

BIRCHWOOD TOWN COUNCIL
FINANCIAL REGULATIONS

May 2025

BIRCHWOOD TOWN COUNCIL MODEL FINANCIAL REGULATIONS 2025

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BIRCHWOOD TOWN COUNCIL

FINANCIAL REGULATIONS

These revised Financial Regulations were adopted by the Council at its Meeting held on xxth May 2025.

1. GENERAL

1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the Council's three governing policy documents providing procedural guidance for Members and Officers. Financial Regulations must be observed in conjunction with the Council's Standing Orders and any individual Financial Regulations relating to contracts.

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 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) – (published by NALC in England)
- '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.

These Financial Regulations demonstrate how the Council meets these responsibilities and requirements.

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

1.6 Deliberate or willful 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.

- 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 Regulations.
- 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.
- 1.13 **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;**
 - **writing off bad debts;**
 - **declaring eligibility for the General Power of Competence; and**
 - **addressing recommendations in any report from the internal or external auditors.**

- 1.14 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 £2,500 and
 - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the RFO / relevant committee in accordance with its terms of reference.

2. ANNUAL ESTIMATES

- 2.1 The RFO must each year, by no later than December, prepare detailed estimates of all receipts and payments for the following financial year in the form of a budget to be considered by the Council.
- 2.2 The Council shall prepare and have regard to a two-year forecast of Revenue and Capital Receipts and Payments which shall be prepared at the same time as the annual Budget or Estimates.
- 2.3 The Council shall consider annual budget proposals in relation to the Council's two-year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and update the forecast accordingly. A Reserves Policy is in place to guide the Council when setting earmarked reserves for future years.
- 2.4 The Council will consider and approve budget/expenditure proposals by November/December each year (unless there are exceptional circumstances that might require an extension to the formal consideration).
- 2.5 (a) The Council shall review the estimates not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each Member with a copy of the approved estimates.
- (b) (Ref: Standing Order '40. Code of Conduct and Dispensations' (d) (i) to (iii).) In order to vote on the Precept, in which the majority of Councillors are likely to have a disclosable pecuniary interest, all affected Councillors must request a dispensation in writing to the Proper Officer, as soon as possible before the meeting, or failing that, at the start of the meeting for which the dispensation is required.

“(d) A dispensation may be granted in accordance with Standing Order 40(b) if having regard to all relevant circumstances any of the following apply:

- (i) without the dispensation the number of persons prohibited from participating in the particular business would be so great a proportion of the meeting transacting the business as to impede the transaction of the business;*
- (ii) granting the dispensation is in the interests of persons living in the Council's area; or*
- (iii) it is otherwise appropriate to grant a dispensation.”*

This dispensation shall be applicable for a maximum of four years.

- (c) **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.**

2.6 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 December each year. **The RFO shall issue the precept requirement to the billing authority by its deadline**, and shall supply each member with a copy of the approved annual budget.

2.7 The approved annual budget shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

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 Finance Act 1992 or succeeding legislation.**

Expenditure on revenue items may be incurred up to the amounts included in the approved budget.

3.2 (a) No expenditure may be incurred which will exceed the amount provided in the total revenue budget, other than for some exceptional circumstance reported to the Council and for which interim or alternative funding provision could be made. No such expenditure should be incurred without the subsequent resolution of the Council.

(b) No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure unless agreed by the Council. During the budget year and with the approval of Council unspent and available amounts may be moved to other budget headings or to reserves as appropriate.

3.3 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 against that planned.

3.4 *Reserved*

Text moved to 'Contracts' 11.17 – as per NALC Model Code.

3.5 The Clerk/RFO may be delegated powers to incur reasonable expenditure on behalf of the Council – in liaison with the Chair, Vice Chair and Leader of the Council and/or a majority of the Finance Sub-Committee, which is necessary to expedite a repair, replacement, purchase, or sale or disposal of an asset 'between meetings' up to a maximum value of £3,000.

The Clerk/RFO shall report the action to the Council as soon as practicable thereafter.

3.6 Unspent provisions (other than earmarked reserves) in the revenue budget will fall into balances and shall not be carried forward to a subsequent year.

