



KEIGHLEY TOWN COUNCIL FINANCIAL REGULATIONS

NB everything in bold is compulsory

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FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its meeting held on 17th July 2018.

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 and the Scheme of Delegation.
- 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. Officers and members are required to comply with these Regulations. Failure to do so by an officer may be considered to be gross misconduct and may result in disciplinary action
- 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 and may be dealt with under Standing Order 14.
- 1.8. The Responsible Finance Officer (RFO) holds a statutory office appointed by the Council under s.151 of the Local Government Act 1972.

- 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.
 - keeps 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 in a timely manner.
- 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 management information prepared for the Council from time to time comply with the latest Accounts and Audit Regulations
- 1.11. The accounting records determined by the RFO shall 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 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 (to ensure the timely production of accounts).
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records (to enable the safe and efficient safeguarding of public money).
 - 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 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
 - procedures that define how approval has been given for each transaction and decision; and
 - measures to ensure that risk is properly managed.
 - meeting all Data Protection requirements

1.13. The Council is not empowered by these Regulations or otherwise to delegate the following matters which shall be a matter for the Council only:

- setting the final budget and the precept (Council Tax Requirement).
- approving accounting statements.
- approving the Annual Governance Statement.
- borrowing.
- writing off bad debts.
- declaring eligibility for the General Power of Competence; and any other relevant power.
- addressing recommendations in any report from the internal or external auditors; and
- engaging financial consultants above £500 subject to a recommendation from a relevant committee in accordance with its terms of reference.
- meeting all Data Protection requirements

1.14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts.
- approve any grant in excess of £10,000 or a single commitment in excess of £20,000; and
- in respect of the annual salary for any employee have regard to recommendations Society of Local Council Clerks (SLCC) or National association of Local Councils (NALC) recognised salary scales about annual salaries of employees made by the relevant Committee in accordance with its terms of reference

1.15. In these Financial Regulations, references to the Accounts and Audit Regulations 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.

1.16. In these Financial Regulations the term 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils – a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

2.1. All accounting procedures and financial records of the Council shall be determined and provided by the RFO in accordance with the Accounts and Audit Regulations, Standing Order 17, appropriate guidance and proper practices. Standing Order 17 to be amended in Standing Orders

- 2.2. The RFO will prepare and submit the Annual Return, inclusive of financial statements, for approval by the Council, following a recommendation from the Finance & Audit Committee, within the timescales set by the Accounts and Audit Regulations or the External Auditor.
- 2.3. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control, including the effectiveness of its internal audit arrangements, which shall be in accordance with proper practices.
- 2.4. Both Internal and External Auditors have a right of access to all Council records, information and assets which they consider necessary to fulfil their responsibilities. They have a right of direct access to the Mayor and all other members and to the Clerk and all other officers. Any officer or member shall make available such documents and records as appear to the Auditor to be necessary for the purpose of the audit and shall supply the RFO or Auditor with such information and explanation as the Auditor considers necessary for that purpose
- 2.5. The Internal Auditor shall be appointed by the Council and carry out work in relation to internal controls required by the Council in accordance with proper practices. The Internal Auditor shall:
 - be competent and independent of the 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
 - not be involved in the decision making, management or control of the Council
- 2.6. Internal and 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 Auditor
- 2.7. All reports by the Internal or External Auditor shall be considered by the Council. Any recommendations must either be agreed for implementation or reasons why they are not agreed recorded in the Council minutes.
- 2.8. The RDO 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 legislation by Audit Commission Act 2998, or any superseding legislation and the Accounts and Audit Regulations.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. The aim of the budget planning process is to arrive at a precept that will fulfil the corporate objectives of the Council, be sufficient for the Council to undertake its statutory duties, service contractual obligations and work for the benefit of the people of Keighley while remaining a financially sound organisation. The Council shall be kept informed throughout this process and ultimately approve the Council's budget.

