the PC regulations" shall mean the regulations which came into force in February 2015, or any superseding legislation, and then in force unless otherwise specified.

Appropriate or Relevant Committees

In these Financial Regulations, references to the appropriate or relevant Committees, shall refer to those which have delegated powers within the budget process, viz Recreation and Amenities Committee and Finance and General Purposes Committees.

The Council

The Council shall mean Thatcham Town Council.

Terminology

In the Financial Regulations the words 'must' and 'will' have the same meaning as 'shall'.

Member has the same meaning as Councillor

RFO is Responsible Financial Officer

1. GENERAL

1.1. These Financial Regulations govern the conduct of financial management of the Council and may only be amended or varied by resolution of the Council. The 2020 Financial Regulations have been revised against the National Association of Local Councils (NALC) Model Financial Regulations 2019. 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 Council's accounting control systems will 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
- that identify the duties of Officers.

1.4. These Financial Regulations demonstrate how the Council will meet these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the Council will review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an employee will give rise to disciplinary proceedings.

1.7. Members of Council will follow the instructions within these Regulations and not 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 and is appointed by the Council.

1.9. The RFO will:

- act under the policy direction of the Council.
- administer the Council's financial affairs in accordance with all Acts, Regulations and proper practices.
- determine on behalf of the Council its accounting records and accounting control systems.
- ensure the accounting control systems are observed.
- maintain the accounting records of the Council up to date in accordance with proper practices.
- assist the Council to secure economy, efficiency and effectiveness in the use of its resources; and
- produce financial management information as required by the Council.

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

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

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

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

- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible.
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records.
- identification of the duties of Officers dealing with financial transactions and division of responsibilities of those Officers in relation to significant transactions.
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to 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.

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

- setting the final budget or the precept (Council tax requirement);
- approving an annual governance statement.
- approving accounting statements.
- borrowing.
- writing off bad debts over the value of £250.
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the Internal or External Auditors,

shall be a matter for the Full Council only.

1.14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts.
- approve any grant or a single commitment in excess of £10,000, and

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

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, a Member, other than the Chairman or a cheque signatory, 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 noted by the Council's Finance and General Purposes Committee.

2.3. The RFO shall complete the Annual Governance and Accountability Statement (AGAR) annual statement, and any related documents required (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.

2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any Officer or Member of the Council shall make available such documents and records 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 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.
- demonstrate competence, objectivity, and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- not be involved in the financial decision making, management or control of the Council.

2.7. Internal or External Auditors will not under any circumstances:

- perform any operational duties for the Council.
- initiate or approve accounting transactions; or
- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the Internal Auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from Internal or External Auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

3.1. The Finance and General Purposes Committee shall review the annual and 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 October each year including any proposals for revising the forecast.

3.2. The RFO will each year, by no later than the end of December, 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 and General Purposes Committee and 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 Clerk shall issue the precept to the billing authority and shall supply each Member with a copy of the approved annual budget.

3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority will be determined by:

- the Council for all items over £10,000.
- a duly delegated Committee of the Council for items over £1500; or
- the Town Clerk, for any items up to £1500.

Such authority will be evidenced by a minute or by an authorisation slip duly signed by the Clerk.

Contracts will not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure will 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').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4. The salary budgets are to be reviewed at least annually in December 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 appropriate Committee. The RFO will inform Committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. 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 £5,000. The Clerk shall report such action to the Chairman as soon as possible and to the appropriate Committee as soon as practicable thereafter.

4.6. No expenditure shall be authorised 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 and the requisite borrowing approval has been obtained.

4.7. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

4.8. The RFO shall regularly provide the Council with a statement of income and expenditure 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 for consideration by the Finance and General Purposes Committee and an explanation of material variances given. For this purpose, "material" shall be in excess of 15% of the budget.

4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements shall not be delegated to a Committee. They shall be regularly reviewed for safety and efficiency.

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting, and present the schedule to the appropriate Committee. The appropriate Committee shall review the schedule for compliance and, having satisfied itself, shall authorise payment by a resolution. A detailed list of all payments shall be disclosed within or as an attachment to the Minutes of the meeting at which payment was authorised. 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.

5.3. All invoices for payment shall be examined, verified and certified by the RFO or Town Clerk 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. Officers with responsibility for raising expenditure shall allocate invoices to the appropriate expenditure heading. The RFO shall examine invoices for arithmetical accuracy. The Town Clerk shall take all steps to settle all invoices submitted, and which are in order at the next available Committee meeting.