3.7 No expenditure shall be incurred 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, or the requisite borrowing approval has been obtained.

3.8 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations.

4.2 **The accounting records determined by the RFO must 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;**
- 4.3 The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 4.4 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.
- 4.5 **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.**
- 4.6 **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.
- 4.7 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.
- 4.8 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.
- 4.9 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.
- 4.10 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.
- 4.11 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

- 4.12 The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council; banking arrangement may not be delegated to a committee. The Council has resolved to bank with the Co-operative Bank and the Nationwide. The arrangements shall be regularly reviewed for security and efficiency.
- 5.2 A schedule of the payments required, forming part of the Agenda for the Meeting, shall be prepared by the RFO and will together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in 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. Expenses will be reimbursed in line with the Council's Expenses Policy.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 5.4, shall be signed by two members of the Council.
- 5.4 The Clerk/RFO will ensure and be responsible to ensure that the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation are correct and relevant for the signatories.
- 5.5 In the 2014/2015 financial year the Town Council authorised the move to electronic banking with the Co-operative Bank. The system is used for account management, invoice and payroll payments. The system has various authorisation controls for the Clerk, RFO, and from 2025 the Administrative Assistant, and at the July 2021 Part I Finance, Accounts & Audit Meeting (Minute 273/21-22 (d)). it was resolved that one named Councillor be added as an additional user who can set up payments on the Co-operative account, if required.

A maximum payment for any single transaction has been set at £20,000 (with effect from September 2018). All payments made are set out on the Monthly Payments and Bank Reconciliation documents, presented monthly to Members.

- 5.6 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. *See also 2.5 (b) above.*

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1 All payments shall be affected by cheque, BACS, or other order drawn on the Council's bankers. The Clerk/RFO is delegated with the Chair's approval in the interest of accounting efficiency to move regular standard payment items to the Direct Debit/Standing Order banking mechanism.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk/RFO. The Clerk/RFO shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

Once a month the Chair and/or a member of the Finance Sub-committee shall randomly select and check several payments in order to satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved. They will countersign these invoice payments.

In the event of the Council receiving any request from a supplier e.g. to amend or change the payment details of their business name, banking account and payment detail from information currently held on our authorised payment beneficiary listing; the following actions must take place to prevent any act of fraud occurring:

- (i) Changes to account details for suppliers, which are used for internet banking, may only be changed by written notification from the supplier, either signed, on headed paper, or via email (including a company logo).
 - (ii) Notification by the supplier of a change to banking details to be confirmed with a known/main contact at the supplier.
 - (iii) The hard copy authority for change to be signed by the Clerk or RFO, and/or a Member of the Council.
- 6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Clerk or RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting or earlier to meet invoice payment deadlines.
- 6.4 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, the Clerk may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 6.5 The RFO/Clerk may provide petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Clerk or RFO with a claim for reimbursement:
- a) The RFO shall maintain a petty cash float, by cash advances of a maximum of £400 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the cash float shall be shown separate on the schedule of payments presented to Council under 5.2 above.
- 6.6 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 by the Council.
- 6.7 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.
- 6.8 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.
- 6.9 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 Councillors who will be authorised to approve transactions on those accounts.

6.10 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.

7. PAYMENT OF SALARIES

7.1 **As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation.** The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council.

7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council Meeting. The Chair will sign for all changes to pay rates for employees proposed at the beginning of each financial year and verify quarterly (at minimum) on the accuracy of all employee wages, as approved by Council.

7.3 The wages schedule, which details wage rises, will be signed by the Chair, with wording added to acknowledge the Chair's approval and the approval by Council at the relevant meeting, prior to scanning and sending to the payroll bureau for implementation.

7.4 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council.

7.5 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 (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- by any Councillor who can demonstrate a need to know;
- by the internal auditor;
- by the external auditor; or
- by any person authorised under Audit Commission Act 1998, or any superseding legislation.

7.6 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.

7.7 **Councillors' Allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment. The Chair of Birchwood Town Council is the only Councillor who receives an allowance during their tenure of office.**

8. LOANS AND INVESTMENTS

8.1 All borrowings shall be affected 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; and in line with the Council's Treasury / Investment Management Strategy.

