

RINGWOOD TOWN COUNCIL

FINANCIAL REGULATIONS

(Adopted July 2023)

INDEX

1.	GENERAL.....	2
2.	ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL).....	4
3.	ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING	5
4.	BUDGETARY CONTROL AND AUTHORITY TO SPEND.....	6
5.	BANKING ARRANGEMENTS AND SCRUTINY OF PAYMENTS.....	7
6.	INSTRUCTIONS FOR THE MAKING OF PAYMENTS.....	8
7.	PAYMENT OF SALARIES.....	10
8.	LOANS AND INVESTMENTS	11
9.	INCOME	11
10.	ORDERS FOR WORK, GOODS AND SERVICES	12
11.	CONTRACTS	12
12.	PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS ...	14
13.	STORES AND EQUIPMENT	14
14.	ASSETS, PROPERTIES AND ESTATES	14
15.	INSURANCE.....	15
16.	CHARITIES.....	16
17.	RISK MANAGEMENT.....	16
18.	SUSPENSION AND REVISION OF FINANCIAL REGULATIONS	16

These Financial Regulations were endorsed by the policy & Finance committee at its Meeting held on 20th July 2022

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's 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:
 - 1.3.1. for the timely production of accounts;
 - 1.3.2. that provide for the safe and efficient safeguarding of public money;
 - 1.3.3. to prevent and detect inaccuracy and fraud; and
 - 1.3.4. identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. A deliberate breach of these Regulations by an employee may be considered gross misconduct.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Finance Manager has been appointed as RFO for this Council and the Regulations will apply accordingly.
- 1.9. The RFO;
 - 1.9.1. acts under the policy direction of the council;
 - 1.9.2. administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - 1.9.3. determines on behalf of the council its accounting records and accounting control systems;
 - 1.9.4. ensures the accounting control systems are observed;
 - 1.9.5. maintains the accounting records of the council up to date in accordance with proper practices;
 - 1.9.6. assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - 1.9.7. produces financial management information as required by the council.

- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations¹.
- 1.11. The accounting records determined by the RFO shall in particular contain:
 - 1.11.1. 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;
 - 1.11.2. a record of the assets and liabilities of the council; and
 - 1.11.3. 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:
 - 1.12.1. procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - 1.12.2. procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - 1.12.3. identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - 1.12.4. 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
 - 1.12.5. measures to ensure that risk is properly managed.
- 1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
 - 1.13.1. setting the final budget or the precept (Council Tax Requirement);
 - 1.13.2. approving accounting statements;
 - 1.13.3. approving an annual governance statement;
 - 1.13.4. borrowing;
 - 1.13.5. writing off bad debts;
 - 1.13.6. declaring eligibility for the power of well-being; and
 - 1.13.7. addressing recommendations in any report from the internal or external auditors,shall be a matter for the full council only.
- 1.14. In addition the council must:
 - 1.14.1. determine and keep under regular review the bank mandate for all council bank accounts;

¹ Accounts and Audit (England) Regulations SI 2015/234 (as amended)

- 1.14.2. approve any grant or a single commitment in excess of £15,000; and
 - 1.14.3. in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils– a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC) or Governance and Accountability for Local Councils in Wales - A Practitioners' Guide, available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

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. On a regular basis, at least once in each quarter, and at each financial year end, a member shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Policy & Finance Committee.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 2.6. The internal auditor shall:
 - 2.6.1. be competent and independent of the financial operations of the council;
 - 2.6.2. report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;