5.5. The Town 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 the appropriate Committee, where the Town 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 meeting of the appropriate Committee.

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 meeting of the appropriate Committee.

Fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].

5.6. For each financial year the Town Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like, for which the appropriate Committee may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Finance and General Purposes Committee.

5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two Members on each occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.

5.8. In respect of grants a duly authorised Committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant more than £10,000 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. During an election year, the Council will appoint cheque signatories for the term of office of the Council.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

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

6.2. Following authorisation under Financial Regulation 5 above, the appropriate Committee or, if so delegated, the Town Clerk or RFO, shall give instruction that a payment shall be made.

6.3. All payments shall be affected by BACS, cheque, or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of the appropriate Committee. The approval of the use of BACS as a method of payment shall be renewed by resolution of the Council at least every two years.

6.4. The bank mandate approved by the Council shall identify several Councillors who will be authorised to approve transactions on the Council's accounts. BACS schedules, cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or Committee, shall be signed by two Members of Council in accordance with a resolution instructing that payment. A Member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

6.5. To indicate agreement of the details shown on the BACS schedule, cheque or order for payment, with the counterfoil and the invoice or similar documentation, the signatories shall initial each item on the BACS schedule, the cheque counterfoil or order for payment.

6.6. The Finance Officer shall process payments to be made by internet banking. A full schedule of payments will be taken to the next meeting of the appropriate Committee for approval. Two bank signatories shall authorise the payments individually after the appropriate Committee meeting. A date following the date of the appropriate Committee meeting shall be selected for the payments to be made by internet banking. The Clerk/RFO shall review, sign and date authorised payments individually and release them for payment by internet banking. Aged Creditor reports will be reviewed quarterly by F&GP to ensure suppliers are being paid within agreed payment terms.

6.7. If thought appropriate by the Council, payment for supplies such as utilities, postage etc. 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 variable direct debit as a method of payment shall be renewed by resolution of the Council at least every two years.

6.8. If thought appropriate by the Council, payment for certain items may be made by 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.

6.9. The approval of the use of a banker's standing order as a method of payment shall be renewed by resolution of the Council at least every two years.

6.10. If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS method 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 as a method of payment shall be renewed by resolution of the Council at least every two years.

6.11. Where an internet banking system requires use of a personal identification number (PIN) and card and card reader, these shall be stored in a secure location in the Council Offices. A note shall be made of the PIN and passwords for each card reader and retained in a lock box.

6.12. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee.

6.13. 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.

6.14. Councillors, Officers and staff, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

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

6.16. 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 email 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.

6.17. Changes to account details for suppliers, which are used for internet banking may only be effected on receipt of a hard copy notification from the supplier and supported by hard copy authority for change signed by (two of) the Clerk, the RFO (the Finance Officer to reconfirm any changes to bank details via telephone directly with the Supplier). A programme of regular checks of standing data with suppliers will be followed.

6.18. The RFO or Finance Officer shall have authority to execute transfers to and from Imprest, SOLDO and CCLA accounts within the Council's banking arrangements up to the sum of £2,500. Any amount greater than this will require the approval of two bank signatories.

6.19. Any bank Debit Card issued for use will be specifically restricted to the Town Clerk, RFO or an Officer designated by the Town Clerk and will also be restricted to a single transaction maximum value of £1500 unless authorised by Council or appropriate Committee in writing before any order is placed.

6.20. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Town Clerk, RFO or an Officer designated by the Town Clerk and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of Members or staff shall only be used with the authority from the Town Clerk or RFO.

6.21. The Town Clerk or 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 Town Clerk or RFO with a claim for reimbursement.

a) The Town Clerk or RFO shall maintain a petty cash float of £50. Vouchers for payments made from petty cash shall be kept substantiating the payments.

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 payments presented to the appropriate Committee.

6.22. A prepaid (Soldo) debit card may be issued to Officers for the purpose of defraying operational and other expenses. The Clerk may make payments up to the sum of £1,500, with Managers up to £250 and Officers £50.

a) The Finance Officer will maintain a record of payments made. Vouchers for payments made shall be kept substantiating the payments and reviewed by the RFO.
b) The account shall be treated as an Imprest Account and topped up to £1,500 as required.
c) Payments to manage the debit card shall be shown separately on the schedule of payments presented to the appropriate committee.

