



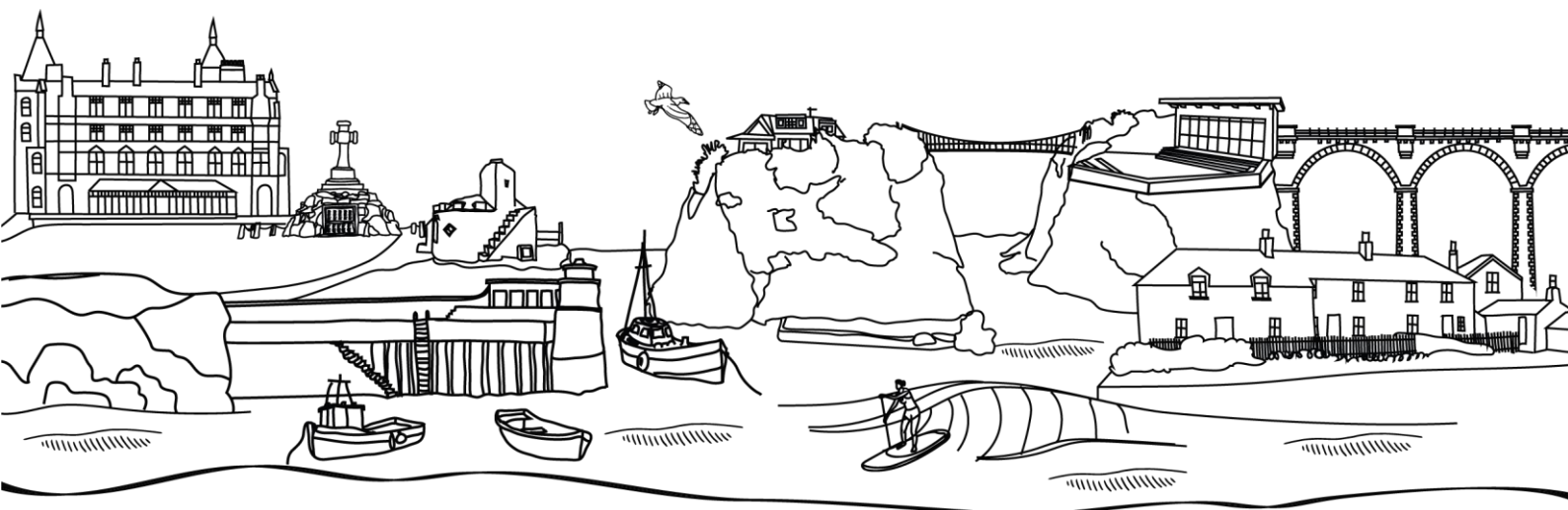
Newquay Council

Corporate Service

Name of Policy: **Financial Regulations 2024**

Date of Inception: **02 May 2024**

This is a Policy or Procedure document of Newquay Town Council and as such must be fully adhered to by both councillors and employees.



Policy/Procedure File Status

Version	2023 0.1	Approving Body	Full Council
Date	21/04/2023	Date of Approval	01/05/2024
Responsible Officer	Chief Executive & Town Clerk (CE&TC)	Minute Reference	060/23 (F)(ii)(1)
Oversight Committee	Governance and Resources (G&R)	Review Date	July 2023

Version History

Date	Version	Author/Editor	Comments
02.01.2018	3.0 Revised based on Operational need	CE&TC	Increased financial limits
20.03.2018	4.0 Revision based on Operational need and discussion with Internal Auditor	CE&TC	Amendments provide more appropriate arrangements for authorising payments and entering agreements
24.03.2018	4.1 Revision based on Operational need and providing a better reflection of reality	CE&TC	Amendments to reporting processes. These are still covered within the scheme of internal audit and control.
17.09.2018	4.2 Revision based on Operational need and updates	CE&TC	Amendments to reflect new Service and changes to statutory limits
11.04.2019	1.0 Revision based on Procurement Training	CE&TC	Amendments to reflect ability to set higher tendering limits
30.04.2019	1.2	CE&TC	Recommended version to Full Council
09.06.2020	1.2	CE&TC	Minimal Review
16.04.2021	(2021) 0.1	CE&TC	Review of EU procurement thresholds and responsible committee
28.03.2022	(2022) 0.1	CE&TC	Update to committee
21.04.2023	(2023) 0.1a	CE&TC	Updates showed by tracked changes – required due to changes in RFO
31.07.2023	(2023) 0.2	F&PM	Updates required due to control and procedural changes in line with best practice
31.07.2023	(2023) 0.2	CE&TC	Changes recommended from committee meeting
15.04.2024	(2024) 0.1	CE&TC	Update to public procurement limits on Page 20 (11.1A(i) and 11.1A(ii))

