



## **BRAUNSTONE TOWN COUNCIL**

# **FINANCIAL REGULATIONS**

## ***GOVERNING THE CONDUCT OF FINANCIAL MANAGEMENT BY THE COUNCIL***

**12th MAY 2022**

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DATE ADOPTED	30th June 2016	REVIEW DATE	May 2023
REVISED DATE/S	11th May 2017, 16th May 2019, 13th May 2021, 12th May 2022		

## **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. The Chief Executive & Town Clerk has been appointed as RFO for Braunstone Town Council and these regulations will apply accordingly.
- 1.9. The RFO;
  - acts under the policy direction of the council;
  - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the council its accounting records and accounting control systems;
  - ensures the accounting control systems are observed;
  - maintains the accounting records of the council up to date in accordance with proper practices;
  - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the council.
- 1.10. 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; and
  - declaring eligibility for the General Power of Competence.
- 1.14. 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.
- 1.15. 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) of National Association of Local Councils and the Society for Local Council Clerks.
- 1.16. With the exception of signing cheques; where the Financial Regulations provide for authorisation, certification, endorsement and/or signature, this will include, but not limited to electronic form by Councillors and officers. The email or other correspondence containing the approval / endorsement or electronically signed document will be retained on the file.

## **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 a month for operational accounts and at least once a quarter for reserve accounts, and at each financial year end, bank reconciliations will be produced by a finance/administrative officer and verified by the Responsible Financial Officer. Both officers shall sign the reconciliations and the original bank statements (or

similar document) as evidence of production and verification. A summary financial report will be submitted to Policy & Resources Committee, at least quarterly, to include details of reserves held and bank reconciliations.

- 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 all councillors any correspondence or report from internal or external auditors.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1. Each Standing Committee, having regard to the Medium to Long term forecast approved by Council, shall formulate and submit proposals to the Policy & Resources Committee in respect of revenue and capital projects for inclusion in the rolling capital plan not later than the end of December each year.
- 3.2. The RFO must each year, by no later than January, 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 & Resources Committee and the Council.

- 3.3. The Council shall consider annual budget proposals in relation to the council's five 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 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.

#### **4. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1. Expenditure on revenue items may be authorised up to the amounts (excluding the VAT element where it can be reclaimed) included for that class of expenditure in the approved budget. This authority is to be determined by:
  - the Policy & Resources Committee for all items of £25,000 and over;
  - the relevant Standing Committee for items exceeding £5,000 and below £25,000; or
  - the Chief Executive & Town Clerk for any items of £5,000 or less.Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.  
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 Policy & Resources Committee or the Council. During the budget year, and with the approval of the Policy & Resources Committee or the Council, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4. The salary budgets are to be reviewed at least annually by January for the following financial year. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme risk to the delivery of council services, the Chief Executive & Town Clerk may authorise revenue expenditure on behalf of the council as necessary. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,000. The Chief Executive & Town Clerk shall report such action to the Leader of the Council and chairperson of the relevant Standing Committee as soon as possible and to the relevant Standing Committee as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the relevant Standing Committee is satisfied that the project is contained in the Capital Plan and the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.8. The RFO shall regularly provide each Standing Committee with a statement of receipts and payments to date under each budget heading, comparing actual income and 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.

4.9. Changes in earmarked reserves shall be approved by Policy & Resources Committee or 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, will be made by the RFO and approved by the Policy & Resources Committee:

- a) individual named Councillors and Officers may be approved for adding to the bank mandate and/or particular role holders may be approved for adding to the bank mandate;
- b) specific authorisation arrangements and restrictions can be applied to named individuals and specific roles;
- c) where an individual named on the bank mandate ceases to be a member or employee of the authority, then the RFO is able make arrangements to remove the individual from the bank mandate; and
- d) where a particular role holder has been approved for including on the bank mandate, the RFO is able to update the bank mandate with the incumbent's details.

5.2. The arrangements in 5.1 shall be reviewed by the Corporate Governance Sub-Committee and Policy & Resources Committee annually for safety and efficiency.

5.3. A minimum of two current accounts shall be maintained at the bank, a general account and a payroll account.

5.4. A schedule of the payment of money shall be prepared by the RFO and presented to the relevant Standing Committee, supported by relevant invoices. The committee shall review the schedule for compliance and, having satisfied itself shall approve the schedule. A detailed list of all payments shall be disclosed within the agenda or as an attachment to the minutes of the meeting. 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 invoices for payment shall be examined, verified and certified by the officer issuing the order to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents approved expenditure.

5.6. 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 within 30 days of their receipt.

