



KETTERING TOWN COUNCIL FINANCIAL REGULATIONS

1. <i>General</i>	2
2. <i>Accounting and audit (internal and external)</i>	4
3. <i>Budget, precept and forward planning</i>	5
4. <i>Budgetary control and authority to spend</i>	6
5. <i>Banking arrangements and authorisation of payments</i>	7
6. <i>Instructions for the making of payments</i>	9
7. <i>Payment of salaries</i>	10
8. <i>Loans and investments</i>	10
9. <i>Income</i>	12
10. <i>Orders for work, goods and services</i>	13
11. <i>Contracts</i>	13
12. <i>Payments under contracts for building or other construction works</i>	15
13. <i>Stores and equipment</i>	16
14. <i>Assets, properties and estates</i>	16
15. <i>Insurance</i>	17
16. <i>Charities</i>	17
17. <i>Risk management</i>	17
18. <i>Suspension and revision of Financial Regulations</i>	17
Appendix 1 <i>Summary of Spending Limits</i>	19

This version of Financial Regulations was adopted by Council at its meeting on (DATE)

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.*

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. In these financial regulations,*

- *references to the Accounts and Audit Regulations or 'the regulations' means the regulations issued under **sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014** or any superseding legislation, and then in force, unless otherwise specified.*
- *The term 'proper practices' means those set out in the 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).*
- ***"Must" refers to a statutory obligation the Council cannot change***

1.5. *At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.*

1.6. *Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.*

1.7. *Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.*

1.8. *The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Clerk 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 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 Only Full Council shall exercise the following specified decisions:

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

1.11. In addition, only full Council can :

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any single item of expenditure in excess of £15,000 which has not been identified in the budget as such.
- dispose of assets with a value of more than £500
- authorise the creation of **permanent** new posts in the Council's employment
- authorise changes in the remuneration of existing posts by 5% or more , and then only on the recommendation of the Staffing Committee

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 accounting records determined by the RFO shall be sufficient to explain the council's transactions and to **disclose its financial position with reasonable accuracy at any time. In particular, they must contain**

- *day to day entries of all sums of money received and expended by the council and the matters to which they relate*
- *a record of the assets and liabilities of the council; 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*

2.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return (AGAR) ,

2.4. 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.*

2.5. The RFO shall complete and certify the annual accounting statements of the Council contained within the AGAR in accordance with 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.

2.6 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.

2.7 The internal auditor shall be appointed by and shall carry out the work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners guide.

2.8 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*

- *has no involvement in the financial decision making, management or control of the council*

2.9. *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.*

2.10. *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.*

2.11. *The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.*

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

3. Budget, precept and forward planning

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

3.2. *The RFO must, by the end of November each year, 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 Finance and Governance Committee and the Council. This budget shall include a review of salaries and wages and related employment costs.*

3.3. *The Council shall consider annual budget proposals in relation to its forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly. The budget shall have regard to the policies and objectives included within the Council's Corporate Plan.*

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 by not later than 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. *Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that S106 applies to them,.*

4. Budgetary control and authority to spend

4.1. Expenditure on revenue items may be approved in the categories set out below:-

- by Council where a single item of expenditure exceeds £15,000 and it is not already specifically included in the Council's budget as such
- by the RFO/clerk where the expenditure is fulfilling a contractual commitment already agreed by the Council or one of its committees
- by the RFO/clerk, where they have been specifically delegated to approve a class of payments by the Finance and Governance Committee
- by the RFO/clerk in an emergency, in accordance with the terms of 4.7 below, up to a limit of £1500 or by the clerk, in consultation with the Leader and the Chairman of Finance and Governance Committee, where the cost exceeds £1500.
- by Finance and Governance Committee in all other cases

4.2. The Finance and Governance Committee shall authorise the payments of all invoices or expenditures except those described in 1.11 above or where it has delegated to the RFO the ability to make any such payments, either because they arise from an existing contractual commitment, from an employment contract or in relation to any specific category of expenditure it has agreed

4.3. All such approvals should be captured in the minutes of Council or Finance and Governance Committee as appropriate.

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

4.5. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that category of expenditure other than by resolution of the Council, or the Finance and Governance 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').