Review Record

Date	Type of Review Conducted	Stage Completed	Summary of Actions Taken or Decisions Made	Completed By
02.01.2018	Full	07.02.2018	Increased financial limits for approval	CE&TC
20.03.2018	Part - Operational	17.09.2018	Altering control processes based on operational needs	CE&TC
17.09.2018	Part - Operational	03.10.2018	Adding a new service	CE&TC
11.04.2019	Part – Operational	01.05.2019	Increase tender limits	CE&TC
09.06.2020	Minimal Review	09.06.2020		CE&TC
16.04.2021	Full	May 2021	Increase tender limits and changes to accessibility	CE&TC
28.03.2022	Annual	May 2022	Updated dates	CE&TC
31.07.2023	Annual	May 2023	Updates from Committee	CE&TC
15.04.2024	Annual		Update to public procurement limits	CE&TC

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1.0 GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
 - *for the timely production of accounts;*
 - *that provide for the safe and efficient safeguarding of public money;*
 - *to prevent and detect inaccuracy and fraud; and*
 - *identifying the duties of officers.*
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices. Evidence will be compiled by regular internal control checking by members.
- 1.6. A breach of these Regulations by an employee is gross misconduct.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Finance and Procurement Manager has been appointed as RFO for this Council and these regulations will apply accordingly. The Council employs a number of officers who assist the RFO in their role and these regulations will apply accordingly.
- 1.9. The RFO;
 - *acts under the policy direction of the Council;*
 - *administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;*

- *determines on behalf of the Council its accounting records and accounting control systems;*
- *ensures the accounting control systems are observed;*
- *maintains the accounting records of the Council up to date in accordance with proper practices;*
- *assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and*
- *produces financial management information as required by the Council.*

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations¹.

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

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

1.12. The accounting control systems determined by the RFO shall include:

- *procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;*
- *procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;*
- *identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;*
- *procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and*
- *measures to ensure that risk is properly managed.*

¹ In England - Accounts and Audit (England) Regulations 2011/817
In Wales - Accounts and Audit (Wales) Regulations 2005/368

1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- *setting the final budget or the precept (Council Tax Requirement);*
- *approving accounting statements;*
- *approving an annual governance statement;*
- *borrowing;*
- *writing off bad debts;*
- *declaring eligibility for the power of well-being; 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 full Council must:

- *determine and keep under regular review the bank mandate for all Council bank accounts;*
- *approve any grant in excess of £10,000; and*
- *in respect of the annual salary for any employee, have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.*

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 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 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).

2.0 ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 2.2 On a regular basis, at least once every six months, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Governance and Resources Committee.
- 2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4 The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6 The internal auditor shall:
- *be competent and independent of the financial operations of the Council;*
 - *report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;*
 - *to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and*
 - *have no involvement in the financial decision making, management or control of the Council.*
- 2.7 Internal or external auditors may not under any circumstances:
- *perform any operational duties for the Council;*
 - *initiate or approve accounting transactions; or*
 - *direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.*

- 2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10 The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3.0 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Governance and Resources Committee no later than the end of November each year including any proposals for revising the forecast.
- 3.2 The RFO must each year, by no later than October, 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 relevant committee and the Council. The RFO also must provide recommendations for the Administration and the central Contingency Budgets, to the Governance and Resources Committee in line with the requirements set out in 3.1.
- 3.3 The Council shall consider annual budget proposals in relation to the Council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves, sources of funding and the target set for the General Reserve and update the forecast accordingly.
- 3.4 The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5 The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.6 The Council has a policy of holding one singular contingency fund for all Council services and directorates etc.

4.0 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 for all items over £60,000;*
- *a duly delegated committee of the Council for items over £50,000;*
- *the Clerk, in conjunction with a) the scheme of delegation b) the Chairman of Council or c) the Chairman of the appropriate budget holding committee, for any items on or below £50,000 (or an annual value on or below £25,000 for upto 5 years).*
- *the Deputy Town Clerk or Finance and Procurement Manager in conjunction with a) the Clerk, b) the scheme of delegation c) the Chairman of Council or d) the Chairman of the appropriate budget holding committee, for any items on or below £30,000 (or an annual value on or below £15,000 for upto 5 years).*
- *a service manager in conjunction with a) the Clerk, b) the Deputy Town Clerk or Finance and Procurement Manager, c) the scheme of delegation d) the Chairman of Council or e) the Chairman of the appropriate budget holding committee, for any items on or below £10,000 (or an annual value on or below £3,000 for upto 5 years).*

Grants to outside bodies and organisations that are £10,000 or more must be authorised by the Council before being awarded.

