



TOTTON & ELING TOWN COUNCIL

# Financial Regulations

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# TOTTON & ELING TOWN COUNCIL FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the Council at its meeting held on

## 1. General

- 1.1. These Financial Regulations govern the financial management of the Council and may only be amended or varied by resolution of the Council. They are one of the Council's governing documents and shall be observed in conjunction with the Council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of Councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
  - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
  - "Approve" refers to an online action, allowing an electronic transaction to take place.
  - "Authorise" refers to a decision by the Council, or a committee or an officer, to allow something to happen.
  - 'Proper practices' means those set out in *The Practitioners' Guide*
  - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
  - 'Must' and **bold text** refer to a statutory obligation the Council cannot change.
  - 'Shall' refers to a non-statutory instruction by the Council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Council and shall be responsible for the proper administration of the Council's financial affairs. The RFO has been appointed and these regulations apply accordingly. The RFO:
  - acts under the policy direction of the Policy & Resources Committee.
  - 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 control systems.
  - ensures the accounting control systems are observed.
  - ensures the accounting records are kept up to date.
  - seeks economy, efficiency and effectiveness in the use of Council resources; and produces financial management information as required by the Council.

**1.6. The Council must not delegate any decision regarding:**

- **setting the final budget or the precept (Council tax requirement)**
- **the outcome of a review of the effectiveness of its internal controls**
- **approving accounting statements**
- **approving an annual governance statement**
- **borrowing**
- **declaring eligibility for the General Power of Competence**
- **addressing recommendations from the internal or external auditors**

**1.7. In addition, the Council shall:**

- determine and regularly review the bank mandate for all Council bank accounts.
- authorise any grant.

**2. Risk Management and Internal Control**

**2.1. The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**

2.2. The Town Clerk and RFO shall prepare, for approval by the Council, a General & Financial Risk Assessment covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.

2.3. **At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.4. **The accounting control systems determined by the RFO must include measures to:**

- **ensure that risk is appropriately managed.**
- **ensure the prompt, accurate recording of financial transactions.**
- **prevent and detect inaccuracy or fraud.**
- **allow the reconstitution of any lost records.**
- **identify the duties of officers dealing with transactions and ensure division of responsibilities.**

2.5 A delegated Officer shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO.

2.6. Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location from the computer. The Council shall put measures in place to ensure that the ability to access any Council computer is not lost if an employee leaves or is incapacitated for any reason.

### 3. Accounts and audit

- 3.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
  - **day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate.**
  - **a record of the assets and liabilities of the Council.**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.4. The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the Council, within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The Council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.6. **Any Officer or member of the Council must make available such documents and records as the internal or external auditor consider 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.
- 3.7. The internal auditor shall be appointed by the Council and shall carry out their work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The Council shall ensure that the internal auditor:
  - is competent and independent of the financial operations of the Council.
  - reports to Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year.
  - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and has no involvement in the management or control of the Council.
- 3.9. Internal or external auditors may not under any circumstances:
  - perform any operational duties for the Council.
  - initiate or approve accounting transactions.

- provide financial, legal or other advice including in relation to any future transactions.
- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

3.11. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

3.12. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

#### 4. Budget and precept

4.1. **Before setting a precept, the Council must calculate its Council tax (England) requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**

4.2. Budgets including salaries, wages, and including employer contributions shall be reviewed annually in October for the following financial year as part of the budget preparation as in 4.3. The RFO will inform the Policy & Resources Committee of any salary implications before they consider their draft budgets.

4.3. No later than the scheduled Policy & Resources Committee meeting in November each year, the Town Clerk and RFO shall prepare a draft budget for presentation at each relevant Committee, and Full Council approval.  
The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may be carried forward by placing them in an earmarked reserve or returned to general reserves.

4.5. Each committee shall review its draft budget and submit any proposed amendments to the Policy & Resources Committee no later than its scheduled meeting in November each year.

4.6. The draft budget with any committee proposals and if required, including any recommendations for the use or accumulation of reserves, shall be considered by the Policy & Resources Committee and a recommendation made to the Council.

4.7. Having considered the proposed budget the Council shall determine its Council tax (England) requirement by setting a budget. The Council shall set a precept for this amount no later than the January meeting for the ensuing financial year.

- 4.8. **Any member with Council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11 Expenditure on the revenue account may be incurred up to the amounts included in each Committee approved budget. No expenditure may be incurred which cannot be met from the amount provided in the appropriate Committee revenue budget unless a virement has been approved by the P & R Committee or Full Council.
- 4.12 The RFO shall periodically provide the P & R Committee with a statement of income and expenditure comparing actuals with budgets to date under each heading of the approved annual revenue and capital budgets.

