



## MALVERN TOWN COUNCIL

# FINANCIAL REGULATIONS 2024

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Malvern Town Council is referred to as “the Council” in these Financial Regulations.

# MALVERN TOWN COUNCIL

## FINANCIAL REGULATIONS 2024

### 1. GENERAL

- 1.1. These Financial Regulations govern the financial management of the Council and may only be amended or varied by resolution of the Council. They are one of the Council's governing documents and shall be observed in conjunction with the Council's Standing Orders.
- 1.2. 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. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of Councillor into disrepute.
- 1.6. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.7. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Council. The Town Clerk has been appointed as RFO and these regulations apply accordingly. 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 control systems;
  - ensures the accounting control systems are observed;
  - ensures the accounting records are kept up to date;
  - seeks economy, efficiency and effectiveness in the use of Council resources; and
  - produces financial management information as required by the Council.
- 1.8. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.

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

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

**1.10. In addition the Council must:**

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £5,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees.

**1.11. In these Financial Regulations:**

- ‘Accounts and Audit Regulations’ means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
- “Approve” refers to an online action, allowing an electronic transaction to take place.
- “Authorise” refers to a decision by the Council, or a committee or an officer, to allow something to happen.
- ‘Proper practices’ means those set out in The Practitioners’ Guide
- Practitioners’ Guide refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners’ Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
- ‘Must’ and **bold text** refer to a statutory obligation the Council cannot change.
- ‘Shall’ refers to a non-statutory instruction by the Council to its members and staff.

## **2. RISK MANAGEMENT AND INTERNAL CONTROL**

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

**2.2. The Town Clerk with the Operations Manager shall prepare, for approval by the Council, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.**

- 2.3. **When considering any new activity, the Town Clerk with the Operations Manager shall prepare a draft risk assessment including risk management proposals for consideration by the Council.**
- 2.4. **At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 2.5. **The accounting control systems determined by the RFO must include measures to:**
  - **ensure that risk is appropriately managed;**
  - **ensure the prompt, accurate recording of financial transactions;**
  - **prevent and detect inaccuracy or fraud; and**
  - **allow the reconstitution of any lost records;**
  - **identify the duties of officers dealing with transactions and**
  - **ensure division of responsibilities.**
- 2.6. **At least once in each financial year end, a member of the Audit Committee shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Council.**
- 2.7. **Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location from the computer. The Council shall put measures in place to ensure that the ability to access any Council computer is not lost if an employee leaves or is incapacitated for any reason.**

### 3. ACCOUNTS AND AUDIT

- 3.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**
  - **day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate;**
  - **a record of the assets and liabilities of the Council.**
- 3.3. At the end of each financial year, the internal auditor will verify bank reconciliations (for all accounts) produced by the RFO and/or other delegated officer of the Council. The internal auditor shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification.
- 3.4. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.5. The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the

Accounting Statements, the RFO shall submit them (with any related documents) to the Council, within the timescales required by the Accounts and Audit Regulations.

- 3.6. The Council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.7. **Any officer or member of the Council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary.
- 3.8. The internal auditor shall be appointed by the Council and shall carry out their work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.9. The Council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the Council;
  - reports to Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
  - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - has no involvement in the management or control of the Council.
- 3.10. Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
  - initiate or approve accounting transactions;
  - provide financial, legal or other advice including in relation to any future transactions; or
  - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 3.11. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners' Guide.
- 3.12. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.13. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

#### 4. BUDGET AND PRECEPT

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

- 4.2. Budgets for salaries and wages, including employer contributions shall be reviewed by the Council at least annually in December for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Town Clerk and the Chair of the Council or relevant committee. The RFO will inform committees of any salary implications before they consider their draft budgets.
- 4.3. No later than December each year, the RFO shall prepare a draft budget with detailed estimates of all receipts and payments / income and expenditure for the following financial year, taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the Full Council.
- 4.5. The RFO will, in conjunction with each committee, formulate budget requirements as necessary to be included within the draft budget to be prepared and recommended by Policy and Resources Committee. This budget will then be submitted to Full Council for resolution, no later than 31 December of each year.
- 4.6. Policy and Resources Committee and then subsequently Full Council shall consider annual budget proposals in relation to the Council's forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding.
- 4.7. Having considered the proposed budget, the Council shall determine its Council Tax requirement by setting a budget and fixing the precept for the ensuing financial year.
- 4.8. **Any member with Council Tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Council.

## 5. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 5.1. 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:
  - Full Council for all items over £25,000;
  - a duly delegated committee of the Council for items between £10,000 and £25,000;  
or
  - the Town Clerk, for any items below £10,000.

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

- 5.2. Expenditure of less than 5% or £1,000 (whichever is greater) outside of the budget amount to be approved by the Town Clerk provided that this expenditure can be contained within the overall Annual Budget.
- 5.3. Expenditure of between 5% and 10% or £1,000 and £5,000 (whichever is greater) outside of the budgeted amount can be approved by the appropriate committee.