8.2 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) 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 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.
- 8.4 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least 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.

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; and in line with the Council's Income Collection and Debt Write-offs Policy.
- 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 annually, following a report of the Clerk/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 as directed by the RFO. 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 RFO shall, quarterly where possible, 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.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 An official purchase order (where requested by the vendor) or a letter/email, Clerk or Deputy Clerk/ RFO verbal instruction shall be issued for all work, goods and services unless a formal contract is to be prepared and an official purchase order would be inappropriate.

As purchases that have an unknown future total cost cannot be purchased using a purchase order (such as for some PPE, safety boots, or various maintenance supply items which are purchased in-store, often on account, or work undertaken to service/repair work vehicles, etc.) an invoice will be accepted for these.

Copies of orders shall be retained. Purchase orders for goods up to the value of £600 may be signed by the Clerk or RFO. Purchase orders over that amount must also be signed by the Chair or Vice Chair.

10.2 Order books shall be controlled by the RFO.

11. PROCUREMENT / CONTRACTS / TENDERS

Procurement:

11.1 Members and Officers are responsible for obtaining value for money at all times.

An Officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained for each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in 11.13 below.

11.2 A Member may not issue an official order or make any contract on behalf of the Council.

11.3 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.

11.4 Every contract shall comply with the Council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.

11.5 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 Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.

11.6 Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed in paragraph 11.13 obtain prices as follows:

11.7 For contracts estimated to exceed £30,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the Council.

11.8 For contracts estimated to be over £30,000 including VAT, for 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 11.13 below, the Council must comply with any requirements of the Legislation regarding the publication of invitations and notices.

11.9 For contracts greater than £2,500 excluding VAT the Clerk or RFO shall seek at least three fixed-price quotes;

11.10 Where the value is between £500 and £2,500 excluding VAT, the Clerk or RFO shall try to obtain three estimates which might include evidence of online prices, or recent prices from regular suppliers.

11.11 For smaller purchases, the Clerk or RFO shall seek to achieve value for money.

Contracts:

11.12 Contracts must not be split to avoid compliance with these rules.

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

- (i) for the supply of gas, electricity, water, sewerage and telephone services; (see also note below vii);
- (ii) for specialist 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 or RFO shall act after consultation with the Chair and Vice Chair of the Council);
- (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

Note:

- (vii) Where a favourable price is quoted by a supplier/provider for work or services (e.g. gas, electricity, water and telephone services) and a short time limit of acceptance prevails; the Clerk or RFO have authority to proceed with placing an order. They will be expected to inform the Chair/Vice Chair of the Council of the action taken and the circumstances prevailing and report the action to the next appropriate Finance and/or Council Meeting.

11.14 The Council shall not be obliged to accept the lowest of any tender, quote or estimate. Reasons for not accepting the lowest tender, quote or estimate will be recorded in the Council Minutes.

11.15 Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- the RFO/the Clerk, under delegated authority, for any items £600 or below excluding VAT.
- the RFO/the Clerk, in consultation with the Chair of the Council for any items £2,500 or below excluding VAT.
- The Finance Sub-committee or the Council for any items between £2,501 to £4,999 excluding VAT.
- the Council for all items over £5,000;

Such authorisation must be supported by a minute (in the case of Council decisions) or other auditable evidence trail.

11.16 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.

11.17 In cases of serious risk to the delivery of Council services or to public safety on Council premises, the RFO/the Clerk may authorise expenditure of up to £3,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The RFO/the Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.