## **5. Procurement**

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2. 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 a) – g)
  - (a) for the supply of gas, electricity, water, sewage and telephone services.
  - (b) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants.
  - (c) for work to be executed or goods or material to be supplied which consist of repairs to or parts of existing machinery or equipment or plant.
  - (d) for work to be executed or goods or material to be supplied which constitute an extension on an existing contract by the Council.
  - (e) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
  - (f) where it is intended to enter into a contract.
  - (g) where the estimated value or amount of a proposed contract does not exceed £30,000 including VAT.

The Clerk or an Officer appointed by them may enter into such contract with any person whom they consider competent for the purpose but shall have regard to cost and quality considerations and after obtaining best value quotations.

Where the estimated value or amount of a proposed contract exceeds £30,000 but does not exceed £55,000 the Clerk or an Officer appointed by them shall invite not less than three quotations via tendering process which shall be considered only if they are received in securely sealed envelopes endorsed with Tender (followed by the subject to which they relate) and addressed to the Clerk or delegated officer who shall hold the quotations in custody until the time appointment for opening them. The Clerk or an Officer appointed by them shall arrange for the envelopes to be opened at one time in their presence and at least one Member of the Council and shall prepare and sign a list of opened quotations. The Clerk or an Officer appointed by them may:

- i. Accept the lowest quotation (if payment is to be made by the Council) or the highest quotation (if payment is to be made to the Council)
- ii. Where the estimated value or amount of a proposed contract exceed £55,000 at least ten days public notice shall be given in at least one local newspaper expressing the nature and purpose thereof and inviting tenders for its execution and stating the date when tenders will be received.

Nothing in these standing orders shall require tenders to be invited if the price of the goods or materials are wholly controlled by trade organisations or government order and no reasonable satisfactory alternative is available or for some other reason there would be no genuine competition.

No tender shall be accepted for contracts exceeding the original estimated amount approved by the Council.

Subject to the following provision any tender submitted in competition received after the specified time shall be returned to the tenderer by the Clerk or delegated Officer. For the above purpose only such tender may be opened to ascertain the name of the tenderer but no details of the tender shall be disclosed: provided that if the Clerk or an Officer appointed by him and one Member of the Council is satisfied that there is evidence of posting in time for delivery by the due date in the normal course of post delivery and that the other tenders have not been opened, otherwise than for the purpose of this Contract Standing Order, such tender may be considered provided that a decision to do so is taken before the tender is opened.

Where examinations of tenders reveals errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and afforded an opportunity of confirming his offer or of amending it to correct genuine errors. Should they elect to amend his offer and the revised tender is no longer the lowest, the offer now lowest in competitive order shall be examined.

- (I) In every written contract a clause shall be inserted to secure that the Council shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellations, if the contractor shall have offered or given or agreed to give any person any gift or consideration of any kind as an

inducement or reward for doing or forbearing to do, or for having done, or forborne to do any action in relation to obtaining or the execution of the contract, or any other contract with the Council or for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Council or if the like acts shall have been done by any person employed by them or acting on their behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Council the Contractor or any person employed by them or acting on their behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1961 or any amendment of them or shall have given any fee or reward the receipt of which is an offence under subsection 2 of section 117 of the Local Government Act 1972.

- (J) It shall be a condition of the engagement of the services of any architect or of any engineer, surveyor or other consultant (not being an Officer of the Council) who is to be responsible to the Council for the supervision of a contract on its behalf, that in relation to that contract they shall:
- (i) comply with these Standing Orders as though they were an Officer of the Council.
  - (ii) at any time during the implementation of the contract produce to the Clerk or their representative, on request, all the records maintained by him in relation to contract; and
  - (iii) on completion of a contract, transmit all such records to the Clerk.
- (K) Before entering into a contract in respect of construction, repair or maintenance relating to building trade works, the Clerk or delegated Officer shall ensure that the contractor produces evidence that they hold satisfactory insurance policies in respect of employers' liability, third party and fire risks, and such policies shall be maintained by, or on behalf of, the contractor during the currency of contract. In respect of Employers' Liability and third party risks the sum insured shall be not less than £5,000,000 in respect of any one accident. The Town Clerk shall have the right if they consider it appropriate to increase that figure to £10,000,000
- (L) In every written contract for the execution of work or the supply of goods or materials the following clauses shall be inserted:
- The Contractor shall be prohibited from transferring or assigning directly, or indirectly, to any person or persons whatsoever, any portion of his contract without the written permission of the Council. Subletting of any part(s) of the work, except to the extent permitted in writing by the Council shall be prohibited.