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

4.7. 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 £1500. The Clerk shall report such action to the Chairman of the Finance and Governance Committee and the Leader as soon as possible and to the full Council as soon as practicable thereafter.

4.8. 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.

4.9 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.10. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking arrangements and authorisation of payments

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

5.2. The clerk, in consultation with the Mayor, may make banking arrangements to hold and disburse charitable accounts raised by the Mayor during their term of office. Expenditure from this bank account may be authorised by the Mayor and should be reported annually to the Finance and Governance Committee. The RFO/clerk is empowered to make payments authorised by the Mayor.

5.3. The RFO shall present a schedule of payments which require authorisation, to each Finance and Governance Committee. The Committee shall review the schedule for compliance and, having satisfied itself **may** authorise payment. A list of all **such** payments shall be disclosed within the minutes of the meeting. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

5.4. 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.

5.5. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order within 7 days of their being authorised by Council or Finance and Governance Committee. .

5.6. The Clerk/RFO shall have delegated authority to authorise the payment of items in the following circumstances:

- a) **Where the payment relates to the delivery of a service, activity, event, grant or supply of service that the Council has included within its budget or previously approved,**
- b) **unplanned payments of up to £1500, excluding VAT in cases of serious risk to the delivery of council services or to public safety**
- c) *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 [or finance committee];*

c) An expenditure item authorised under 5.7 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Governance Committee.

d) fund transfers within the councils banking arrangements up to the sum of £10,000 provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Governance Committee..

5.7. For each financial year the Clerk/RFO may 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, *rates*, and regular maintenance contracts, for which Finance and Governance 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 reported as they occur to each Finance and Governance Committee meeting.*

5.8. In respect of grants the Finance and Governance 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 £15,000 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. No member is empowered to commit to an item of expenditure without the prior agreement of the Finance and Governance Committee – see also regulation 10.4 .

5.11 The clerk/RFO will report to each meeting of the Finance and Governance Committee the details of all payments that had been made since the last report, howsoever paid, and from all of its accounts.

6. Arrangements for the making of payments

6.1. The council will make safe and efficient arrangements for the making of its *payments to safeguard against the possibility of fraud or error.*

6.2. Where internet banking arrangements are made with any bank, the clerk/RFO shall be appointed as the service administrator. *Except as set out in 5.2. above, the bank mandate agreed by the Council shall identify three councillors who will be authorised to approve transactions on those accounts and a minimum of two of those will be required to approve each transaction.*

6.3. All authorised signatories shall have access to view the Council's bank accounts on line. No signatory or employee of the Council should disclose any PIN or password to anyone not authorised in writing by the Council or Finance and Governance Committee.

6.5. Where payment is by cheque, two signatures will be required and the signatories shall each also initial the cheque counterfoil.

6.6. A member who is a bank or cheque signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not be a signatory to the payment in question.

6.7 *When seeking authorisation for a payment, the clerk/RFO should provide the members concerned with copies of the invoice, payment schedule or purchase order relating to that payment.*

6.8. *Evidence shall be retained showing which members approved the payment online*

6.9. Payment may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Finance and Governance Committee as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

6.10 .Payment for certain items (principally salaries, rates, lottery charges) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members and retained and any payments are reported to council as made.

6.10 The Council will ensure that its financial records are held in an environment where documents can be recovered through cloud or remote storage

6.12 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.

6.13 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.

6.14. Changes to account details for suppliers, which are used for internet banking may only be changed on written notification by the supplier. A programme of regular checks of standing data with suppliers will be followed *every two years*

6.15. Any *debit, credit or payment* Card issued for use will be specifically restricted to the Clerk/RFO and Deputy Clerk and will also be restricted to a single transaction maximum value of £400. It shall be subject to automatic payment in full at each month-end..

6.16. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO shall be refunded *after submission of an expenses claim to the Finance and Governance Committee, signed by two members.*

7. Payment of salaries

7.1. As an employer, the council shall make arrangements to comply with the statutory requirements of PAYE and National Insurance legislation and salary rates shall be as agreed by Council,

7.2. Payment of salaries and payment of deductions from salary as required 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 **Finance and Governance Committee meeting**, as set out in these regulations above. **Deductions from salaries shall be paid to the relevant bodies within the required timescales**

7.3. Changes can only be made to any employee's pay, emoluments, or terms and conditions of employment by agreement of the Council's Staffing Committee, and, where the proposed changes in the remuneration of existing posts is by more than 5%, then only by full Council on the recommendation of the Staffing Committee (see 1.11 above) the Staffing Committee has power to vary terms by less than 5% in any year, provided there is budgetary provision available for any increase.

