



NESTON TOWN COUNCIL FINANCIAL REGULATIONS

DRAFT

For adoption at the Meeting of the Council on 4 October 2022

VERSION NUMBER V12	V13
DATE & MINUTE REFERENCE (Council) 04.05.21 item 8b	FC 04.10.22 item 81.1c
DATE OF NEXT REVIEW	May 2023

NESTON TOWN COUNCIL FINANCIAL REGULATIONS 2022

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

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 or standing orders relating to contracts, which may be adopted in the future.

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. A breach of these regulations by an employee is **likely to be** gross misconduct.

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. **The Finance Manager is currently appointed as RFO.**

1.9. The RFO;

- acts under the policy direction of the Council **under the line management of** the Council Manager;
- 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:

- i. setting the final budget or the precept (council tax requirement);
- ii. approving accounting statements;
- iii. approving an annual governance statement;
- iv. borrowing;
- v. writing off bad debts;
- vi. declaring eligibility for the General Power of Competence; and
- vii. addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.
- viii. Matters addressing recommendations in the interim ~~and final~~ internal audit report may be considered by the Finance and Administration committee, this does not include ~~the~~ internal audit report as listed on the Annual Governance and Accountability Return.

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; (see also 4.1 & 5.8) and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the Human Resources 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. The RFO shall develop and maintain a set of Financial Operating Procedures in accordance with the Council's Quality Policy.

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 bank 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 or Finance and Administration committee.

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; [for the sake of clarity, this does not prevent the internal auditor being appointed as Data Protection Officer]
- 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 Each committee shall review its actual spend against budget earmarked reserve and review its delivery of strategic objectives including any proposals for revising the forecast. It shall thereafter formulate and submit proposals for the following financial year to the appropriate committee not later than the end of October each year. Individual committees shall differentiate between temporary (one-off) and permanent (recurring) spending plans in reporting.

3.2. The RFO must each year, by no later than November, prepare detailed estimates of all income and expenditure 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 Administration committee and the Council.

3.3. The Council shall consider annual budget proposals in relation to the Council's three-year forecast (previous, current and proposed annual budgets) of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly not later than the end of January each year.

3.4. The Council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

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

3.6. Finance and Administration Committee shall make recommendations for in year changes to committee budgets and/or reserves to Council at its meeting following the review process.

3.7. The process of establishing budgets for the subsequent financial year shall be based on mid-year review at the meetings of Committees following the availability of September accounting figures:

- 3.7.1 committees shall assess where budget increases and decreases are required for the following year. Proposed increases must link to the Council's strategic objectives and their justification recorded. All changes must be categorised one off or recurring;
- 3.7.2 the Responsible Financial Officer shall advise of any 'technical' budget changes such as pensions increases and pay awards which must be taken into account;
- 3.7.3 the Responsible Financial Officer shall recommend for the following year a budget based on current year budget review to the Finance and Administration Committee which shall make a recommendation to Council.

3.8. There shall be an annual review of out-turn figures. The Responsible Financial Officer shall summarise for the Council committees their financial and operational performance against budgets, earmarked reserves and strategic objectives and final accounts.

3.9 The Finance and Administration Committee will view the overall outturn position of all committees against budgets, earmarked reserves and strategic objectives and final accounts and shall make a report for consideration by the Council.

3.10 At every ordinary meeting Committees shall review their spend against budgets with a view to making recommendations at mid-year review and budget setting stages, taking the necessary advice from the Responsible Financial Officer. This process shall be in addition to regular monitoring by those responsible for the Council's accounts.

3.11 The Finance and Administration Committee shall consider a rolling Medium-Term Financial Plan [5 Year] prepared by the RFO and recommend it to Council by March each year. The Council shall adopt such a plan no later than April.

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 is to be determined by:

- the Council for all items over £10,000
- a duly delegated committee or Council for all other items over £1,500 up to £10K

- the Council Manager or RFO in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items **over £500 but** below £1,500.
- **The Council Manager or other authorised officer for all other items up to £500.**

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the RFO, and where necessary also by the Chairman of the Council or chairman of the appropriate committee.

Contracts may not be disaggregated to avoid controls imposed by 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'). The appropriate committee will make recommendation to Council for 'in year' changes.

