

# Sleaford Town Council

## CONSTITUTION Chapter 4 Financial Regulations



The Town Hall  
Quayside House  
Navigation Yard  
Sleaford  
Lincolnshire  
NG34 7TW

Tel: 01529 303456

e-mail: [enquiries@sleaford.gov.uk](mailto:enquiries@sleaford.gov.uk)

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## **1. General**

- 1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the Council's three governing policy documents providing procedural guidance for Councillors 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 system 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 current and proper practices.
- 1.6 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7 Council is expected to follow these Regulations and not to entice employees to breach them. Failure to do so will bring the Office of Councillors in to disrepute.
- 1.8 The Town Clerk has been appointed as RFO for this Council and these Regulations will apply accordingly. All references in this document using the words Town Clerk and RFO refer to one and the same person.
- 1.9 The Town Clerk;
  - acts under the policy direction of 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 Town Clerk shall be sufficient to show and explain the Council's transactions and to enable the Town Clerk 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 Town Clerk 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, or to be made, for any contribution, grant, or subsidy.
- 1.12 The accounting control system determined by the Town Clerk shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as practicable and as accurately 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 Town Clerk 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 Council only.

- 1.14 In addition, the Council must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
  - approve any grant or single commitment in excess of £10,000; and
  - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant authority in accordance with its terms of reference.
- 1.15 In these Financial Regulations, reference 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 Smaller Authorities 2016) issued by the Joint Practitioners Advisory Group (JPAG), available from the website 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 Town Clerk in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairperson of the Council shall be appointed to verify bank reconciliations (for all accounts) produced by the Town Clerk. The member shall sign the reconciliations and the original bank statements (or similar documents) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Council.
- 2.3 The Town Clerk 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 Staff Member or Councillor shall make available such documents and record as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the Town Clerk, Internal Auditor, or External Auditor with such information and explanation as the Council considers necessary for the purpose.

- 2.5 The Internal Auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6 The Internal Auditor shall:
- be competent and independent of the financial operations of the Council;
  - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - 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 Town Clerk 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 Town Clerk shall, without undue delay, bring the attention of all Councillors any correspondence or report from Internal or External Auditors.

### **3 Annual Estimates (Budget) and Forward Planning**

- 3.1 The Council shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year for ratification not later than the end of November each year including any proposals for revisiting the forecast.
- 3.2 The Town Clerk must each year, by no later than December, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Council.
- 3.3 The Council shall consider annual budget proposal in relation to the Council’s three-year forecast of revenue and capital receipts and payments including

recommendations for the use of reserves and sources of funding and update the forecast accordingly.

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

#### **4. Budgetary Control and Authority to spend**

- 4.1 No expenditure may be authorised that will exceed the amount provided in the revenue budget for the class of expenditure other than by resolution of the Council. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.2 Within a class of expenditure, the Town Clerk has delegated authority to move money between detailed budget headings where this does not change the overall class of expenditure budget.
- 4.3 Underspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year without Council approval.
- 4.4 The salary budgets are to be reviewed at least annually in October by the HR Panel and approved by Council as part of the total budget setting requirements. The Town Clerk will inform the Council of any changes impacting on the salaries budget requirement for the coming year in good time.
- 4.5 The Town Clerk may incur emergency expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,500. The Town Clerk shall inform the Council that such action has taken place.
- 4.6 No expenditure shall be authorised in relation to any capital project and no contract entered in to 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. It is expected that Council will put in place specific controls for each and every Capital Project having regard to the specific risks.
- 4.7 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 4.8 The Town Clerk shall regularly provide the Council with a statement of receipts and payment 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 15% of the budget.