11.18 Any ordering system can be misused and access to them shall be controlled by the RFO.

Tenders:

- 11.19 An invitation to tender shall state the general nature of the intended contract and the Clerk/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/RFO 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.
- 11.20 All sealed tenders shall be opened at the same time on the prescribed date by the Clerk/RFO in the presence of at least one member of Council.
- 11.21 If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 11.22 Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders item 59, and shall refer to the terms of the Bribery Act 2010
- 11.23 When it is to enter into a contract 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 11.13 the Clerk or RFO shall adopt the following procedural steps:
- a) A specification of equipment or product requirement will be produced.
 - b) The Clerk/RFO will establish in the first instance, the scope for a local or regional supplier to meet the needs of our specification. (This may be done, for example, via local trade directories, internet searches, or through preferred tenderer lists available via the Borough Council.)
 - c) An advertisement highlighting the work and invitations to express interest may be made for relevant high value works in the local press and/or local community magazine.
 - d) A schedule of potential suppliers interested or invited to quote for the work will be agreed by the Finance and Audit Sub-committee and recommended to the Council.
 - e) All returned quotations for works will be analysed by the Finance and Audit Sub-committee or Council and a recommendation for the award of work will be made to/resolved by the Council.
 - f) All awards of work will be subject to statutory or regulatory compliant information and reasonable timescales being received from a supplier and, if required, a reference on the quality and after sales support of a supplier will be sought.
 - g) Where the value is below £10,000 and above £2,500 the Clerk or RFO shall obtain competitive quotations for the consideration of the Council, following the above general principles.
- 11.24 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.
- 11.25 RFO/Clerk to ensure the VAT number of a supplier for a significant contract is formally verified before entering into the contract.

- 11.26 RFO/Clerk to add any regular, or significant supplier/contractor details into a formal contract register/file.
- 11.27 Where an electronic tendering process is used, the Council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.

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 Council and Clerk/RFO to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

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

14. ASSETS PROPERTIES AND ESTATES

- 14.1 The Clerk/RFO shall make appropriate arrangements for the safe custody of all title deeds and Land Registry Certificates of properties owned by the Council.

The RFO shall ensure a record is maintained of all properties owned 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 the Accounts and Audit Regulations.

- 14.2 (i) No tangible movable property shall be sold 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.
- (ii) In the event of a time limited offer on a sale of an asset, the Clerk or RFO in consultation with the Chair and/or Vice Chair and/or the Leader of the Council shall be delegated powers to take decisions on items not exceeding £3,000.

- 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 Subject only to the limit set in Regulation 14.2 above, no tangible moveable property (above £3,000) shall be purchased or acquired without the authority of the full Council.
- 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.

15. INSURANCE

- 15.1 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.
- 15.2 The Clerk 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 be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Council at the next available meeting. The RFO shall negotiate all claims on the Council's insurers in consultation with the Clerk.
- 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 annually by the Council, or duly delegated committee.

16. CHARITIES

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

17. RISK MANAGEMENT

- 17.1 The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- 17.2 The Clerk, with the RFO, 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.

- 17.3 When considering any new activity, the Clerk, with the RFO, shall prepare a draft risk assessment including risk management proposals for consideration by the Council.
- 17.4 **At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 17.5 **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.**
- 17.6 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.
- 17.7 In the event of any disaster, such as fire, flood, extreme weather, epidemic/pandemic, etc., that could significantly disrupt the normal operations of the Council, the Clerk (as Proper Officer of the Council) and/or the RFO shall be delegated powers to take decisions on matters of urgency, in consultation with the Chair and/or Vice Chair and/or the Leader of the Council. This will ensure that payments, including salaries, can be made to ensure continuity of service and any unexpected business can be dealt with.
- 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 and following any change of Clerk or RFO. Officers shall 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. Suspension does not disapply any legislation or permit the Council to act unlawfully.
- 18.3 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.
- 18.4 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.

19. MISCELLANEOUS

- 19.1 All Display Screen Equipment (DSE) users are entitled to free, regular eye tests. Where employees require glasses specifically for use with display screen equipment, the Council will provide these, on production of a receipt from the employee (subject to a maximum value). The employee can claim for the cost of their eye test, plus 50% of the value of their glasses, up to a maximum of £150 in total.
- 19.2 A Gifts and Hospitality Policy is in place to guide Councillors and staff, should they be offered any form of gifts or hospitality.

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Notes to the Model

1. The value inserted in any of the paragraphs may be varied by the Council and should be reviewed regularly and confirmed annually by the Council.
2. The appropriate approved list referred to in paragraph 11.23 (b) shall be a list drawn up by the Clerk and approved by Council but shall be based on the list maintained by the Borough Council for such works.