- 5.4. Any larger overspend must be approved by Full Council following a written report from the Town Clerk.
- 5.5. The Town Clerk or in their absence, the Operations Manager, may do the following:
- Authorise payment of the payroll, on a monthly basis subject to any one month not exceeding one twelfth of the total budgeted sum, subject to overtime and pay rise adjustments within the overall budget.
  - In cases of extreme risk to the delivery of Council services, authorise revenue expenditure on behalf of the Council which in the Town Clerk's or Operations Manager'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 £15,000.
- 5.6. All expenditure should be reported as part of the next quarterly accounts submitted to Policy and Resources Committee.
- 5.7. 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.
- 5.8. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 5.9. The RFO shall provide the Council with a statement of receipts and payments to date under each budget heading, comparing actual expenditure to the appropriate date against that planned as shown in the budget as part of the quarterly accounts reporting process. 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 15% of the budget headings.

## 6. PROCUREMENT

- 6.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 6.2. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 6.3. Every contract shall comply with these the Council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.
- 6.4. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**
- 6.5. Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed in paragraph 6.9) obtain prices as follows:
- For contracts estimated to exceed £60,000 including VAT, the Town Clerk shall seek formal tenders from at least three suppliers. Tenders shall be invited in accordance with Appendix 1.



- **For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- For contracts greater than £3,000 excluding VAT the Clerk shall seek at least three fixed-price quotes.

6.6. When the Council wishes to enter into a contract of less than £30,000 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 6.12, contracts will be approved subject to the following:

- Contracts over £25,000: Approval should be by Full Council with no delegation permitted.
- Contracts over £10,000 and under £25,000: Approval by the Town Clerk in consultation with the Chair of the Council and the Chair of Policy and Resources Committee.
- Contracts below £10,000: Approval by the Town Clerk.
- Contracts which cover a period of more than one year:
  - Annual Spend over £5,000: Approval by Policy and Resources Committee
  - Annual Spend below £5,000: Approval by the Town Clerk
- The Town Clerk shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £25,000 and above £3,000 the Town Clerk shall strive to obtain 3 estimates.

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.

6.7. For smaller purchases, officers shall seek to achieve value for money.

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

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

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

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

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

- 6.12. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the Council or make any contract on behalf of the Council.
- 6.13. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Council or a duly delegated committee acting within its Terms of Reference except in an emergency or within officer delegations.
- 6.14. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 6.15. An official order or letter shall be issued for all work, goods and services above £100 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.
- 6.16. Any ordering system can be misused and access to them shall be controlled by the RFO.

## 7. BANKING AND PAYMENTS

- 7.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the Council; banking arrangements shall not be delegated to a committee. The Council has resolved to bank with Unity Trust Bank. The arrangements shall be reviewed at the beginning of every Council term for security and efficiency.
- 7.2. The Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the Council's bank.
- 7.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent authorised expenditure before being certified by the RFO.
- 7.4. The RFO will present schedules of online banking payments to the next scheduled meeting of Policy and Resources Committee. Prior to this meeting, the Chair and Vice-chair of this committee will randomly select three invoices to be checked against the bank statement. A record of the check will be made and any issues identified will be reported at the meeting.
- 7.5. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 7.6. All payments shall be made by the preferred option of online banking where possible, with dual online authorisation by officers. Otherwise, payments will be made by cheque or by other instructions to the Council's bank, signed by two authorised signatories.
- 7.7. For each financial year the RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the Council or a duly delegated committee may authorise in advance for the year.

- 7.8. The Town Clerk and RFO shall have delegated authority to authorise payments of up to £10,000 excluding VAT in cases of serious risk to the delivery of Council services or to public safety on Council premises.
- 7.9. In respect of grants, Policy and Resources 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 £5,000 shall before payment, be subject to ratification by resolution of the Council.
- 7.10. Councillors 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.

## 8. ELECTRONIC PAYMENTS

- 8.1. Where internet banking arrangements are made with any bank, the Town Clerk shall be appointed as the Service Administrator and the Deputy Town Clerk as Deputy 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.
- 8.2. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee. Employees with internet banking access shall not disclose their password to any other member of staff or Councillor.
- 8.3. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and passwords and shall be kept in the Council's safe in a sealed dated envelope. This envelope may not be opened other than by the Mayor in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and/or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council.
- 8.4. In the prolonged absence of the Service Administrator and Deputy Service Administrator two authorised signatories shall set up any payments due.
- 8.5. Payments by internet banking will be effected by two Council officers. One officer to post the payment ready for approval, the second as RFO to give authorisation to process the payment. Once these transactions have been made, they should be recorded on a payment schedule.
- 8.6. A full list of all payments made shall be presented to Policy and Resources Committee on a monthly basis.
- 8.7. With the approval of the Council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by Policy and Resources Committee at least every two years.
- 8.8. Payment may be made by BACS or CHAPS by resolution of Policy and Resources Committee provided that each payment is approved online by two members of staff,

evidence is retained and any payments are reported to Policy and Resources Committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.