5.7. The Chief Executive & Town Clerk shall have delegated authority to authorise the payment of items.

5.8. The RFO shall retain a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation, provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to.

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

- 5.10. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any approved policy statement.
- 5.11. 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.
- 5.12. 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.
- 5.13. Any changes in the recorded details of suppliers, such as bank account records, shall be approved by the Chief Executive & Town Clerk.

## **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 Chief Executive & Town Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented shall be signed by two members of the council or one member of the council and the Chief Executive & Town Clerk. The Chief Executive & Town Clerk shall not sign a cheque or order for payment where he/she issued the order for the work. 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, the signatories shall each also initial the invoice or similar documentation.
- 6.6. Payment for certain items may be made by variable direct debit provided that the instructions are signed by two account signatories and any payments are reported to the relevant Standing Committee as made. The approval of the use of a variable direct debit shall be renewed by resolution of the relevant Standing Committee at least every two years.
- 6.7. Payment for certain items may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two account signatories are retained and any payments are reported to the relevant Standing Committee as made. The approval of the use of a banker's standing order shall be renewed by resolution of the relevant Standing Committee at least every two years.
- 6.8. 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 the relevant Standing Committee as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the relevant Standing Committee at least every two years.
- 6.9. Payment for certain items may be made by internet banking transfer provided evidence is retained showing which authorised bank signatories approved the payment.

- 6.10. 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, the Responsible Financial Officer and at least one other officer will be given their own PIN and Passwords.
- 6.11. No employee 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 Responsible Financial Officer.
- 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, its employees 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 Responsible Financial Officer shall be appointed as the Service Administrator. The bank mandate approved by the Policy & Resources Committee shall identify a number of account signatories 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, 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 the Responsible Financial Officer or nominated delegate. A programme of regular checks of standing data with suppliers will be followed.
- 6.17. Any Debit Card issued for use will be specifically restricted to the Officer to which it has been issued and will also be restricted to a single transaction maximum value of £1,000 unless authorised by the Policy & Resources Committee in writing before any order is placed.
- 6.18. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Policy & Resources Committee. Transactions and purchases made will be reported to the Responsible Financial Officer and authority for topping-up shall be at the discretion of the Responsible Financial Officer.
- 6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to the Officer to which it has been issued and will also be restricted to a single transaction maximum value of £1,000 unless authorised by the Policy & Resources Committee in writing before any order is placed 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 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 £250 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 5.2 above.

6.21. In the event that it is not possible for the Responsible Financial Officer to maintain a petty cash float of £250 for the purpose of defraying operational and other expenses (6.20) or as an alternative; payment of such expenses may be reimbursed by BACS as follows, including any outstanding claims:

- a) the claimant will provide the Responsible Manager with a signed form for authorisation (which includes submission electronically), stating details of their bank, branch, sort code, account number and name; no payment will be made to a bank account which is not in the name of the claimant;
- b) advance approval should be sought from the Responsible Manager;
- c) the claim will be made by completing and signing the Petty Cash voucher along with submission of the receipt (including any VAT details);
- d) vouchers for payments made shall be forwarded to the Responsible Financial Officer / Deputy Responsible Financial Officer with a claim for reimbursement and recorded on a log to ensure overview of the number and frequency of payments;
- e) the log will detail the claimant, date of claim, nature/purpose of claim and the amount;
- f) the claim will be input onto the Financial System as normal expenditure, the payee being "Incidental Expense Payments" followed by the employee payroll number, and will require approval by two account signatories;
- g) reimbursement of the claim will then be paid by BACS from the general operating account;
- h) the expenditure will be reported on the list of payments submitted to Standing Committees to ensure overview over a period of time.

## **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, member allowances and employee and member expenses shall be made by the RFO from the payroll account in accordance with payroll records and the rules of PAYE and National Insurance, Council and National Joint Council policies currently operating, and salary rates shall be as agreed by Policy & Resources Committee or Council, as appropriate.

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.

7.3. The payroll account shall not be overdrawn at the bank. Transfers to fund it shall be made from the Council's general account, signed by at least two members of the Council who are bank signatories, and shall be shown separately on the Schedule of the payment of money presented to the relevant Standing Committee (under 5.2 above).

7.4. No changes shall be made to any employee's pay scale, emoluments, or terms and conditions of employment without the prior consent of the Policy & Resources Committee or Council, as appropriate.

7.5. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded as a confidential record, which 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.

- 7.6. An effective system of personal performance management should be maintained for officers.
- 7.7. Any termination payments shall be supported by a clear business case, including contractual and employment law implications and any implications for the employer pension contributions, and reported to and authorised by the Employing Committee or Council, as appropriate.