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be kept as 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. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by full 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 affected in the name of the council and shall be for a set period in accordance with council policy and after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets *within the financial year*) 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 Chairman of the council at the same time as one is issued to the Clerk or RFO.

8.4. The Council's Investment Strategy and Policy shall be in accordance with relevant regulations, proper practices and guidance *and shall be reviewed by the council at least bi-annually.*

8.5. All investments of money under the control of the council shall be in the name of the council.

8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8.7. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with parts five and six of these regulations

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. *The council will review all fees and charges at least annually, following a report of the Clerk.*

9.3. *Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.*

9.4. *All cash sums and cheques received on behalf of the council shall be banked intact as directed by the RFO. The origin of each receipt shall be entered on the paying in slip. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.*

9.5. *Personal cheques shall not be cashed out of money held on behalf of the council.*

9.6. *The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made *at least quarterly.**

9.7. Where a bad debt arises, the Council will seek to recover the debt through its normal invoicing and reminder process.

9.8. If the debt has not been paid within twelve months of it arising,

- *Where the debt exceeds £500, the Council will employ bailiffs to seek to recover the debt, prior to any write off being recommended*
- *Where the debt exceeds £100, Council's approval will be sought to write a debt off*
- *Where the debt is £100 or less, the clerk will have delegated power to write it off, subject to an annual report being made on debts which have been written off in this way.*

9.9. *Where any significant sums of cash are regularly received by the council, the RFO shall 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. *No expenditure shall be authorised and no contract entered into or tender accepted in relation to any project unless the Council is satisfied it has the necessary funds , and, that where a loan is required, the necessary borrowing approvals has bene obtained first. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Council or the Finance and Governance Committee, except in an emergency.*

10.3. *Order books shall be controlled by the RFO.*

10.4. *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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 below.*

10.5. *No member, or informal group of members, may issue an official order or make any contract on behalf of the council.*

10.6. *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 any relevant 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. Procurement and Contracts

11.1. 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 or professional services such as are provided by legal professionals acting in disputes
- 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 £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Leader and Chairman of the Finance and Governance Committee and
- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

11.2. For a contract for the supply of goods, services or works, where the estimated value will exceed the thresholds set by parliament the requirements of the Public Contract Regulations 2015 (the regulations ¹) must be followed in respect of the tendering, award and notification of that contract.

11.3. Where the estimated value is below the government threshold, the council shall, obtain prices as follows;

- a) for contracts over £30,000 including VAT, the clerk/RFO shall seek formal tenders from at least three suppliers or advertise an open invitation for tenders in compliance with the relevant provisions of the legislation, in accordance with 11.6 below
- b) for contracts greater than £5,000 including VAT, the clerk/RFO shall seek at least three fixed price quotes
- c) for contracts or supply between £250 and £5000 the clerk/RFO shall try to obtain three estimates, which might include evidence of online process or recent prices from regular suppliers.
- d) for smaller purchase, the clerk should seek to achieve value for money

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

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

11.5. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the committee or appropriate committee.

11.6. 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 ².

a) 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.

*b) 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, **unless an electronic tendering process has been agreed by the Council.***

c) Where a postal process is used, each tenderer shall be supplied with a specifically marked envelope in which each tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.

*d) **Where an electronic tendering process is used, the Council shall use a specific email address what will be monitored to ensure that no-one accesses any tender before the deadline for submission.***

e) Any invitation to tender issued under this regulation shall be subject to Standing Order and shall refer to the terms of the Bribery Act 2010.

h) 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 (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 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) **Where** the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to*

² Thresholds currently applicable are:

a) For public supply and public service contracts – £214,904
b) For public works contracts £5,372,609)

submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

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 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 Clerk to the contractor in writing..

13. Stores and equipment

13.1. Delivery notes shall be obtained in respect of all goods received 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.