Such authority is to be evidenced by a Minute, through entries on the Schedule of Payments for approval (with corresponding invoices signed by the committee chair/vice chair) or by a payments authorisation slip duly signed by the Clerk, RFO, Deputy Town Clerk and where necessary also by the appropriate Chairman.

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

4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. 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').

4.3 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4 The salary budgets are to be reviewed at least annually in October unless the contracts of employment specify otherwise; for the following financial year and such review shall be evidenced by a hard copy schedule signed by the

Clerk and the Mayor (for the proper officers) or the committee/sub-committee responsible for human resources. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

- 4.5 In cases of extreme risk to the delivery of Council services, the 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 £25,000. The Clerk shall report such action to a representative of the appropriate committee or if unavailable the Mayor or Deputy as soon as possible and to the relevant Committee (or Council) as soon as practicable thereafter.
- 4.6 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied as advised by the Governance and Resources Committee that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.8 The RFO shall regularly provide 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. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £5000 or 20% of the budget item.
- 4.9 The following:
- Spend of earmarked reserves
 - Spend of Contingency
 - Treatment of year-end revenue underspends

shall be referred to the Governance and Resources Committee for a recommendation to and approved by Council as part of the budgetary control process unless a committee has control over (a) specific earmarked reserve(s) in which case the relevant committee can recommend such a spend straight to Council for approval.

5.0 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 and shall usually be the Governance and Resources Committee members.

- 5.2 The RFO, having due regard also for items under 4.5; shall prepare a schedule of payments in accordance with the policy set by the Governance and Resources Committee. This would be forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council or a duly delegated/spending committee. The Council/committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution. The approved schedule shall be signed by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) 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 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, a committee or through the Scheme of Delegation.
- 5.4 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.
- 5.5 The Clerk and 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 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;
 - 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 Council; or
 - c) fund transfers within the Councils banking arrangements up to the sum set by the Governance and Resources Committee, provided that a list of such payments shall be submitted to the next appropriate meeting of the Governance and Resources Committee.
 - d) The expenditure is delegated to the Clerk or other officer of the Council under a Scheme of Delegation.
- 5.6 For each financial year the RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation

Fund and regular maintenance contracts and the like for which Council ,or a duly authorised committee, may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Governance and Resources Committee.

- 5.7 A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8 In respect of grants a duly authorised 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.
- 5.9 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.
- 5.10 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.
- 5.11 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6.0 INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1 The Council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.
- 6.3 All payments shall be effected according to the policy set by the Governance and Resources Committee and formally approved by the Council or relevant budget holding/spend committee or RFO if that spend has been duly delegated to them.
- 6.4 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 members of Council in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders,

and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.

- 6.5 The authorisation of all payments and the associated audit trail will be in accordance with the Policy set by Council as recommended by the Governance and Resources Committee.
- 6.6 The Council's bankers will allocate personal security numbers and usernames and shall administer them with individual members.
- 6.7 No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts.
- 6.8 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.9 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.
- 6.10 Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator. The Bank Mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone in terms of internal money movements or use of a Alto/debit card, or by the Service Administrator with a stated number of approvals.
- 6.11 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. Authorisations should not be on computers used for normal office administration.
- 6.12 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk.
- 6.13 Any Unity Bank Credit or Debit Card issued for use will be specifically restricted to the Clerk, will be used in conjunction with relevant policies, procedures and Scheme of Delegation and will also be restricted to ensure no single transaction exceeds a maximum value of £15,000 unless authorised by Council or finance committee before such an order is placed. Before using the card, it is imperative to understand the position on VAT – whether a VAT invoice will be provided or whether VAT cannot be recovered.
- 6.14 A Debit Card issued to the RFO specifically restricted for topping up the Petty Cash must be used in conjunction with relevant policies, procedures and will be restricted to no single transaction exceeding £300.