- 8.9. Account details for suppliers may only be changed upon written notification by the supplier verified by the Finance Officer and RFO. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 8.10. Remembered password facilities (other than secure password stores requiring separate identity verification) should not be used on any computer used for Council banking.

## 9. CHEQUE PAYMENTS

- 9.1. Cheques will only be issued in exceptional circumstances and these will be signed by two bank signatories documented on a payment schedule.

## 10. PAYMENT CARDS

- 10.1. Credit cards are authorised for use by the Operations Manager, and Operations and Office Co-ordinator. There will be a monthly credit limit of £1,000 and any balance shall be paid in full each month.
- 10.2. Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with Council policy.

## 11. PETTY CASH

- 11.1. The RFO and/or Finance Officer may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- 11.2. The RFO shall maintain a petty cash float of no more than £500 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment and the float should be regularly reconciled.
- 11.3. Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Policy and Resources Committee.

## 12. PAYMENT OF SALARIES AND ALLOWANCES

- 12.1. **As an employer, the Council must make arrangements to comply with the statutory requirements of PAYE legislation.**
- 12.2. **Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 12.3. Salary rates shall be agreed by the Council, or a duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Council or relevant committee.

- 12.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
- 12.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 12.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the Town Clerk and Deputy Town Clerk to ensure that the correct payments have been made.
- 12.7. Any termination payments shall be supported by a report to the Council, setting out a clear business case. Termination payments shall only be authorised by the full Council.
- 12.8. Before employing interim staff the Policy and Resources Committee must consider a full business case.

### 13. LOANS AND INVESTMENTS

- 13.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full Council and recorded in the minutes. All borrowing shall be in the name of the Council, after obtaining any necessary approval.
- 13.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as hire purchase, leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Full Council, following a written report on the value for money of the proposed transaction.
- 13.3. The Town Clerk will ensure that there are regular reports on the level of investment(s) held by the Council; these will be submitted as part of quarterly reporting to the Policy and Resources Committee. Any changes in the level of investment shall be reported to the Policy and Resources Committee and any proposals for new short-term or long-term investments shall be agreed by the Policy and Resources Committee.
- 13.4. The Council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 13.5. All investment of money under the control of the Council shall be in the name of the Council.
- 13.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 13.7. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations. Transfer of short-term deposit funds between the Council's bank accounts can be actioned by the RFO subject to the cash flow needs of the Council.

### 14. INCOME

- 14.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

- 14.2. The Council will review all fees and charges at least annually, as part of the annual budget process.
- 14.3. The RFO can write off debts considered to be irrecoverable up to a figure of £100 per debt and these should be reported to the next meeting of the Policy and Resources Committee. Any sums found to be irrecoverable above £100 shall be reported to the Policy and Resources Committee, whereby at their discretion, authorisation can be given for the debt to be written off, providing that reasonable attempts have been made to recover the outstanding amounts.
- 14.4. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 14.5. The RFO shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software by the due date.
- 14.6. Where 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 record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.
- 14.7. Any income that 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.

## 15. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

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

## 16. STORES AND EQUIPMENT

- 16.1. The officer in charge of each section (or as otherwise delegated by Full Council) shall be responsible for the care and custody of stores and equipment in that section.
- 16.2. 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. \*Delivery notes should be forwarded to the Finance Officer as soon as possible to form part of the backup paperwork for verification of invoices.
- 16.3. Stocks shall be kept at the minimum levels consistent with operational requirements, \*or at a level that produces increased efficiency of resources.
- 16.4. The Operations Manager shall be responsible for periodic checks of stocks and stores at least annually and shall maintain and revise an annual inventory of equipment.

## 17. ASSETS, PROPERTIES AND ESTATES

- 17.1. The Town Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Council.
- 17.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Council, their location, 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.
- 17.3. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, except where the estimated value of any one item does not exceed £1,500. In each case a written report shall be provided to Council with a full business case.
- 17.4. No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a written report shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where required by law).
- 17.5. 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.

## 18. INSURANCE

- 18.1. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the Council's review of risk management.
- 18.2. The Operations Manager shall give prompt notification to the Town Clerk of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 18.3. The RFO shall be notified of any material loss, liability, damage or event likely to lead to a claim, and shall report these if appropriate to the Council at the next available meeting. The RFO shall negotiate all claims on the Council's insurers in consultation with the Town Clerk.
- 18.4. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council, or duly delegated committee.

## 19. CHARITIES

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

## 20. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 20.1. The Council shall review these Financial Regulations once per Council term and following any change of Town Clerk or RFO. The Town Clerk shall monitor changes in legislation or proper practices and advise the Council of any need to amend these Financial Regulations.
- 20.2. The Council may, by resolution duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.
- 20.3. The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.



## **APPENDIX 1 - TENDER PROCESS**

- 1) Any invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the Council.
- 3) Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.
- 4) Where an electronic tendering process is used, the Council shall use the Town Clerk's email address.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
- 6) Where the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.