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 [October] for the following financial year and such review shall be evidenced by a hard copy schedule signed by the RFO and the Chairman of Council or **Chairman of Human Resources 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, **Proper Officer or RFO** may authorise revenue expenditure on behalf of the council which in the Council Manager / RFO'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 £10,000. The Council Manager /RFO shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter. **In the case of a Civil emergency, the Proper Officer may additionally incur expenditure in accordance with delegated authority set out in the Terms of Reference of full Council.**

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 **any financial regulations/standing orders** 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 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 £3,000

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 may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. The Council's bank carries out credit checks on all bank account signatories. The council may seek additional credit references in respect of members or employees who act as signatories **or have delegated authority to approve expenditure.**

5.2. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

5.3. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.

5.4. The Council Manager and RFO and other authorised signatories shall have delegated authority to authorise **the payment of items as set out under 5.5**, for payments and 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 appropriate committee. **(see also Treasury Management Policy).**

For payments and fund transfers within the councils banking arrangements above to the sum of £10,000, the schedule must be submitted to Council for approval of the release of funds before payment can be made.

~~b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council or appropriate committee; or~~

5.5. When expenditure is authorised in accordance with Regulation 4, the Council owes the money once the work, goods or services have been satisfactorily received to the Council. Payment authorisation is therefore technically for the release of funds and cannot be withheld without good reason.

The RFO (or Council Manager (both signatories)), shall prepare a schedule of payments requiring authorisation, ~~forming part of the Agenda for the Meeting and,~~ together with the relevant invoices. He/ she signify approval and initial each invoice. An authorised officer (not necessarily a signatory) will enter the schedule in to the bank account payment section.

A second signatory (officer or member) will check the invoices against the schedule, counter sign the schedule and initial the invoices (in person or electronically). After approval to release funds is authorised by the two signatories, payment can be made under 6.0 below.

The RFO will present the schedule to the Council or **Finance and Administration committee. The Council / committee shall review the schedule for compliance and, having satisfied itself shall authorise by a resolution that the schedule has been correctly authorised for release of funds. The approved schedule shall be initialled by the Chairman of the Meeting.**

A detailed list of all payments shall be kept in a separate financial file, disclosed within or attached 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.

5.6. For each financial year the 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 council, or a duly authorised 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 council or appropriate Committee. **In practice this may be combined with the requirements of 6.6, 6.7 and 6.8.**

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

5.8. In respect of grants 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 in excess of £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. The RFO will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be received in writing from the supplier for verification by the RFO.

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, **Finance and Administration** committee or, the Council Manager or RFO **with other authorised signatories (members)** shall give instruction that a payment shall be made **as set out below. There should always be at least one signatory to authorise payment who has not been involved in the approval of the release of funds under 5.0 above.**

6.3. All payments shall be affected by cheque, internet banking or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council or duly delegated committee.

6.4. **The Council now makes only minimal numbers of payments by cheque.** 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 approved signatories ~~of the appropriate committee~~, or one authorised member plus the Council Manager or RFO in accordance with **the schedule approved for release of funds.** If a member who is also a bank authoriser has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be authorised to approve the transaction 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 each invoice and the cheque counterfoil. For the internet payment the RFO shall initial the invoice.

~~6.6. Cheques, Orders or Lists of for payment shall not normally be presented for signature other than at a council or the appropriate 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 and Administration Committee at the next convenient meeting.~~

6.6. The majority of payments are now made by internet banking transfer. Each schedule of payments approved for the release of funds in accordance with 5.5 shall have the required payment authorisation set up with the bank by the RFO or Council Manager. A second signatory (Member) shall then independently verify the payment authorisation with the bank is correct prior to the payment being continued. The choice of signatories shall comply with 6.2 and 6.4 concerning Members' interests. A record will be made on the schedule of which signatories authorised the bank payment.

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 authorised signatories 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. ~~NTC~~ No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any officer not authorised in writing by the Council or a duly delegated committee.

6.11. Any Debit Card issued for use will be specifically restricted to the Council Manager and RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council or the appropriate committee in writing before any order is placed.

6.12. 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.

6.13. 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.

6.14. Where internet banking arrangements are made with any bank, the Proper Officer or 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.

6.15. 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.

6.16. 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 RFO and a council member of staff. A programme of regular checks of standing data with suppliers will be followed.

