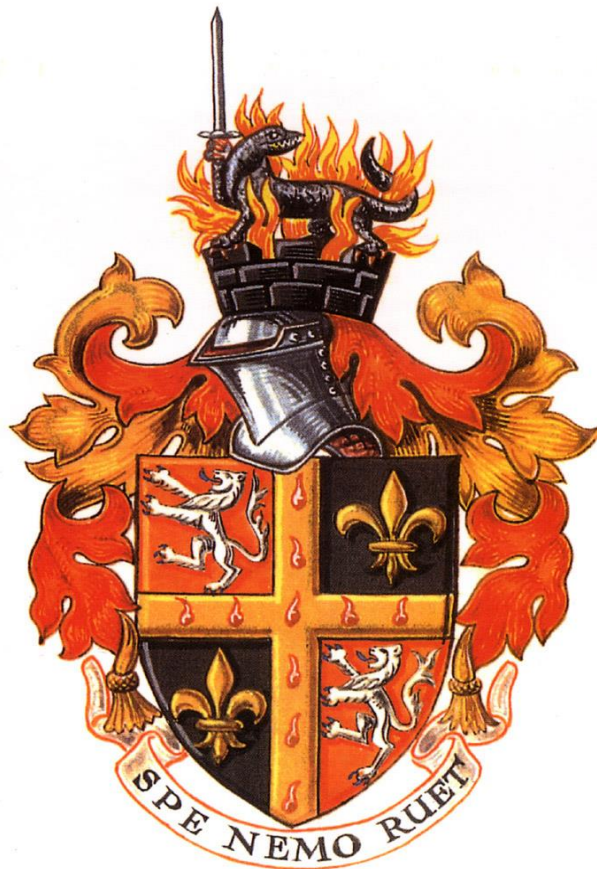


# SPENNYMOOR TOWN COUNCIL



## FINANCIAL REGULATIONS

<b>Author of Policy:</b>	Town Clerk
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In accordance with the Freedom of Information Act 2000, this document will be posted on the Council's Website [www.spennymoor-tc.gov.uk](http://www.spennymoor-tc.gov.uk) and copies of this document will be available for inspection on deposit in the Council Offices, Town Hall, Spennymoor. Costs are as per the model publication scheme.

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These Financial Regulations were adopted by the Council at its Meeting held on 24<sup>th</sup> May 2022.

# 1. General

- 1.1. These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the Council's three governing policy documents providing procedural guidance for Members and Officers. Financial Regulations must be observed in conjunction with the Council's Standing Orders<sup>1</sup> and any individual Financial Regulations relating to contracts and procurement.
- 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
  - identify the duties of Officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) (in accordance with Section 151 of the Local Government Act 1972) holds a statutory office to be appointed by the Council, and acting under the direction of Council is responsible for the proper administration of the Council's financial affairs in accordance with all relevant laws, acts, regulations and proper practices) the Finance Manager ( the Council's "proper officer" in accordance with Section 112 of the Local

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<sup>1</sup> Standing orders are available from the Town Clerk.

Government Act 1972) has been appointed as RFO for this council and these regulations will apply accordingly.

1.9. The RFO:

- acts under the policy direction of the Council;
- administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Council its financial policies, financial procedures, and financial controls.
- ensures the financial policies, financial procedures, and financial controls:
- maintains the accounting records of the Council up to date in accordance with proper practices;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and,
- produces financial management information as required by the Council.

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations<sup>2</sup>.

1.11. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the Council; and
- wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The financial policies, procedures and controls 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;

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<sup>2</sup> Accounts and Audit (England) Regulations 2015

- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
  - procedures to ensure that uncollectable amounts, including any bad debts are submitted to the Council for approval to be written off and that the approvals are shown in the accounting records; and,
  - measures to ensure that risk is properly managed.
- 1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the Precept (council tax requirement);
  - approving Accounting Statements;
  - approving the Annual Governance Statement;
  - borrowing;
  - writing off bad debts;
  - declaring eligibility for the General Power of Competence; and
  - addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.
- 1.14. In addition the Council must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
  - be presented with a report in respect of the annual pay award for employees and have regard to the pay award approved by the National Employers for Local Government Services.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015, or any superseding legislation, and then in force unless otherwise specified.
- In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

## 2. Accounting and Audit (Internal and External)

- 2.1 All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2 The RFO, in conjunction with the Town Clerk, shall complete the Annual Statement of Accounts, Annual Governance Statement, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.3 The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any Officer or Member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.4 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.5 The internal auditor shall:
- be competent and independent of the financial operations of the Council;
  - report to Council Audit Committee in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and,
  - have no involvement in the financial decision making, management or control of the Council.
- 2.6 Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
  - initiate or approve accounting transactions; or,

- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.7 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.8 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by the Accounts and Audit Regulations 2015, or any superseding legislation.
- 2.9 The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

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

- 3.1 The RFO must each year, by no later than end November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.
- 3.2 The council shall consider annual budget proposals, in relation to the council's Medium Term Financial Plan, of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.3 The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority. Hard copies of the approved budget are available from the Finance Manager should any Member require a copy.
- 3.4 The approved annual budget shall form the basis of financial control for the ensuing year.

