

WITNEY TOWN COUNCIL

FINANCIAL REGULATIONS

Updated March 2021

INDEX

1. General	2
2. Accounting and audit (internal and external)	4
3. Annual estimates (budget) and forward planning	6
4. Budgetary control and authority to spend	6
5. Banking arrangements and authorisation of payments	8
6. Instructions for the making of payments	11
7. Payment of salaries	14
8. Loans and investments	15
9. Income	15
10. Orders for work, goods and services	16
11. Contracts	17
12. Payments under contracts for building or other construction works	19
13. Stores and equipment	19
14. Assets, properties and estates	19
15. Security	19
16. Insurance	20
17. Risk management	21
18. Suspension and revision of Financial Regulations	21

1. General

- 1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's 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 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.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. *[An RFO has been appointed for this council and these regulations will apply accordingly. In the absence of an Officer designated RFO the Town Clerk/Proper Officer will resume the role as appropriate.]*
- 1.9. The RFO together with the Proper Officer of the Council;
 - acts under the policy direction of the council;
 - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;

- determines on behalf of the council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the council up to date in accordance with proper practices;
 - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time 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. 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.

1.14. In addition, the council must through its Policy, Governance & Finance Committee:

- 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; 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.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or ‘the regulations shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, 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)

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, Bank Reconciliations shall be made available and presented at the meeting of the Policy, Governance & Finance Committee for formal review as part of the Council’s internal control process.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year 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;
 - 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
- 2.7. Internal or external auditors may not under any circumstances:
 - perform any operational duties for the council;
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. 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 the Policy, Governance & Finance Committee any correspondence or report from internal or external

auditors, excluding regular correspondence that does not involve statements on the finances of the Council.

3. Annual estimates (budget) and forward planning

- 3.1. Each September the RFO shall meet with the Town Clerk and each Head of Service/Budget Holder to consider revenue and capital proposal for the following year.
- 3.2. Each committee shall through the actions of the Policy, Governance & Finance Committee, 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.
- 3.3. The RFO must each year, 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 Policy, Governance & Finance Committee and the Council.
- 3.4. 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.
- 3.5. 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 middle of February each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.6. 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 incurred up to the amounts included in the approved budget. Approved budgets may only be used for the purpose agreed by Council unless otherwise agreed in accordance with these regulations.
- 4.2. 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'). Conditions regarding these are as follows:-

- (a) Within the same cost centre a departmental head may recommend to the RFO transfers between budget lines provided that this does not distort Council policy, and that the RFO may authorise such transfers provided that this does not distort Council policy.
 - (b) A committee may authorise a reallocation of resources between its departments/cost centres.
 - (c) A reallocation of resources between committees will require the approval of the Council, acting on the advice of the Policy, Governance & Finance Committee and the committees concerned.
 - (d) A reallocation of resources between capital projects will require the approval of the Council, acting on the advice of the Policy, Governance & Finance Committee and the committees concerned.
- 4.3. The Town 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 immediately, whether or not there is any budgetary provision for the expenditure, subject to a limit of either £5,000 or any amount which is reserved for that purpose in the repairs and renewals fund (or other relevant Earmarked Reserve), whichever is higher. The Town Clerk shall report the action to the appropriate committee as soon as practicable thereafter.
- 4.4. Where expenditure is incurred in accordance with regulation 4.3, above and the sum required cannot be met from savings made elsewhere within that department's/Committee's approved budget, it shall be subject to the provisions of the supplementary estimate approved by the Policy, Governance & Finance Committee or the Council.
- 4.5. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council on the advice of the Policy, Governance & Finance Committee.

The estimated cost of any capital project for which one off budgetary provision has been made, which has not commenced by 31st March in any year, may be carried forward as slippage, subject to: -

- (a) the approval of the RFO, or in the absence of the RFO, the Town Clerk;
- (b) the approval of the Council, acting on the advice of the Policy, Governance & Finance Committee and the appropriate spending committee.

In making this decision the Council should have regard to the net expenditure budget relating to the relevant cost centre or capital programme.

- 4.6. Supplementary estimates for revenue and capital expenditure will only be granted when it is considered that such estimates are important in order that the Council may achieve its service objectives, and when such expenditure cannot be financed from existing budgets. Such requests shall be made by the relevant committee and the Policy, Governance & Finance Committee, and subject to the approval of the Council.
- 4.7. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless the Policy, Governance & Finance Committee is 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.
- 4.8. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.9. Any capital expenditure below £1,000 is to be treated as revenue expenditure.
- 4.10. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Clerk on behalf of the Personnel Sub-Committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.11. The RFO shall regularly provide each spending committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget and shall provide the Policy, Governance & Finance Committee with periodic statements of income and expenditure relating to the whole of the Council's approved revenue and capital budgets on the same basis. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £2,000 or 15% of the budget.
- 4.12. 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 in consultation with the Town Clerk, and approved by the council following a recommendation from the Policy, Governance & Finance Committee. They shall be regularly reviewed for safety and efficiency. Two current accounts shall be maintained at the bank, a general account and an imprest account. Banking arrangements may include online access to bank accounts subject to the scheme being approved by the Council and in accordance with these regulations and good practice.