- 3.2. Each Committee shall submit their draft detailed Committee budget in respect of revenue and capital income and expenditure for the following year to the Finance & Audit Committee by 31 October.
- 3.3. In early November, a Budget Working Group (BWG), as defined in the Scheme of Delegation, will consider detailed estimates of all income and expenditure on base activities (including Committee budgets, grant levels and figures from the Principal Authority) for the following year prepared by the RFO. These estimates will form the draft Council budget.
- 3.4. The draft Council budget shall be presented to the Finance & Audit Committee for consideration by 30 November in the presence of the RFO and the Town Clerk. This Committee may request a second version of the budget to be prepared by the BWG but must reach agreement on a draft budget to be recommended to Council no later than its January meeting. The recommended budget must be capable of meeting all financial commitments and disclose the level of precept.
- 3.5. The Council shall consider and approve the Council budget including the precept and relevant basic amount of Council Tax to be levied for the following financial year by the end of the first full week in February. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved Council budget.
- 3.6. The approved Council budget shall form the basis of expenditure control for the following year.
- 3.7. The Council shall have regard to a three-year forecast of revenue and capital receipts and payments.

4. BUDGETARY CONTROL (REVENUE) AND AUTHORITY TO SPEND

- 4.1. The Finance & Audit Committee shall monitor the income and expenditure of the Council to ensure that it does not overspend its budget in total. It is not responsible for the close control of other committees spend. Any income and expenditure not the responsibility of another committee shall be the responsibility of the Finance & Audit Committee.
- 4.2. Committees with an allocated budget are responsible for the proper management of that budget and may only incur expenditure on revenue items up to the amounts included in the approved budget without seeking further approval of Council. Adhering to these Regulations will assist committees in the proper management of their allocated budget.
- 4.3. A committee may only incur expenditure which exceeds the amount provided for in that heading in the revenue budget if the Finance & Audit Committee have identified how that expenditure may be funded. If the funding impacts on the level of the contingency funds or reserves, the Finance & Audit Committee will make the Council fully aware of any effect this will have on future projects.
- 4.4. The RFO shall provide the Finance & Audit Committee with a monthly financial monitoring statement, bank reconciliation and any other relevant financial information. In addition, will provide each spending committee with a bi-monthly financial monitoring statement and any other relevant financial information.

- 4.5. Where a committee is at risk of exceeding or not properly managing its budget the Finance & Audit Committee can require a committee to report on the action taking place or planned to manage this risk. If the committee or panel fail to provide this report, the matter may be referred to the Council to consider. Any recommendations from the Finance & Audit Committee to committees must be formally considered and a minuted decision taken on their adoption.
- 4.6. The Finance & Audit Committee must inform the Council if it considers that the Council is at high risk in any of its financial dealings, procedures or systems and may request the Council for extraordinary powers to rectify a high-risk situation.
- 4.7. The Clerk is authorised to incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Clerk shall report the action to the Finance & Audit Committee as soon as practicable thereafter.
- 4.8. Where expenditure is incurred in accordance with regulation 4.7 above and the sum required cannot be met from savings made elsewhere within the approved budget, it shall be subject to the provisions of a supplementary estimate by the Council. This could be by a virement between budget headings.
- 4.9. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Clerk shall report such action to the Chairman as soon as possible and to the Finance and Audit Committee as soon as practicable thereafter.
- 4.10. The salary budgets are to be reviewed annually in November in conjunction with the Chairman of each committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year at the November meeting of that committee. (Consideration also may need to be given at this point to any unknown tax changes, pension contributions, settlements etc)
- 4.11. Unspent or unallocated provisions in the revenue budget may only be carried forward to subsequent year, with the approval of the Finance & Audit Committee, in conjunction with the Town Clerk.
- 4.12. Changes in reserves shall be approved by Council as part of budget approval.

5. BUDGETARY CONTROL (CAPITAL)

- 5.1. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Finance & Audit Committee is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

All capital works shall be administered in accordance with Standing Orders and these Regulations relating to contracts.