## **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 Full Council as to terms and purpose.
- 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 & Resources Committee. In each case a report in writing shall be provided in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 8.4. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5. All investments of money under the control of the council shall be in the name of the council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## **9. INCOME**

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The Policy and Resources Committee will review all fees and charges at least annually, following a report of the Chief Executive & Town Clerk and will report to Full Council for approval.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Policy & Resources Committee and shall be written off in the year.

- 9.5. All sums received on behalf of the council shall either be paid to the RFO for banking or be banked by the officer collecting the money 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 council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **10. ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate (e.g. Petty Cash purchases). Copies of orders shall be retained.
- 10.2. An Order will only be issued following receipt of a signed requisition request, which must be counter signed by another officer who has been authorised to do so 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. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

## **11. CONTRACTS**

- 11.1. Procedures as to contracts are laid down as follows:
  - a. Every contract whether made by the Council or by a Committee to which the power of making contracts has been delegated shall comply with these Standing Orders, and no exception from any of the following provisions of these Standing Orders shall be made otherwise than by direction of the Council or in an emergency by such a Committee as aforesaid provided that these Standing Orders shall not apply to contracts which relate to items i) to vi) below:
    - i) for the supply of gas, electricity, water, sewerage 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 parts for existing machinery or equipment or plant.
    - iv) For work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.
    - v) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.

- vi) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of the Council).
- b. When it is to enter into a contract of less than £25,000 and exceeding £5,000:
  - i) 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 Chief Executive & Town Clerk shall invite tenders from at least three firms.
  - ii) For expenditure of £5,000 or less in value the Chief Executive & Town Clerk shall have executive power.
- c. Such invitation to tender shall state the general nature of the intended contract and the Chief Executive & 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 Chief Executive & Town Clerk.
- d. 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 unless it proposes to use an existing list of approved suppliers (framework agreement) and shall procure on the basis of a formal tender as summarised as follows:
  - i) a public notice of intention to place a contract to be placed on the Contracts Finder Website, on the Council's website and in any other relevant publication;
  - ii) a specification of the goods, materials, services and the execution of works shall be drawn up;
  - iii) tenders are to be returned in a sealed marked envelope, to the Chief Executive & Town Clerk by a stated date and time;
  - iv) tenders submitted are to be opened, after the stated closing date and time, by the Chief Executive & Town Clerk and at least one Member of the Council;
  - v) tenders are then to be assessed and reported to the appropriate meeting of the Council or Committee.
- e. The relevant procurement procedures and other requirements in the Public Contracts Regulations 2015, which include advertising the contract opportunity on the Contracts Finder website and in OJEU, 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 is subject to change) and advice should be sought at this level.
- f. A public contract, which exceeds the various thresholds being determined by the European Commission every two years and published in OJEU, in connection with the supply of gas, heat, electricity, drinking water, transport services, or postal services to the public; or the provision of a port or airport; or the exploration for or extraction of gas, oil or solid fuel for a supply, services or design contract; works contract or for a social and other specific services contract; shall comply with the relevant procurement procedures and other requirements in the Utilities Contracts Regulations 2016 and advice should be sought at this level.
- g. When applications are made to waive Standing Orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- h. All sealed tenders shall be opened at the same time on the prescribed date by the Chief Executive & Town Clerk in the presence of at least one member of council.
- i. Any invitation to tender issued under this regulation shall be subject to Standing Orders 6.5, and shall refer to the terms of the Bribery Act 2010.
- j. The Council or a Committee is not bound to accept the lowest tender, estimate or quote. Any tender notice shall contain a reference to the Standing Orders 7.1 & 7.2 regarding improper activity. The awarding of the contract will be publicised.

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

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

**14. ASSETS, PROPERTIES AND ESTATES**

- 14.1. The Chief Executive & 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 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 sold, leased or otherwise disposed of, without the authority of the relevant standing committee, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £1,000.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the relevant Standing Committee, together with any other consents required by law. In each case a report in writing shall be provided to the relevant Standing Committee 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 relevant Standing Committee. In each case a report in writing shall be provided to the relevant Standing Committee 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.

**15. INSURANCE**

- 15.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 15.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it or make necessary amendments/additions to the insurance as they arise.
- 15.3. 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 the next meeting of the relevant Standing Committee.
- 15.4. 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 by the relevant Standing Committee.

**16. RISK MANAGEMENT**

- 16.1. The council is responsible for putting in place arrangements for the management of risk. The Chief Executive & Town Clerk 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 relevant Standing Committee at least annually.
- 16.2. When considering any new activity, the Chief Executive & Town Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Corporate Health & Safety Group.

**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 Chief Executive & 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 members of Council.