14.2. 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 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 £500. Asset disposals below £500 in value may be approved by the Finance and Governance Committee.

14.3. No 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 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. Where a tangible moveable asset is to be purchased or acquired, it must be with the approval of the Finance and Governance Committee, or full Council (if over £15000 in value) as appropriate. 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, possibly in conjunction with a health and safety inspection of assets. **The register will show how assets are used, where and how they are stored, how they have been valued and when, where any land is tenanted and when a lease was agreed and how they are insured. The register will list all items which have an expected life of more than one year, irrespective of value.***

15. Insurance

15.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.

15.2. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

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 Finance and Governance 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.

16.2 A separate bank account shall be maintained to manage all of the charities' income and expenditure.

17. Risk management

17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk /RFO shall prepare annually a risk management policy statement in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council annually.

17.2. When considering any significant new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

17.3. The Council must annually review the effectiveness of its systems of internal control, before approving the annual governance statement, and will normally do so once it is in receipt of the internal audit report.

17.4. The accounting control systems determined by the clerk/RFO must include measures to

- *Ensure that risk is appropriately managed*
- *Ensure the prompt accurate recording of financial transactions*
- *Prevent and detect inaccuracy or fraud*
- *Allow the reconstitution of lost records*
- *Identify the duties of officers dealing with transactions*
- *Ensure division of responsibilities*

17.5. A member, other than the Mayor, the Chairman of the Finance and Governance Committee or an authorised signatory, shall be appointed to verify bank reconciliations for all accounts held by the Council. He or she shall sign and date the reconciliations or bank statements. This activity shall be reported to and noted by the Finance and Governance Committee.

17.6. The RFO will ensure that records of any information held on council computers is backed up or held in a cloud environment. The RFO will put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated.

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. *The next review will take place in 2027.*

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.

APPENDIX SUMMARY OF SPENDING AND AUTHORISATION LIMITS

Item	Limit	Body with delegated power	Notes or conditions
Single item of expenditure not specifically identified in the approved budget	£15000 and above Between £1 and £14999	Council Finance and Governance Committee	Still requires two named members to authorise each BACS payment or cheque
Seeking tenders of quotes for the supply of goods, services and works	£30,000 and above including VAT – three formal tenders £5,000 to £30,000 including VAT – three quotes £250-£5000 – try to secure three quotes Below £250 – best endeavours	Will depend on the budgetary provision made	
Expenditure which meets an existing contractual commitment or where the clerk has been provided with delegated power to make such expenditure.	Below £15000	Clerk/RFO	Subject to member authorisations through the bank account- as above
Expenditure to deal with an emergency or <i>in cases of serious risk to the delivery of council services or to public safety</i>	Up to £1500 Over £1500	Clerk/RFO Clerk in consultation with Leader and Chairman of Finance and Governance Ctte	With subsequent reporting to Finance and Governance Committee - or full Council if more than £15000. See definition in 4.5
Additional audit work of the external auditor	Up to an estimated value of £500 Over £500	Clerk/RFO Clerk/RFO in consultation with the Leader and Chairman of the Finance and Governance Committee	

Disposal of assets	Land and buildings	Council	
	Tangible, moveable assets up to £500 in value	Finance and Governance Committee	
	Tangible moveable assets over £500 in value	Council	
Bad debts write offs	Debt exceeds £500	Council to authorise appointment of bailiffs to collect debt	Subject to reporting this to the next F&G Cttee
	Debt exceeds £100	Council to authorise a write off	
	Debt below £100	Clerk/RFO to authorise a write off	
Capital expenditure and any borrowing consequent on such expenditure	Any	Council	On the advice of Finance and Governance Committee only
Creation of new posts	Any	Council	On the advice of Staffing committee only, if not already included in the budget
Changes to salaries for individual posts	Where the change represents less than 5% compared to the pre-existing salary for any post	Staffing Committee	On the advice of Staffing committee only if not already included in the budget
	Where the change represents 5% or more compared to the pre-existing salary for any post	Council	
Transactions using the Councils corporate payment card	Up to £400	Clerk/RFO	

Expenditure from the Mayor's charitable funds	All authorisations capable of being met by the Mayor's charity account in each civic year	Mayor	Annual report to Finance and Governance Ctte
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