- 2.6.3. to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- 2.6.4. have no involvement in the financial decision making, management or control of the council.
- 2.7. Internal or external auditors may not under any circumstances:
 - 2.7.1. perform any operational duties for the council;
 - 2.7.2. initiate or approve accounting transactions; or
 - 2.7.3. direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 The RFO must each year, by no later than the end of December, 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 Policy & Finance Committee and the Council.
- 3.2 The RFO may also prepare a three-year forecast of expenditure and income including capital receipts which shall be updated to take account of decisions relating to the annual budget, precept and use of reserves together with other emerging issues which might impact the budget.
- 3.3 The council shall consider annual budget proposals in relation to the council's three year forecast (if available) including recommendations for the use of reserves and sources of funding
- 3.4 The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5 The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.6 Each individual budget entry will have an identified budget manager who will have overall responsibility for controlling spend against that budget. The budget manager will be an officer of the Council.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
 - 4.1.1. the council or an appropriate committee for all individual items of £15,000 and above (as evidenced by a Minute of a relevant meeting);
 - 4.1.2. the relevant Budget Manager in conjunction with either the Clerk or the RFO for all individual items between £1,000 & £15,000 (as evidenced by a Purchase Order assigned to the Budget Manager and approved by the Clerk or RFO); and
 - 4.1.3. the relevant Budget Manager for all individual items below £1,000 (as evidenced by a Purchase Order that has been either assigned to or approved by the Budget Manager and approved by a different officer from the one it is assigned to).

Purchases may not be disaggregated to avoid controls imposed by these regulations. Each budget manager is responsible for seeking advice from the RFO on the budget code applying to each item of expenditure and/or advice from the Clerk on the relevant legal power to incur it if they judge that such advice is needed. The RFO shall have power to alter the coding of expenditure which has (in the opinion of the RFO) been coded incorrectly by a budget manager at any time and by making a journal transfer if necessary.

- 4.2. Subject to regulation 4.5 & 4.6 below, no expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure by more than £100 or ten per cent (whichever is the greater) other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of Council, or duly delegated Committee, 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'). Furthermore, where income is expected that is linked to or dependent upon a class of expenditure (e.g. from the sale of catering supplies or in connection with public events), expenditure in excess of the approved budget may be authorized if it is fully off-set by income earned.
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year but those for incomplete projects shall be.
- 4.4. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by the minutes of the relevant council or committee meeting. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme urgency and risk to the delivery of council services or to the reputation of the Council, the Clerk may authorise 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 £5,000 The Clerk shall report such action to the chairman as soon as possible and to the Council as soon as practicable thereafter.
- 4.6. Budget managers may, with the approval of the Clerk and the RFO, transfer or vire a limited amount of any of their unexpended non payroll budget to enable increased

expenditure elsewhere. This is subject to there being no overall increase in the budget, a limit of up to a 20% transfer from an existing budget and a maximum budget virement of £500. Any such budget transfer will be reported to Policy & Finance Committee and will be for the current year only unless member approval is granted to make the budget transfer permanent. Virements may not take place between payroll and non-payroll budgets.

- 4.7. 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/or the requisite borrowing approval has been obtained.
- 4.8. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.9. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared monthly with effect from the third month of the financial year (except in August) and shall be supplemented with a narrative report from the RFO on the overall budget position, explanations of material variances and, where practicable, comment on the expected out-turn at year-end. Routine budget comparison reports may be limited to main budget headings only but the RFO will produce a detailed report including budget sub-headings if requested.
- 4.10. Changes in earmarked reserves shall be approved by Council as part of the budget setting and budget control process.

5. BANKING ARRANGEMENTS AND SCRUTINY OF PAYMENTS

- 5.1 The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be reviewed annually for safety and efficiency & as soon as reasonably practical following the departure of a signatory.
- 5.2 The RFO shall prepare a schedule of all payments, forming part of the Agenda for the Meeting and present the schedule to the Policy and Finance Committee. That Committee shall review the schedule for compliance and, having satisfied itself shall endorse it by a resolution of the Committee. The approved schedule shall be signed by the Chairman of the Meeting and a second committee member at the meeting or as soon as practicable thereafter. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was approved. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarized to remove public access to any personal information. Other personal data shall also be redacted in appropriate cases.
- 5.3 All invoices for payment shall be examined and verified by the relevant budget manager 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. The budget manager will amend the relevant Purchase Order if necessary and mark the order as received.
- 5.4 The relevant budget manager shall examine invoices for arithmetical accuracy and assign them to the appropriate expenditure heading. The RFO shall take all steps to

pay all invoices submitted, and which are in order and marked as received, in a timely manner and in any event, within 28 days and report this at the next available Policy and Finance Committee Meeting