## 4 Budgetary Control and Authority to Spend

- 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- the Council directly (or Standing Committee decision ratified by the Council) for all orders over £2500;
  - the Town Clerk, for any orders of £2500 or below.
  - the Commercial and Facilities Manager, Finance Manager and Grounds and Estates Officer for any orders of £1,000 or below.
  - The PA to the Town Clerk and Mayor, Finance and Administration Assistants and the Facilities Assistants for any orders £250 or below.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2 Every effort should be made by managers to ensure that expenditure and income are managed and controlled within the approved totals included in each budget line.
- 4.3 However it is acknowledged that in some cases expenditure and income are not directly controllable by managers and that it may not always be possible to control income and expenditure within budget, for example maintenance costs, utilities, grant funding etc.
- 4.4 The Finance Manager should be notified of any potential budget overspends as soon as possible, and spending in the appropriate budgets, should only be incurred in consultation with the Town Clerk and Finance Manager and following agreement of the Town Clerk.
- 4.5 During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.6 Unspent provisions in the revenue or capital budgets shall not be carried forward to a subsequent year without prior approval of Council.
- 4.7 The salary budgets are to be reviewed at least annually to feed into the budget preparation cycle for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk.
- 4.8 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 £7,500. The Clerk shall report such



action to the Chair of the appropriate committee as soon as possible and to the Council as soon as practicable thereafter.

- 4.9 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.10 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 4.11 The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget, along with the projected outturn at the year end. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances.
- 4.12 Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.
- 4.13 Virement
  - a. Virement relates to the transfer of unspent budget resources from one budget head to another, one service head to another or one Committee to another.
  - b. Budget managers may exercise virement within their own service budgets, within their overall approved budget amount, up to a maximum limit of £2,500, in consultation with the Finance Manager and with the approval of the Town Clerk.
  - c. Virement between service budgets within the same Committee can be undertaken with the approval of both the Finance Manager and the Town Clerk but these must be reported to and approved by P&R.
  - d. Virement of budgets between Committees of any amount must be approved by Council.

## 5 Banking Arrangements and Authorisation of Payments

- 5.1 The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may

not be delegated to a Committee. They shall be regularly reviewed for safety and efficiency.

- 5.2 Finance & Administration Assistants shall prepare, for the RFO, a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, present the schedule to Policy and Resources Committee. The Committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council's Policy and Resources Committee. The approved schedule shall be initialled by the Chair of the Meeting, and other authorised Member being on the bank mandate. A detailed list of all payments shall be disclosed on the Council website with the meeting agenda. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.3 All invoices for payment shall be examined, verified and certified by the Finance & Administration Assistants for the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
- 5.4 The Finance & Administration Assistants shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council Policy and Resources Committee meeting.
- 5.5 The Clerk / RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) 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 / 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 the Policy and Resources Committee.
  - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Resources Committee or
  - c) Fund transfers within the Council's banking arrangements up to the sum of £100,000, in terms of Investments, provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Resources Committee.

- 5.6 For each financial year Finance & Administration Assistants shall draw up for the Clerk / RFO a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively), Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Policy and Resources Committee may authorise payment for the year provided that the requirements of regulation 4.4 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Council Policy and Resources Committee.
- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by the RFO on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8 Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.8 The Council will aim to rotate the duties of Members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.9 Any changes in the recorded details of suppliers, such as bank account records, shall be noted by the Finance & Administration Assistant(s) and approved by either the Town Clerk or Finance Manager. Changes to bank account details must be confirmed via telephone with the supplier.

## 6 Instructions For The Making of Payments

- 6.1 Following authorisation under Financial Regulation 5 above, the Council, a duly delegated Committee or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.
- 6.2 All payments shall be effected by BACS, cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.
- 6.3 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or Committee shall be signed by two (unrelated) Members of Council and countersigned by the Clerk, or other Officer so authorised by the Council to act as Officer signatory. Any person having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