6.23 The Town Clerk may hold an account called the Clerk's Account and may draw cheques or make payments via BACs to a value of £1,500 approved by the Town Clerk or RFO.

a) The account shall be treated as an Imprest Account and topped up to £2,500 as required.

b) Payments to manage the account shall be shown separately on the schedule of payments presented to the appropriate committee.

7. PAYMENT OF SALARIES

7.1. As an employer, the Council shall decide 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.

7.2. The Council may choose a provider to undertake payroll administration on behalf of the Council for which a small management fee may be paid. The salary payments shall show in the schedule of payments.

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.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Committee dealing with staffing matters.

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 (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 Local Audit and Accountability Act 2014, or any superseding legislation.

7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have been paid.

7.6. An effective system of personal performance management should be maintained for Senior Officers.

7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Full Council.

7.8. Before employing temporary staff, the Committee dealing with staffing matters must consider a full business case.

8. LOANS AND INVESTMENTS

8.1. All borrowings shall be affected 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 the 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 Finance and General Purposes Committee. In each case a report in writing shall be provided to the Committee in respect of value for money for the proposed transaction.

8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.

8.4. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices, and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.

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

8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8.7. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

9.1. The collection of all sums due to the Council shall be the responsibility of 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 agreed annually by the appropriate Committee, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.

9.3. The Council, or appropriate Committee, will review all fees and charges at least annually, following a report from the Clerk or delegated Officer.

9.4. Any sums and bad debts found to be irrecoverable shall be reported to the Council and shall be written off as soon as practicable. Aged Debtor reports will be reviewed quarterly by the RFO, with a pre year end write off review and supporting aged debt reports and supporting information provided to Council for any bad debts greater than 12 months old requiring write off

9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6. The origin of each receipt shall be entered on the paying-in slip.

9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

9.8. The Finance Officer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9.9. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety for individuals banking such cash.

9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below) .

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

10.2. Order books shall be controlled by the RFO.

10.3. All Members and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.

10.4. A Member shall not issue an official order or make any contract on behalf of the Council.

10.5. The Clerk, RFO or delegated Officer 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 Clerk or 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. CONTRACTS

11.1. Procedures as to contracts are laid down as follows:

a. Every contract shall comply with these Financial Regulations, and no exceptions shall be made otherwise than in an emergency, provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:

i. for the supply of gas, electricity, water, sewerage, and telephone services.

ii. for specialist services such as are provided by solicitors, accountants, surveyors, and planning consultants.

iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant.

iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.

v. for additional audit work of the External Auditor up to an estimated value of £500 (more than this sum the Town Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Council); and

vi. for goods or materials proposed to be purchased which are minor goods which are used in the Council Offices or other Council owned property and / or are only sold at a fixed price.

b. Where the Council intends to procure or award a public supply contract, public service contract or a public works contract as defined by The Public Contracts Regulations 2015 ("the PC Regulations") which is valued at current limits (currently £25,000) or more, the Council shall comply with the relevant requirements of the Regulations*. *The Regulations require councils 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 award of new contracts.

c. When applications are made to waive Financial Regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation and agreed at the appropriate Committee.

d. An invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one Member of Council.

f. Any invitation to tender issued under this regulation shall be subject to Standing Order 4.2 (Interests) and shall refer to the terms of the Bribery Act 2010.

g. When the Town Council proposes to enter into a contract of 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 Clerk or delegated Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or delegated Officer shall with best endeavours obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

i. If 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.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)

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 of 5% or more a report shall be submitted to the appropriate Committee.

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

13. STORES AND EQUIPMENT

13.1. The Officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

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. Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4. A delegated Officer shall be responsible for regular checks of stocks and stores and such checks shall be carried out at least once a year.

14. ASSETS, PROPERTIES AND ESTATES

14.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO, in consultation with the Clerk, 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. An Asset will have a value exceeding £1,000 and will not be used up or consumed within one year

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 an adequate level of consultation with the electorate).

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the Full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.5. 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, where appropriate in conjunction with a health and safety inspection of assets.

15. INSURANCE

15.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Clerk.

15.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting any existing insurances.

15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to appropriate 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 annually by the Council, or duly delegated Committee.

16. CHARITIES

16.1. 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 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.

17. RISK MANAGEMENT

17.1. The Council will be responsible for putting in place arrangements for the management of risk. The Clerk, with the RFO, 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 Clerk, with the RFO and responsible officers, 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 Clerk shall monitor changes in legislation or proper practices and advise the Council of any requirement for a consequential amendment to these Financial Regulations.

18.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations that are not required by law, 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.