6. BANKING ARRANGEMENTS

- 6.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved only by the Finance and Audit committee. A current account shall be maintained at the bank and money invested through a recognised Bank or Building Society. The arrangements shall be regularly reviewed for safety and efficiency. The RFO shall be the nominated individual who deals with the Council's bankers but will not be an account signatory. Banking arrangements shall be reviewed annually by the Town Clerk.
- 6.2. The Council reserves the right to seek credit references in respect of members or officers who act as signatories.
- 6.3. The RFO or Town Clerk is responsible for managing and transferring monies within accounts to the best advantage of the Council. All such transfers shall be reported to the Finance & Audit Committee.
- 6.4. A bank reconciliation shall be produced monthly by the RFO and be submitted to the Finance & Audit Committee for verification, this activity to be evidenced and reported upon, including any exceptions. A member other than the cheque signatory shall be appointed from the committee to verify the bank reconciliations (for all accounts) produced by the RFO. The committee member appointed for that meeting shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be recorded in the minutes of the Finance and Audit committee.
- 6.5. The Council's bank account must not hold funds on behalf of any other individual or organisation except where the Council is the nominated accountable body for a joint committee of local councils.
- 6.6. Personal credit or debit cards of members or staff shall not be used under any circumstances. The charge card associated with the bank account is to be used.
- 6.7. Appropriate safeguards will be put in place by the RFO to ensure that internet banking facilities are restricted to a minimal number of nominated individuals and that such facilities are discharged in a safe and effective manner. In particular passwords and personal identification numbers must not be shared. Any breach of these safeguards shall be immediately reported to the Finance & Audit Committee and to the Council where these are deemed serious. The safeguards defined by the RFO must be adhered to by all those involved in internet banking.
- 6.8. Changes to account details for suppliers which are used for internet banking may only be requested by the supplier in writing and approved in writing by the Clerk. A programme of regular checks of standing data with suppliers will be undertaken by the RFO.

- 6.9. The Council permits the Clerk and RFO to each hold a charge card in the name of the Council on condition that each has a maximum monthly spend of £2,500 and a maximum spend of £2,000 in a single transaction unless authorised by the Finance and Audit committee in writing before any order is placed. The overall limit on each charge card shall be the higher of £2,500 or the minimum allowable by the bank and may only be used for purchases where it would not be practical to follow the normal ordering routine. The cards must be returned to the Council upon the card holder no longer requiring use of the card.
- 6.10. An additional officer should be introduced into the purchase card process to ensure segregation of duties. This regulation would be applicable for the combined role of Clerk/RFO. The additional officer would check and sign the purchase card statement. This officer could be the Deputy Clerk, Administration Officer. A schedule of the payment of money shall be prepared by the RFO for approval at by the Finance & Audit Committee.
- 6.11. All cash and cheques received by the Town Council must be banked within five days of receipt.

7. AUTHORISATION AND INSTRUCTIONS FOR MAKING PAYMENTS

- 7.1. The Council will make safe and efficient payment arrangements.
- 7.2. The Council will only make payments in respect of goods and services that it has received or when grant funding or sponsoring other organisations or as a contribution to a jointly funded project. It shall not make payments on behalf of other organisations.
- 7.3. All invoices for payment shall be examined, including for arithmetic accuracy, verified, coded to the appropriate expenditure heading and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received or carried out and represents expenditure previously authorised. All third-party invoices must be supported by third party supplier invoices, receipts or documentation to evidence where the supply of goods or services has originated.
- 7.4. The RFO shall submit to the Finance & Audit Committee for review and approval monthly schedule of payments made. The schedules shall be signed by the Committee chair and included as an annex to the minutes, subject to any redaction to protect personal information.
- 7.5. Members are subject to the Code of Conduct 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 which must be disclosed, unless a dispensation has been granted.
- 7.6. All payments, other than those paid from petty cash, shall be affected by cheque or online banking payment.