6.17. An Equals Card pre-paid debit card may be issued for use will be specifically restricted to the Senior Market and Support Officer and the Council Manger and will also be restricted to a single transaction maximum value of £500.

6.18. Transactions and purchases made with the Equals card will be reported to the council or next appropriate committee and the card shall be kept topped up to a level of £500.

6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Council Manger 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.

6.20. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Council Manager or RFO a member of staff for example for postage or minor stationery items, shall be refunded on a regular basis, at least quarterly, via the completion of a claim form.

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 Human Resources Committee within its approved delegation.**

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 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 Council, **or Human Resources Committee within it approved delegation.**

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 **all staff**.

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 (**or committee or officer duly delegated**) must consider the financial implications and 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 **after considering a report setting out value for money**. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.

8.3. The **C**ouncil will arrange with the Council's banks and investment providers for the sending of a copy of each statement of account to the **Mayor** at the same time as one is issued to the Council Manager or RFO. (This refers to loans only)

8.4. All loans and investments shall be negotiated in the name of the **C**ouncil and shall be for a set period in accordance with council policy.

8.5. The Council shall **adopt a Treasury Management Policy which includes** an Investment Policy which, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.

8.6. 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. **Supervision is further delegated** to the Senior Market and Support Officer for the Friday market, for hire income and allotment rental.

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. Any other income for the hire of any of the Council's assets and or goods will be monitored and controlled by the Senior Market and Support Co-ordinator, **under the supervision of the Proper Officer and RFO.**

9.3. The council will review all fees and charges at least annually, **following a report from the Senior Markets and Support Officer.**

9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council 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 in the receipt book.~~

9.6. Personal cheques shall not be cashed out of money held on behalf of the council.

9.7. 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 **quarterly, the final one** coinciding with the financial year end. The Council is VAT **registered and has opted to tax on non exempt services.**

9.8. 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 the receipt book, and that appropriate care is taken in the security and safety of individuals banking such cash.

9.9 Income from market traders will be requested via the Zettle card reader. Should the trader be unable to make the payment upon demand using their bank card, then a payment link or invoice will be sent to the traders known email address. Upon receipt of the payment a receipt will be issued.

10. Orders for work, goods and services

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

10.2. A book shall be kept detailing quotations sought for Council works and goods. This will be kept locked in the Reception office. ~~and 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 may not issue an official order or make any contract on behalf of the council.

10.5. ~~The RFO shall ensure that the statutory authority is approved so that the minutes can record the power being used for that expenditure.~~

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 if other than the General Power of Competence.

10.6 The Council wishes to promote the local economy and where possible maximise the amount of money it spends locally. Such aspirations will not override considerations related to best value being achieved. Where legally possible quotes and tenders will be sought from a range of local suppliers. [see the Council's Procurement Policy]

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~~; accountants; planning consultants and other specialist advisors;
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
- v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Council Manager and / or RFO shall notify 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 the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations.

If the council genuinely believed the value would be under £25K but the tenders came in above that, the Regulations do not require it to go back and start again.

Regardless of whether the opportunity was advertised, Reg112 requires a council to publish the award of a contract over £25K on Contracts Finder within a reasonable timescale. There is no timescale set, but it is suggested within 3 months.

- 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)².
- 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 council.
- e) Such invitation to tender shall state the general nature of the intended contract and the **Proper Officer 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 **Proper Officer** 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 **Proper Officer** in the presence of at least one member of council.
- g) Any invitation to tender issued under this regulation shall be subject to Standing Order **26.7** and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £25,000 (excluding VAT) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) Officers shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Officers shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i) The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j) 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. Payments under contracts for building or other construction works

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to

supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 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 Council Manager 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. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, properties and estates

14.1. The **Proper Officer** shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.

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. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to council with a full business case.

14.6. 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.

15. Insurance

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

15.2. The **Proper Officer** shall give prompt notification to the RFO of all new risks, such as properties or vehicles which require to be insured and of any alterations affecting 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 Council / Finance and Administration 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 the duly delegated committee.

16. Risk management

16.1. The Council is responsible for putting in place arrangements for the management of risk. The **Proper Officer** 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.

16.2. When considering any new activity, the Council Manager with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

17. Suspension and revision of Financial Regulations

17.1. It shall be the duty of the Council to review the Financial Regulations ~~of the council~~ from time to time. The **Proper Officer** 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.

17.2. 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.