- (M) (a) Every contract regardless of value shall be in writing.
- (b) Every written contract, whether for the execution of work or for the supply of goods or materials, shall be in such form as the Clerk may approve.
- (c) Every contract in writing shall specify:
- (d) The work, materials, matters or things to be executed or supplied.
- (e) The price to be paid, with a statement of discounts, or other deductions; and the time or times within which the contract is to be performed.
- (f) This Standing Order section (m) shall not apply in cases where the Council is ordering materials or goods which are supplied to the Council on a regular basis for the running, maintenance or repairs of the Council's land, buildings or machines.

**5.3 For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**

5.4. Where the estimated value is below the Government threshold, the Council shall obtain prices as follows:

5.5. For contracts estimated to exceed £30,000 including VAT, the Clerk, or delegated Officer, shall seek formal tenders from at least three suppliers OR advertise an open invitation for tenders in compliance with any relevant provisions of the procurement Legislation. Tenders shall be invited in accordance with Appendix 1.

**5.6. For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation<sup>1</sup> regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**

5.7. For contracts less than £30,000 including VAT the Clerk or delegated Officer shall seek best value quotes;

5.8 For smaller purchases, the Clerk and Officers shall seek to achieve value for money.

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<sup>1</sup> The Regulations require Councils to use the Central Digital Platform website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

**5.9 Contracts must not be split into smaller lots to avoid compliance with these rules.**

5.10 The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:

- i. specialist services, such as legal professionals acting in disputes.
- ii. repairs to, or parts for, existing machinery or equipment.
- iii. works, goods or services that constitute an extension of an existing contract.
- iv. goods or services that are only available from one supplier or are sold at a fixed price.

5.11. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Council or relevant Committee. Avoidance of competition is not a valid reason.

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

5.13. Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- Relevant Line Managers.
- In respect of grants, a duly authorised Committee within any limits set by Council and in accordance with any policy statement agreed by the Council.
- In respect of all items over £15,000 the RFO will advise the relevant Committee.

Such authorisation must be supported by a minute (in the case of Council or committee decisions) or other auditable evidence trail.

5.14 No individual member, or informal group of members may issue an official order or make any contract on behalf of the Council unless instructed to do so in advance by a resolution of the Council.

5.15 No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Council or a duly delegated committee acting within its Terms of Reference except in an emergency.

5.16 In cases of serious risk to the delivery of Council services or to public safety on Council premises, the Clerk may authorise expenditure of up to £15,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.

5.17 Where expenditure is incurred in accordance with regulation 5.18 above and the sum required cannot be met from savings made elsewhere within the Committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the P & R Committee or the Council.

- 5.18 No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 5.19 An official order or letter shall be issued for all work, goods and services. Copies of orders shall be retained, along with evidence of receipt of goods.
- 5.20 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.
- 5.21 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the appropriate Committee being informed where the final cost is likely to exceed the financial provision.

## **6. Banking and payments**

- 6.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the Council; banking arrangements shall not be delegated to a Committee. The Council has resolved to bank with Natwest Bank and Barclays Bank.
- 6.2. The Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the Council's bank.

The following principles shall be observed in connection with accounting duties.

- (a) the duty of providing information, calculating, checking and recording sums due to, or from, the council, should be separated where possible from the duty of collecting or dispersing them.
- (b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 6.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the Council before being certified by the RFO.
- 6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.5. All payments shall be made by online banking where possible or cheque if this is not possible, in accordance with a resolution of the Council or a delegated decision by an officer, unless the Council resolves to use a different payment method.
- 6.6 A schedule of the payment of monies over £15,000 applicable to the main Council account shall be prepared by the RFO and presented at each P & R meeting as

soon as possible after payment. All invoices required for notification by the Council shall be entered on the schedule.

Cheques and autopay sheets drawn on the wages and imprest accounts, (Imprest/autopay account up to £15,000) shall be signed by one of the following Officers – The Clerk, Deputy Town Clerk, RFO and the Head of Community Services.

All cheques and electronic payments over £15,000 shall be signed by two members and counter signed by one of the Officers referred to above. Cheques and electronic payments over £40,000 shall be also signed by an additional second Officer from the above list.

Duly certified invoices shall be passed to the RFO whom shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. They shall take all possible steps to settle all invoices submitted, and which are in order, within 28 days of their receipt.

## **7. Electronic payments**

- 7.1. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Town Clerk, RFO and delegated Officers may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.
- 7.2. All authorised delegated Officers' signatories shall have access to view the Council's bank accounts online.
- 7.3. No employee or Councillor shall disclose any PIN or password, relevant to the Council or its banking, to anyone not authorised in writing by the Council or a duly delegated committee.
- 7.4. Authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.
- 7.5. Evidence shall be retained showing which members approved the payment online.
- 7.6. With the approval of the delegated officers, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are [signed/approved online] by a delegated Officer.
- 7.7. Payment may be made by BACS. The approval of the use of BACS shall be as per the procedure stated in item 7.1.
- 7.8. Account details for suppliers may only be changed upon written notification by the supplier verified by the RFO and delegated Officer. This is a potential area for fraud and the individuals involved should ensure that any change is genuine.