- 7.7. Cheques or orders for payment drawn on the bank account shall be signed by two cheque signatories in accordance with a resolution authorising the expenditure or in accordance with the Scheme of Delegation. 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.
- 7.8. To indicate agreement of the details shown on the cheque or order for payment with the cheque counterfoil and the invoice or similar documentation, the signatories shall each initial the counterfoil. Following authorisation of the invoices for payment Councillors are responsible for checking that the payee and amount agree to the supporting documentation, and that the payment has been authorised.
- 7.9. Payment terms are within 14 days.
- 7.10. Any erroneous or duplicate payments shall be reported to the Finance & Audit Committee, as will any payments made for goods or services that have later proved unsatisfactory.
- 7.11. The Town Clerk may approve the use of Direct Debit, standing order, BACS, CHAPS or internet banking as a means of payments for specific items and where considered appropriate. Instructions must be signed, or otherwise evidenced by two signatories and retained and any payments made by these means shall be recorded on the schedule of payments to the Finance & Audit Committee.
- 7.12. All payments made by Direct Debit, in respect of utilities and on contract shall be made by the RFO in accordance with the terms agreed on payment (subject to Financial Regulation 13 relating to building or other construction work).
- 7.13. The Clerk and RFO shall have delegated authority to authorise the payment of items 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 Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council;
 - Any amount under £5,000
 - An expenditure item authorised under 5.6 (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council; or
 - Fund transfers within the councils banking arrangements up to a sum to cover a months' expenditure provided that a list of such payments shall be submitted to the next appropriate meeting of council. This transfer to be authorised by two Town Councillors through online banking arrangements

- 7.14. A record of regular payments made under 7.13 above shall be drawn up and be signed by the Town Clerk and RFO on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 7.15. In respect of grants the Finance and Audit Committee shall approve expenditure within any limits set by council and in accordance with any Policy statement approved by council. Any Revenue or Capital Grant in excess of £10,000 shall before payment, be subject to ratification by resolution of the Council.
- 7.16. 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.
- 7.17. 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. A rota of Councillors to sign cheques/approve online payments will be prepared and approved at the Annual Meeting. All changes to bank signatories should be agreed and recorded in the Council minutes.
- 7.18. Any changes in the recorded details of suppliers, such as bank account records, shall be received in writing by the Council from the supplier and recorded on the financial system.
- 7.19. Cheques shall be raised within two working days of the meeting where the schedule of payments was approved. Payment by BACS shall be completed within two working days following the meeting where the schedule of payments was approved. Or for payments under £5,000 two days after being approved by the Town Clerk.
- 7.20. Cheques drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two members within one working day of the cheques being raised.
- 7.21. All purchases and contracts in excess of £500 excluding VAT are to be published each month on the Town Council website.
- 7.22. Cheques or orders for payment shall not normally be presented for signature except at a meeting of the Finance and Audit Committee and any signatures obtained in this way shall be reported at the next available meeting.
- 7.23. If thought appropriate by the council, payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.

- 7.24. In most cases payment for items will 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.
- 7.25. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 7.26. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

8. PAYMENT OF SALARIES AND ALLOWANCES

- 8.1. The RFO shall be responsible for the proper payment of all salaries and allowances in accordance with legislation and will maintain adequate payroll records. The RFO will use the HMRC Employment Status Indicator tool where necessary to determine an individual's employment status.
- 8.2. The RFO is responsible for the payment of PAYE, National Insurance and any other deductions required by HMRC or any other government body.
- 8.3. The RFO is responsible for the administration of the West Yorkshire Pension Fund scheme.
- 8.4. The Council can choose to outsource any of the above to a recognised payroll agency but the RFO will still retain overall responsibility.
- 8.5. The Clerk will approve the payroll, based on timesheets or other information, prior to it being run. Evidence of this approval will be retained by the RFO.
- 8.6. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the HR Committee.
- 8.7. Before employing staff, the Human Resources Committee or Special Staffing Committee must consider a full business case.