- 6.15 A pre-paid debit/credit card may be issued to employees with varying limits. These limits will be set by the Council's Governance and Resources Committee. Transactions and purchases made will be reported to the Governance and Resources or relevant committee and authority for topping-up shall be at the discretion of the Council.
- 6.16 Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk or a delegated officer authorised by the Clerk in writing and shall be subject to automatic payment in full at each month-end. Such card usage must be checked each month before the automatic payment. Personal credit or debit cards of members or staff shall not be used unless agreed by the Clerk or RFO in writing in advance, with exceptional reasons for their use.
- 6.17 The RFO may provide petty cash to any officers of the Council 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) *Each claim must not be in excess of £15.00 and should only be used when purchase orders are not accepted.*
 - b) *The RFO shall maintain as a minimum 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 and may be combined.*
 - c) *The Tourist Information Centre Manager shall maintain as a minimum a general till float of £80 for the purpose of providing change. Vouchers for payments made from petty cash shall be kept to substantiate the payment and may be combined.*
 - d) *Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.*

A Debit Card may be issued to the RFO and the use will be specifically restricted for topping up the Petty Cash.

- e) *Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above. The Petty cash will be reconciled on a monthly basis and the RFO should verify the balance on at least a quarterly basis.*
- f) *All committee spends out of the Petty Cash float should be allocated within the committee budgets.*

7.0 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, Pension and National

Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE, Pensions 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 Council meeting, 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 Human Resources Sub-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 Audit Commission Act 1998, 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 An effective system of personal performance management should be maintained for the senior officers.
- 7.7 Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.8 Before employing any staff who are likely to work for the Council for 18 months or more, the Council, the Town Clerk or the Human Resources Sub-Committee must consider a full business case.

8.0 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 new 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 for total contract values exceeding £60,000 or a term of 8 years or more, the Governance and Resources Committee for values in excess of £40,000 or a term of 5-8 years or a budget holding committee/delegated Officer for values of up to £50,000 or a term of 5 years or under. In each case a report in writing shall be provided in respect of value for money for the proposed transaction and the available budget should be considered in such a decision.
- 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 Chairman of the Council at the same time as one is issued to the Clerk or RFO unless such a statement is available online to the Chairman.
- 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 an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.6 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).

9.0 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 or RFO.
- 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 (or in relation to cash collected from public conveniences, shall be counted, recorded and banked) as directed by the RFO and in an acceptable form to the Bank. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The FA shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 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).

10.0 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 RFO.
- 10.3 All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from

appropriate suppliers, subject to any *de minimis* provisions in Regulation 11 (I) below.

- 10.4 A member may not issue an official order or make any contract on behalf of the Council.
- 10.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11.0 CONTRACTS

11.1 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 additional audit work of the external Auditor up to an estimated value of £2000 (in excess of this sum the Clerk or RFO shall act after consultation with the Chairman and Vice Chairman of Council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where it is intended to enter into a contract exceeding £60,000 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 RFO shall publish the tenders locally, on the Council's website and on the relevant Tender portal as required by law. This limit does not preclude less formal

tenders being sought when it is considered appropriate by the relevant committee.

- c. 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.
- d. Such invitation to tender shall state the general nature of the intended contract and the RFO 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.
- e. 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.
- f. If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Order 18d and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £60,000 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 use best endeavours to obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £10,000 and above £5000 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
- i. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. 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.

k. The most up to date European Union Procurement Directives and/or associated Public Contracts Regulations and Utilities Contracts Regulations shall be followed. From January 2023 the following thresholds shall be observed until updated by the government:

I. For public supply and public service contracts - £214,904

II. For public works contracts - £5,371,609

12.0 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 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 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.

13.0 STORES AND EQUIPMENT

13.1 The officer in charge of each department shall be responsible for the care and custody of stores and equipment in that department.

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.

14.0 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.

- 14.2 No tangible moveable property shall be sold, leased or otherwise disposed of, without the recommendation of the appropriate committee to Council, together with any other consents required by law, save where the estimated combined value of the item or group of items 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 the 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 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, possibly in conjunction with a health and safety inspection of assets.

15.0 INSURANCE

- 15.1 Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 All 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.
- 15.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4 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 Council at the next available meeting.

15.5 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.

16.0 CHARITIES

16.1 Where the Council is sole managing trustee of a charitable body the 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 RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17.0 RISK MANAGEMENT

17.1 The Council is responsible for putting in place arrangements for the management of financial risk. The Clerk shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by each Committee and a report shall be referred to the Governance and Resources Committee at least annually.

17.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council or duly delegated/budget holding committee or to be published alongside an Officer Delegated Decision Notice.

18.0 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 and no later than the first year of every new Council. 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.