7.9. Members and Officers shall ensure that any computer used for the Council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

7.10. Remembered password facilities other than secure password stores requiring separate identity verification should not be used on any computer used for Council banking.

## **8. Cheque payments**

8.1. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

8.2. Cheques or orders for payment shall be presented for signature where possible at, or immediately before or after a Council or Committee meeting.

## **9. Petty Cash**

9.1 All cash received must be banked intact. Any payments made in cash by the RFO or delegated Officer (for example for postage or minor stationery items) shall be refunded on a regular basis.

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 £300.00 For the purpose of defraying operational and other expenses. Vouchers for payment 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.

## **10. Payment of salaries and allowances**

10.1. **As an employer, the Council must make arrangements to comply with the statutory requirements of PAYE legislation.**

10.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**

10.3. Salary rates shall be agreed by the Council, in line with NJC recommendations. Changes may be made by the Town Clerk to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Council {or relevant Committee} provided any changes were within the Council's previously approved salary budgets.

The payment of all salaries and wages shall be made by the RFO from the payroll account in accordance with the payroll records. The payroll account shall not be overdrawn at the bank. Transfers to fund it shall be made from relevant Council's account.

All time sheets shall be certified as to accuracy by or on behalf of the Clerk by Line Managers.

- 10.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
- 10.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 10.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the Town Clerk and Internal Auditor to ensure that the correct payments have been made.

## **11. Loans and investments**

- 11.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the Policy & Resources Committee and Full Council and recorded in the minutes. All borrowing shall be in the name of the Council, after obtaining any necessary approval.
- 11.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Full Council, following a written report on the value for money of the proposed transaction.
- 11.3. The Council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance.
- 11.4. All investment of money under the control of the Council shall be in the name of the Council.
- 11.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 11.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

## **12. Income**

- 12.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 12.2. The Council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Town Clerk and RFO. The RFO shall be responsible for the collection of all amounts due to the Council.
- 12.3 Any bad debts or sums written off in excess of £5,000 shall be reported to the P & R Committee.

- 12.4. All sums received on behalf of the Council shall be deposited intact with the Council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 12.5. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 12.6. The RFO shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software on a minimum of two occasions during a financial year.

### **13. Payments under contracts for building or other construction works**

- 13.1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
- 13.2. Any variation of, addition to or omission from a contract must be authorised by the RFO to the contractor in writing, with the Council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

### **14. Stores and equipment**

- 14.1. The Officer in charge of each section shall be responsible for the care and custody of stores and equipment.
- 14.2. 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.
- 14.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 14.4. The RFO shall be responsible for periodic checks of stocks and stores, at least annually.

### **15. Assets, properties and estates**

- 15.1. The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Council.
- 15.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Council, their location, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.
- 15.4. No interest in land 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. In each case a written report 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 where required by law).

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, except where the estimated value of any one item does not exceed £5,000. In each case a written report shall be provided to Council with a full business case.

No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £5,000.

## **16. Insurance**

16.1. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered, reviewing these annually in conjunction with the Clerk before the renewal date in conjunction with the Council's review of risk management.

16.2. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim. The RFO shall negotiate all claims with the Council's insurers.

16.3. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or duly delegated committee.

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

## **17. Charities**

17.1 Where the Council is sole trustee of a Charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **18. Risk Management**

18.1 The Clerk and delegated Officers shall prepare and promote risk management policy statements in respect of all existing and proposed activities of the Council.

**19. Suspension and revision of Financial Regulations**

19.1. The Council shall review these Financial Regulations every 3 years, unless changes determine otherwise. The Clerk shall monitor changes in legislation or proper practices and advise the Council of any need to amend these Financial Regulations.

19.2. The Council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.

19.3. The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

## Appendix 1 - Tender process

- 1) Any invitation to tender shall state the general nature of the intended contract and the Clerk or appointed Officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk or appointed Officer in the ordinary course of post, unless an electronic tendering process has been agreed by the Council.
- 3) **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
- 4) Where a postal process is used, 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. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk or appointed Officer in the presence of at least one member of Council. A list of tenders opened shall be made immediately by the Clerk or an Officer appointed by them and maintained by them showing the names of the tenderers and the tender sums, and shall be certified as a correct record of tenders received by the Member of the Council present.
- 5) Any invitation to tender issued under this regulation shall be subject to and shall refer to the terms of the Bribery Act 2010.
- 6) Where 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, 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.