- 8.8. The record of each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be retained by the RFO. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know.
 - b) by the internal auditor.
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 8.9. The Mayor and Deputy Mayor receive allowances via the payroll on a six-monthly basis in order that they may fund legitimate expenses associated with their roles. Guidance on the expenses funded through the allowances is available from the RFO.
- 8.10. Councillor's allowances be paid monthly through the payroll.
- 8.11. Honoraria may be paid on an entirely discretionary basis up to the level stated in the approved budget.

9. LOANS AND INVESTMENTS

- 9.1. All loans and investments shall be negotiated in the name of the Council, shall be held in the name of the Council, and shall be for a set period, as approved by the Council.
- 9.2. Surplus revenue balances shall be invested in a bank deposit account as arranged by the RFO. Longer term investments will only be made in line with statutory guidelines and advice and be approved by the Council,
- 9.3. Borrowings shall only be effected after obtaining any necessary borrowing approval from the Secretary of State. Any application for borrowing approval and subsequent arrangements for the loan, shall be approved by Council. In each case a formal business case containing a robust and documented risk assessment shall be provided to Council.
- 9.4. 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 formal business case containing a robust and documented risk assessment shall be provided to Council.
- 9.5. All investment certificates and other documents relating thereto shall be in the custody of the RFO.

10. INCOME

- 10.1. The system of collection of all sums due to the Council shall be the responsibility of the RFO.
- 10.2. 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, including rental income. An official Council receipt, invoice or till receipt must be issued in respect of each item of income due to or received by the Council.
- 10.3. The Council will approve all fees and charges at least annually, following the recommendations of the relevant Committees who will consider the advice of the Clerk and RFO.
- 10.4. The Council will periodically consider opportunities to raise additional revenue.
- 10.5. The Council will approve the write off of any sums found to be irrecoverable and any bad debts, following the recommendation of the Finance & Audit Committee and the RFO.
- 10.6. All sums received on behalf of the Council shall be banked intact as directed by the RFO. All receipts shall be deposited with the Council's bankers within five days of receipt.
- 10.7. The origin of each receipt shall be entered on the paying-in slip.
- 10.8. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.9. The RFO shall promptly complete any VAT Return that is required. Any repayment claims due in accordance with VAT Act 1994 section 33 shall be made quarterly with one return coinciding with the financial year end.
- 10.10. 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.
- 10.11. Any overpayments identified shall be recovered in line with the income procedures set out above and the RFO shall be responsible for raising an invoice to the overpaid party to register the debt and recover the overpaid sum of money. Where on investigation if there is evidence of fraudulent intent from the overpaid party, the matter shall be referred to the Police. A criminal conviction in such a case will not eliminate the public debt which has arisen from the overpayment and therefore the recovery of the overpayment will be pursued by any means available.

- 10.12. Any income arising which is the property of a charitable trust shall be paid into a separate bank account. Instructions for the payment of funds due from that bank account to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting.
- 10.13. The Council will review all fees and charges annually, following a report by the Town Clerk
- 10.14. Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.

11. ORDERS FOR WORK, GOODS AND SERVICES

- 11.1. A fully completed 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 (such as in respect of utilities). Order books shall be controlled by the RFO with copies of orders retained. Orders will be signed by the Town Clerk or in their absence by the Deputy Town Clerk.
- 11.2. No orders shall be raised or commitment or contract entered into unless explicit written authority is given by an officer within their delegated limits or by a resolution of a Committee or Council (subject to the limits in the resolution). Where resolutions are 'in draft', officers supporting Committees or Council (or in their absence the Committee Chair or Mayor) should confirm to the RFO that a commitment to be entered into accords with the resolution of the Committee or Council.
- 11.3. The RFO shall verify the legality and authorisation of any proposed purchase before an order is raised and, in the case of novel purchases, will ensure that the statutory authority under which the proposed purchase is being made is reported at the Committee or Council meeting and recorded in the minutes.
- 11.4. 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, subject to any de minimis provisions in Regulation 7.1.
- 11.5. A member may not issue an official order or enter into any contract on behalf of the Council.
- 11.6. Orders may only be placed for goods and services that will be used by the Council and should be allocated to a budget at the time of ordering and where relevant a minute number be included.
- 11.7. A division of duties must be evident in the ordering process. Any purchase orders must be countersigned by another officer to ensure segregation of duties.