- 6.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.5 Cheques or orders for payment shall not normally be presented for signature other than at a Council or Committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Policy and Resources Committee at the next convenient meeting.
- 6.6 Payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made at the earliest practicable opportunity. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 6.7 Payment for certain items (principally salaries) may be made by BACS, CHAPS or banker's standing order provided that the instructions are signed, or otherwise evidenced by the RFO and an authorised bank signatory are retained and any payments are reported to Council as made at the earliest possible practicable opportunity. The approval of the use of BACS, CHAPS or banker's standing order shall be renewed by resolution of the Council at least every two years.
- 6.8 If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which two authorised bank signatories approved the payment.
- 6.9 No Employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated Committee.
- 6.10 A pattern of IT network backups is required at all times to minimise risk. These backups will be held offsite by our IT network administrators (a third party independent IT company).
- 6.11 The Council, and any Members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.12 Where internet banking arrangements are made with any bank, the Town Clerk/RFO or designated Finance & Administration Assistants shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors and Finance & Administration Assistants who will be authorised to approve transactions on those accounts.
- 6.13 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or

e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

- 6.14 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and verified by a telephone call to the supplier, this should be updated by a Finance and Administration Assistant and approved either the Town Clerk or Finance Manager.
- 6.15 Any Debit Card issued for use will be specifically restricted to the Town Clerk and will also be restricted to a single transaction maximum value of £2500 unless in an emergency/disaster situation.
- 6.16 Any corporate credit card account opened by the Council will be specifically restricted to use by the Clerk/RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of Members or Officers and Staff shall not be used under any circumstances without the prior consent of the RFO.
- 6.17 Trade cards and fuel cards may be issued by authority of the Town Clerk. The fuel card is used for purchase of fuel for Council vehicles only, a fuel requisition order must be completed for fuel purchases. In relation to the trade cards, this is controlled by the Grounds and Estates Officer, and used for small items of expenditure, a purchase order must be completed for purchases.
- 6.18 The Council will maintain a till cash float of £30. All cash received must be banked intact.
- 6.19 The Finance and Administration Assistants may provide petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Finance and Administration Assistants with a claim for reimbursement.
  - a) The RFO shall maintain a petty cash float of £300 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked.
  - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

## 7 Payment Of Salaries

- 7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or duly delegated Committee.
- 7.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available meeting of the Council's Policy and Resources Committee, as set out in these regulations above.
- 7.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Policy and Resources Committee
- 7.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. 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 the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015, or any superseding legislation.
- 7.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6 Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.7 Before employing interim staff the Council must consider a full business case.

## 8 Loans and Investments

- 8.1 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.
- 8.2 Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 8.3 The Council will arrange with the Council's banks and investment providers for the sending of a copy of each statement of account to the Clerk/ RFO.
- 8.4 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.5 The Council shall consider the need for a Treasury Management Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.6 All investments of money under the control of the Council shall be in the name of the Council.
- 8.7 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8 Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## 9 Income

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges at least annually, following a report of the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers regularly
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Finance & Administration Assistants shall promptly compile any VAT Return for submission by the RFO or duly authorised Officer that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made monthly.
- 9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10 Any income arising which is the property of a Charitable trust shall be paid into a Charitable bank account. Instructions for the payment of funds due from the Charitable trust 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 (see also Regulation 16 below).



## 10 Orders for Work, Goods and Services

- 10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 Order books shall be controlled by the Finance Administration Assistants for the approval by the Town Clerk or Finance Manager.
- 10.3 All Members and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4 A Member may not issue an official order or make any contract on behalf of the Council.
- 10.5 When a purchase order is authorised in line with 4.1 above, the person signing off the order shall verify the lawful nature of any proposed purchase before the issue of any order.

## 11 Contracts

- 11.1 See separate Contracts and Procurement Policy

## 12 Payments Under Contracts for Building or Other Construction Works

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the Finance & Administration Assistants shall maintain a record of all such payments for approval by the RFO. 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 Council.

- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## 13 Stores and Equipment

- 13.1 The Officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

## 14 Assets, Properties and Estates

- 14.1 The Clerk shall make appropriate arrangements for the custody of all Title Deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations 2015.
- 14.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £1000.
- 14.3 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 14.4 No real property (interests in land) shall be purchased or acquired without the authority of full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.5 Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of full Council. In each case a report in writing shall be provided to Council with a full business case.
- 14.6 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually.

## 15 Insurance

- 15.1 Following the annual risk assessment (per Financial Regulation 17), the RFO, Town Clerk and Commercial and Facilities Manager shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.
- 15.4 All appropriate Members and Employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council, or duly delegated Committee.

## 16 Charities

- 16.1 Where the Council is sole managing trustee of a Charitable body the Clerk/ 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/ RFO shall arrange for any audit or

independent examination as may be required by Charity Law or any Governing Document.

## 17 Risk Management

- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk, with the assistance of SMT, shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 17.2 When considering any new activity, the Clerk with the assistance of the Senior Management Team, shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

## 18 Suspension and Revision of Financial Regulations

- 18.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.
- 18.2 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.