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

## **5. Banking Arrangements and Authorisation of Payments**

- 5.1 The Council’s banking arrangements, including the bank mandate, shall be made by the Town Clerk and approved by the Council; banking arrangements may not be delegated to a Panel. They shall be regularly reviewed for safety and efficiency. The Council shall seek credit references in respect of Councillors or employees who act as signatories.
- 5.2 The Town Clerk shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to any meeting of the Council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. 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) must be summarised to remove public access to any personal information.
- 5.3 All invoices for payment shall be examined, verified and certificated by the Town Clerk to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council or paid by the Town Clerk under delegated authority and subsequently authorised by Council.
- 5.4 The Town Clerk (or other Officer delegated by him/her) shall examine invoices for arithmetical accuracy and code them to the appropriate expenditure heading. The Town Clerk may under delegated authority pay all invoices received, which are in order and present these for authorisation at the next available Council Meeting.
- 5.5 The Town Clerk shall also have delegated authority to authorise the payment of items only in the following circumstances;
- 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 Council Meeting, where the Town Clerk certifies 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 the Council.



- 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 the Council; or
  - fund transfers within the Councils banking arrangements up to the sum of £25,000 provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- 5.6 For each financial year the Town Clerk 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 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.
- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by two Councillors 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, Council shall approve expenditure within any limits set and in accordance with any approved policy statement. Any Revenue or Capital Grant in excess of £10,000 shall be before payment, be subject to ratification by resolution of the Council.
- 5.9 Councillors are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.10 The Council will aim to rotate the duties of Councillors in these Regulations so that onerous duties are shared out as evenly as possible over time.

## **6. Instructions for the making of payments**

- 6.1 The Council will make safe and efficient arrangements for making of its payments.
- 6.2 Following authorisation under Financial Regulation 5, the Council, or if so delegated, the Town Clerk, shall give instruction that a payment be made.
- 6.3 All payments shall be by cheque, electronic banking payment or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.
- 6.4 The Town Clerk is authorised to use electronic transfer or electric banking. Where an electronic or e-banking transaction is to take place, an e-banking proforma must be signed by two cheque signatories. Electronic banking transactions shall be shown separately itemised on the schedule of payments presented to Council.

- 6.5 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council shall be signed by two (2) Councillors of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.6 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.
- 6.7 The Town Clerk has delegated authority to make payment, for certain utility and recurring supplies (e.g. energy, fuel, telephone, water) and any National Non-Domestic Rates, by variable Direct Debit provided that the instructions are signed by two Councillors and any payment are reported to council as made. The approval of the use of delegated powers in this respect 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 and wages) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two Councillors 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 Councillors 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 placed in the Council's safe, in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Councillors or a Councillor and an Officer. 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 Councillors 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 Passwords, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council.
- 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 Councillor using computers of the Council's confidential business, shall ensure that anti-virus, anti-spyware and firewall, software are automatic updates, together with high level security, is used.
- 6.15 Where internet banking arrangements are made with any bank, the Town Clerk shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify 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. Remember 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 (e.g. Invoice) and supported by hard copy authority for change signed by two Councillors. A programme of regular checks of standing data with suppliers will be followed.
- 6.18 Any Debit or Credit Card issued for use will be specifically restricted to the Town Clerk and will also be restricted to a single transaction maximum value of £1,000 unless authorised by Council in writing before any order is placed.
- 6.19 Any corporate Credit Card or trade card account opened by the Council will be specifically restricted to use by the Town Clerk and shall be subject to automatic payment in full at each month-end. Personal Credit or Debit Cards of members of Staff shall not be used under any circumstances.
- 6.20 The Town Clerk may provide petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers for payment made shall be forwarded to the Town Clerk with a claim for reimbursement.
- The Town Clerk shall maintain a petty cash float of £250 for the purpose of defraying operational and other expenses. Vouchers for payment made from petty cash shall be kept to substantiate the payment and shall be recorded in the computerised accounts under the appropriate expenditure heading.
  - Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these Regulations.

- Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to the Council under 5.2 above.