12. PROCUREMENT OF GOODS

- 12.1. The adopted Procurement Policy should be referred to alongside Section 12.
- 12.2. All staff in relation to their various roles will be responsible for drawing up tender specifications for the procurement of goods and services where relevant. It is recognised that there would be times when specialist knowledge is required and at these times the Council will procure the services of professionals in that specialist field of work to write the specification with the relevant officer.
- 12.3. Full details of all tender specifications will be given to Members when considering the tenders themselves.
- 12.4. Consideration be given, where considered necessary, to second people onto a given committee who were interested in supporting the Council and be able to offer professional advice.
- 12.5. If relevant in any area of the business of the Town Council draw up a preferred supplier list, many from local suppliers. This would not exclude other companies from applying but would be the list used to approach companies for quotations.
- 12.6. Tenders should be advertised through social media and the Town Council website. Consideration would be given to using newspapers where relevant.
- 12.7. The Council would not necessarily accept the cheapest tender/quote on every occasion but also look at a proven record of good service and supporting the local economy.
- 12.8. All tenders received would form part of a Tender Register.
- 12.9. All companies who tender for any work would be made aware that their tender documentation, where appropriate, would be publically available and the documents would be open to inspection. It is likely there will be some legal restrictions on certain tenders and information contained therein which the Council would adhere to.

13. CONTRACTS

13.1. Procedures as to contracts are laid down as follows:

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by 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 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 the purchase or supply of goods, materials, works or services of a unique character or where there is evidence that there is only one provider due to the nature of the market;
 - vi. for the hiring of event entertainment providers or performance artists;
 - vii. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price;

 - b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹

 - c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

 - d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.

 - e) Such invitation to tender shall state the general nature of the intended contract and the 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 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.
- ¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts
- ¹ Thresholds currently applicable are:
- a. For public supply and public service contracts 209,000 Euros (£164,176)
For public works contracts 5,225,000 Euros (£4,104,394)
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.

- g) If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods, materials, works or services and record the decision and reasons for this.
 - h) 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
 - i) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations
 - j) (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the relevant officer shall strive to obtain 3 estimates. Below this level, best value must be obtained. The decision and reasons for not procuring from a supplier who is not the cheapest must be recorded
 - k) The council or committee, following due deliberations, shall not be obliged to accept the lowest or any tender, quote or estimate.
 - l) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.
- 13.2. All tenders, quotations and estimates above £1,000 shall be recorded in the Council or committee minutes. Officers shall record all tenders, quotations and estimates received in a database created by the RFO.
- 13.3. Contract clauses must be carefully checked to ensure the Council is not committing to excessive risk. Clarity should be sought from the Clerk who will, if necessary, refer the item to Council. In exceptional situations a legal opinion may be required.
- 13.4. Should a conflict of interest arise when evaluating tenders, quotes or estimates or when awarding a contract or otherwise submitting an order for the supply of goods or services, this must be recorded with the Clerk and in the minutes of the Council meeting that intends to appoint a contractor. The officer or member should withdraw from the procurement process unless dispensation is given by the Council.

14. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 14.1. 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 being received (subject to any percentage withholding as may be agreed in the particular contract).
- 14.2. 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 Finance & Audit Committee.
- 14.3. Any variation to a contract or addition to or omission from a contract must be approved by the Finance & Audit Committee and Clerk and notified to the contractor in writing. The Council must be informed where the final cost is likely to exceed the financial provision.

15. STORES AND EQUIPMENT

- 15.1. The Clerk shall ensure there is adequate care and custody of stores and equipment. The Civic Centre manager is responsible for the care and custody of store in the Civic Centre.
- 15.2. 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. These must be attached to a copy of the order.
- 15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

16. ASSETS, PROPERTIES AND ESTATES

- 16.1. The RFO shall ensure that an appropriate and accurate register of assets, including land and buildings, is maintained.
- 16.2. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of land and buildings owned by the Council.
- 16.3. Assets, particularly land and buildings, will be periodically reviewed to assess whether the Council is making the most effective economic use of them. Surplus assets will be considered for disposal, with the approval of Council, for the best possible price.