- 5.2. Cheques less than £5,000 shall be drawn on the imprest account and shall be signed by the Town Clerk (or RFO/Deputy Town Clerk if appropriate permissions are in place by Council resolution). The Cashbook/payment schedule will be authorised by the Policy, Governance & Finance Committee and recorded in the minutes referred to in 5.4 below.
- 5.3. Cheques of £5,000 or more shall be drawn on the Council's general account and shall be signed by two members of the Council. 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 cheque counterfoil.
- 5.4. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant description of goods/services, present the schedule to Policy, Governance & Finance Committee. The committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Policy, Governance & Finance Committee. The approved schedule shall be cross referenced in the minutes. 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.
- 5.5. All purchase invoices shall be authorised by the appropriate Head of Service or officer prior to them being passed to Finance for payment. Each initial purchase invoice shall be supported by a purchase order which is attached to the invoice. Subsequent invoices for the same goods or service do not require additional purchase orders. Each purchase invoice shall be coded to a cost centre / account code for which the authoriser has authority to charge to and which has sufficient budget available.
- 5.6. All invoices for payment shall be examined, verified and certified by the Head of Service or officer/budget holder 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 through its budget setting process. All invoices shall be coded by the Head of Service or Officer to a budget area appropriate to the nature of the invoice.
- 5.7. Employees authorised to sign off purchase invoices [and purchase orders within agreed limits up to £1,000 without requiring authorisation by the Town Clerk] are:
 - (a) Town Clerk
 - (b) Deputy Town Clerk
 - (c) Responsible Financial Officer
 - (d) Operations & Estates Advisor

- (e) Maintenance & Environmental Services Officer
- (f) Venue & Events Officer
- (g) Project Officer
- (h) Cemeteries, Contracts & Compliance Officer
- (i) PA to Town Clerk
- (j) Democratic & Legal Services Officer
- (k) Communications & Community Engagement Officer

- 5.8. The RFO shall examine invoices 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 payment run as appropriate.
- 5.9. 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 council, 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 appropriate meeting of council [or finance committee];
 - b) An expenditure item authorised under 5.8 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Policy, Governance & Finance Committee ; or
 - c) 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 Policy, Governance & Finance Committee .
- 5.10. 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 Policy, Governance & Finance 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 Policy, Governance & Finance Committee .
- 5.11. A record of regular payments made under 5.8 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.
- 5.12. In respect of grants the Policy, Governance & Finance 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 in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.

- 5.13. 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.
- 5.14. 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.
- 5.15. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

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 council, a duly delegated 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 cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Policy, Governance & Finance Committee .
- 6.4. 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 and countersigned by the Town Clerk, 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 cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil or by authorisation on the Bank system.
- 6.6. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council [or Finance Committee] at the next convenient meeting.
- 6.7. 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.
- 6.8. 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.
- 6.9. 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.
- 6.10. 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.
- 6.11. 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.
- 6.12. 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. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- 6.15. Where internet banking arrangements are made with any bank, the Town 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.

- 6.16. 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 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.
- 6.17. 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 Town Clerk [the RFO] [a member]. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any Debit Card issued for use will be specifically restricted to the Town Clerk [and the RFO] and will also be restricted to a single transaction maximum value of [£500] unless authorised by council or finance committee in writing before any order is placed.
- 6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Policy, Governance & Finance Committee . Transactions and purchases made will be reported to the Policy, Governance & Finance Committee and authority for topping-up shall be at the discretion of the Policy, Governance & Finance Committee .
- 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk [and RFO] 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.
- 6.21. 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.
- c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.4 above.

7. Payment of salaries

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory 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 ordinary of Policy, Governance & Finance Committee 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 Personnel Sub-Committee, Policy, Governance & Finance Committee or full Council.
- 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 Audit Commission Act 1998, 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 actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the 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 council.
- 7.8. Before employing interim staff, the council must consider a full business case.