## **7. Payments 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.
- 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, (other than contractual increments or national pay awards) emoluments, or terms and conditions of employment without prior consent of the Council.
- 7.4 The Town Clerk has delegated authority to authorise paid overtime to Staff, where this is required to meet a statutory or contractual service or is in respect of paid services, but only where this can be managed with the requirements of budgetary control or where the additional income will cover the cost.
- 7.5 All payments and deductions relating to employee's remuneration shall be entered into the Council's computerised payroll system which will be used to calculate and record statutory and discretionary deductions to the appropriate creditor. The system is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- by any Councillor who can demonstrate a need to know;
  - by the internal auditor;
  - by the external auditor; or
  - by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.6 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.
- 7.7 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 effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by 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 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 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council Policy.
- 8.4 The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.5 All investments of money under the control of the Council shall be in the name of the Council
- 8.6 All investment certificates and other documents relating thereto shall be retained in the custody of the Town Clerk.
- 8.7 Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instruction 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 Town Clerk.
- 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 Town Clerk and the Town Clerk 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 Town Clerk.
- 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 Town Clerk.

- 9.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.7 The Town Clerk shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made quarterly.
- 9.8 Where any significant sums of cash are regularly received by the Council, the Town Clerk shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

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

- 10.1 An official order, letter or e-mail should be issued for all works, goods, and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 All Councillors 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 Regulations below.
- 10.3 The Town Clerk is authorised to advertise the Council is seeking suitably qualified tradespeople who are prepared to quote for Council work.
- 10.4 A Councillor may not issue an official order or make any contract on behalf of the Council.
- 10.5 The Town Clerk 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 payment, the Town Clerk 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 not exceptions shall be made otherwise that in an emergency provided that this Regulation need not apply to contacts which relate to items (i) to (vi) below:
- i. for the supply of gas, electricity, water, sewerage and telephone services;
  - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;

- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or part of existing machinery or equipment or plant or software;
  - 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 Town Clerk shall act after consultation with the Chairperson and Vice Chairperson of Council);
  - 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 Contractor 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.
- (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 exceeds thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- (d) The Town Clerk is authorised to sign an Access Agreement for any Framework Arrangement so long as this does not commit the Council to any financial arrangements at that point and any contract is subject to further approval in accordance with these Financial Regulations.
- (e) 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.
- (f) Such invitations 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 the 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.
- (g) 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 the Council.
- (h) If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (i) 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.

- (j) When it is to enter into a contract of less than £50,000 but more than £5,000 in value for supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works, or specialist services as are excepted as set out in paragraph (a) the Town Clerk shall obtain three (3) quotations (priced descriptions of the proposed supply); where the value is below £5,000 the Town Clerk shall strive to obtain three (3) estimates. Otherwise, Regulation 10 (3) above shall apply.
- (k) The Council shall not be obliged to accept the lowest or any tender, quote, or estimate.
- (l) Should it occur that the Council 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 Town Clerk upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentages withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the Town Clerk 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 Town Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## **13. Stores and Equipment**

- 13.1 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.
- 13.2 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.3 The Town Clerk 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 Town



Clerk shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

- 14.2 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 moveable property does not exceed £500. For the avoidance of doubt, consent of Council is deemed to have been given where expenditure is approved as part of the budget setting process.
- 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 conditions 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 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 and adequate level of consultation with the electorate).
- 14.5 Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the Council. In each case a report in writing shall be provided to Council with a full business case.
- 14.6 The Town Clerk 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 Financial Regulation 17), the Town Clerk shall effect all insurance and negotiate all claims with the Council's insurers.
- 15.2 The Town Clerk shall give prompt notification to the Council's insurers of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Town Clerk 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 Town Clerk 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 at the next available meeting.

15.5 All appropriate Councillors 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.

## **16. Risk Management**

16.1 The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare, for approval by the Council, Risk Management Policy Statements in respects 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 Town Clerk 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 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.

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 Councillors of Council.

## **18.1 Financial Procurements**

18.1 The Town Clerk shall maintain the Council's detailed Financial Procedures necessary to comply with these Financial Regulations and shall be duly authorised to review, adapt and change these as required from time to time.

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03.15 Reviewed per CLERK & Project Lead, STC

10.15 New Public Contracts Regulations adopted and added

05.17 Reviewed per Clerk/RFO and Panels

07.17 Reviewed Clerk's expenditure in the event of emergency

01.18 Reviewed as per advice from Internal Auditor regarding EU Contract Regulations and minor amendments requested by The Town Clerk and a request by Council

03.18 Reviewed per Clerk

05.19 Reviewed & Amended by Full Council