- 16.4. No land and buildings shall be purchased, 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 report in writing shall be provided to Council in respect of the valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case.
- 16.5. No tangible moveable property shall be purchased, acquired, sold, leased or otherwise disposed of without the authority of the Finance & Audit Committee, save where the estimated value of any one item of tangible movable property does not exceed £500.
- 16.6. A working group of the Finance & Audit Committee formed of three or more members will annually review the asset register and report on the outcome of their review to the Council.
- 16.7. The Clerk will maintain a record of all tenancies entered into by the Council, following a Council resolution to enter into that tenancy.
- 16.8. The Clerk will maintain a record of all tenancies granted by the Council, each of which shall be subject to a signed contract or agreement maintained by the Clerk. Rents in respect of all tenancies shall be collected in accordance with the terms of the agreed contract or agreement and Financial Regulation 10.

17. INSURANCE

- 17.1. As part of the annual corporate risk assessment and in reviewing the asset register, the RFO shall, in consultation with the Clerk, effect all insurances and negotiate all claims on the Council's insurers.
- 17.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which are required to be insured and of any alterations affecting existing insurances.
- 17.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 17.4. The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim, and shall report these to the Council at the next meeting.
- 17.5. All members and officers shall be within the scope of fidelity guarantee insurance and cover the risk exposure determined annually by the Finance & Audit Committee.

18. CHARITIES AND TRUSTS

- 18.1. Where the Council is sole trustee of a Charitable body the Clerk and RFO shall maintain ensure that separate accounts of funds held on trust and make separate financial reports in such form as appropriate, in accordance with Charity Law 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. Subject to this, these Regulations will apply to the activities of the Charity.

19. GRANTS AND SPONSORSHIP

- 19.1. All applications for funding received must be in accordance with the procedures for funding applications agreed by the Council. Those which exceed £1,000 shall be considered by the Council. Sponsorship and contributions to jointly funded projects may be made that fall outside the grant criteria but within the Committee's terms of reference.

20. RISK MANAGEMENT

- 20.1. The Council is responsible for putting in place arrangements for the management of risk. The Council will annually review the Council's Corporate Risk Assessment policy.
- 20.2. A corporate risk assessment will be prepared detailing those risks which may adversely impact on the achievement of the Council's objectives and the controls in place and planned to mitigate them. The corporate risk assessment will be annually reviewed by the Council.
- 20.3. All project plans and business cases that consider major financial investment by the Council must be subject to a sufficiently robust and documented risk assessment that is reviewed as part of their appraisal by the appropriate Committee or Council. No commitment may be entered into until the appraisal is completed and reviewed.

21. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 21.1. It shall be the duty of the Finance & Audit Committee to review these Regulations to ensure they remain effective and up to date every three years, in conjunction with the Policies and Governance Committee. The Clerk shall monitor changes in legislation or proper practices and advise the Council of any changes needed.
- 21.2. 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.

22. MANAGEMENT OF INFORMATION

- 22.1. The Council shall have in place and keep under review, technical and organisational measures to keep secure information (including personal data) which it holds in paper and electronic form. Such arrangements shall include deciding who has access to personal data and encryption of personal data.
- 22.2. The Council shall have in place, and keep under review, policies for the retention and safe destruction of all information (including personal data) which it holds in paper and electronic form. The Council's retention policy shall confirm the period for which information (including personal data) shall be retained or if this is not possible the criteria used to determine that period (e.g. the Limitation Act 1980).

22.3. The agenda, papers that support the agenda and the minutes of a meeting shall not disclose or otherwise undermine confidential information or personal data without legal justification.

22.4. Councillors, staff, the Council's contractors and agents shall not disclose confidential information or personal data without legal justification.