8. Loans and investments

- 8.1. All borrowings shall be affected in the name of the council and negotiated by the RFO 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 and shall be for a set period of time in accordance with Council's Investment Policy (appended to the Standing Orders). Changes to loans and investments should be reported to the Policy, Governance & Finance Committee at the earliest opportunity.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the Policy, Governance & Finance Committee . In each case a report in writing shall be provided to Policy, Governance & Finance Committee in respect of value for money for the proposed transaction.
- 8.3. At each meeting of the Policy, Governance & Finance Committee all bank statements along with the bank reconciliations will be examined as part of the internal controls, and minuted accordingly.
- 8.4. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 8.5. 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 Policy, Governance & Finance Committee at least annually.
- 8.6. All investments of money under the control of the council shall be in the name of the council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. 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 council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council will review all fees and charges at least annually, following a report of the RFO to the Policy, Governance & Finance Committee.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Policy, Governance & Finance Committee and shall be written off in the year.
- 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 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.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the Policy, Governance & Finance Committee to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

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 by the Officer and a copy passed to the RFO at the time the order is placed.
- 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 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the council.

- 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. 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 legal professionals acting in disputes;
- 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 £2000 (in excess of 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 proprietary articles and / or are only sold at a fixed price.

b) Where it is intended to enter into a contract exceeding £25,000 as specified by the Public Contract Regulations 2015, the council must comply with the requirements of those regulations and must advertise the tender on the appropriate platforms.

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

d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Policy, Governance & Finance Committee.

e) Such invitation to tender shall state the general nature of the intended contract and the Town 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 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.

f) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of council.

g) If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Policy, Governance & Finance Committee may make such arrangements as it thinks fit for procuring the goods or materials or executing works.

Any invitation to tender issued under this regulation shall be subject to Standing Orders, and shall refer to the terms of the Bribery Act 2010.

(h) A notice issued under the regulations shall contain a statement of the effect of the following.

- If a supplier/tenderer of any goods/services is to his/her knowledge related to any member of or the holder of any office under the Council, he/she and the person to whom he/she is related shall disclose the relationship in writing to the Town Clerk. A person who fails so to do shall be disqualified for such contract and, if engaged, the contract may be withdrawn without further notice. The Town Clerk shall report to the Council or to the appropriate Committee any such disclosure.
- Canvassing of members or of any Committee, directly or indirectly, for any work/service under the Council shall disqualify the supplier/tenderer. The Town Clerk shall make known the purport of this sub-paragraph to every supplier/tenderer.
- A member of the Council shall not solicit for any person any work under the Council or recommend any person for such work; but, nevertheless, a member may give a written testimonial of a supplier's ability, experience or character for submission to the Council.

i) When it is to enter into a contract of less than £65,000 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 £5,000 the Town Clerk or duly authorised officer shall have executive power, and shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

j) The council shall not be obliged to accept the lowest or any tender, quote or estimate.; however satisfactory justification shall be required and recorded in the minutes of the Council having disregarded the financial regulations relating to contracts.

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.

12. Payment under Contracts for Building or Other Construction Works

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Town Clerk to the Contractor in writing, the Policy, Governance & Finance Committee 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. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, Properties and Estates

- 14.1. The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location,

extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations.

- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Policy and Finance, together with any other consents required by law.
- 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, possibly in conjunction with a health and safety inspection of assets.
- 14.6. Inventories shall be maintained by all departments and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery. All inventories shall be in a form approved by the RFO, who in consultation with the Town Clerk may agree that certain items may be excluded from the records.
- 14.7. Each departmental head shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly, and possibly in conjunction with a health and safety inspection of assets.

15. Security

- 15.1. Each officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, plant, machinery, cash, etc. under his or her control. Officers shall consult the Town Clerk in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 15.2. Maximum limits for cash holdings shall be agreed with the Town Clerk and shall not be exceeded without his/her express permission.

16. Insurance

- 16.1. Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Town Clerk.
- 16.2. Each officer shall give prompt notification to the RFO of all new risks, properties, plant or vehicles under their control, which require to be insured, and of any alterations affecting existing insurances.
- 16.3. Departmental heads shall forthwith notify the RFO in writing of any loss, liability or damage, or any event likely to lead to a claim.
- 16.4. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance, which shall cover the maximum risk exposure as determined by the Council.
- 16.5. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and shall annually, or at such other period as he/she may consider necessary, review all insurances in consultation with other chief departmental heads as appropriate.

17. Risk Management

- 17.1. The Council is responsible for putting in place arrangements for the management of risk, and has a risk management policy in place. The Town Clerk with the RFO and/or other Officers shall prepare, for approval by the Policy, Governance & Finance Committee, 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 Policy, Governance & Finance Committee/Council at least annually.
- 17.2. When considering any new activity, the Town Clerk and RFO and/or other Officers shall prepare a draft risk assessment addressing the legal and financial liabilities and risk management proposals for consideration and, if thought appropriate, adoption by the Policy, Governance & Finance Committee/Council.
- 17.3. All reports prepared for a decision by the Town Council and its Committees/Sub-Committees and Working Parties shall include sections on "Financial Implications" and "Risk Assessment".

18. Suspension and revision of Financial Regulations

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

- 18.2. The council may, by resolution of the council 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

Approved by Minute No. at the Full Council meeting held on 12 April 2021.