- 5.5 The Clerk and RFO shall have delegated authority to authorise the payment of items as set out in section 4 and in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Finance Committee;
 - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Finance Committee; or
 - c) fund transfers within the councils banking arrangements up to the sum of £50,000, per month, per account, provided that a list of such transfers shall be submitted to the next appropriate meeting of the Policy and Finance Committee.
- 5.6 In respect of grants the Policy & Finance 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.
- 5.7 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 authorize or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.8 The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.9 Any changes in the recorded details of suppliers, such as bank account records, shall be approved by the Clerk or RFO.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 4 above, the Council, a duly delegated committee or, if so delegated, the Clerk or RFO may give instruction that a payment shall be made.
- 6.3 Cheques or orders for payment drawn on the bank account shall require any two signatures of the Clerk, the Deputy Clerk, the RFO or Members for sums under £1,000 or two members of the Council or one member and countersigned by the Clerk in any other case. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.

- 6.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.5 Payments not exceeding £50,000 may be made by the RFO (and/or any assistant authorized by the RFO) on the bank account by BACS and/or online transfer if supported by a Purchase Order receipted or an invoice examined and verified as described in Financial Regulations 4 and 5 above and shall be reported to the Policy & Finance Committee at the next convenient meeting.
- 6.6 Payment for utility supplies (energy, telephone, water, etc.), National Non-Domestic Rates and other suitable types of expenditure (especially payments under contracts for hire of equipment and such like) may be made by variable Direct Debit provided that the instructions are agreed by the Clerk and the RFO and any payments are reported to council as made. A list of active direct debits shall be produced to the Policy & Finance Committee at least once a year. Other recurring expenditure that is not covered by Direct Debit (or subject to individual purchase orders) may be made by BACS payment provided such arrangements are included under a schedule endorsed by the Clerk and the RFO and reported to the Policy & Finance Committee at least once a year.
- 6.7 Payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members and are retained and any payments are reported to the Policy & Finance Committee.
- 6.8 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.9 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.
- 6.10 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.
- 6.11 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of officers and/or councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.12 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. Intentional breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.13 Changes to account details for suppliers, which are used for internet banking may only be made on written hard copy notification by the supplier and supported by hard copy authority for change signed by two of the Clerk, the RFO and a Member. A programme of regular checks of standing data with suppliers will be followed.
- 6.14 Credit Cards may be issued to any Budget Manager by the RFO in conjunction with the Clerk provided that the credit limit on the account shall not exceed £5,000 and

arrangements are made to ensure the full balance shown on each monthly statement is paid by the due date to ensure that no interest shall become payable. It will be the responsibility of the any Budget Manager using such card to raise a Purchase Order for each transaction in the usual way. Personal credit or debit cards of members or staff shall not be used under any circumstances.

- 6.15 The RFO 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.
- a) The RFO shall maintain 3 petty cash floats of £200 (Office), £100 (Visitor Information Centre) and £100 (Carvers Clubhouse) 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, unless disbursed, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to the Policy & Finance Committee under 5.2 above.
 - d) A further float may be established from time to time to defray operational expenditure in respect of events. Such floats will be subject to the same controls that are set out above in paragraph 6.15, a) to c).

7. PAYMENT OF SALARIES

- 7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Policy & Finance Committee meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any terms and conditions of employment without the prior consent of the Policy & Finance Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by the Staffing Committee.
- 7.8. Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. 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 shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5. 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 Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council will review all fees and charges at least annually, following a report of the Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.

- 9.5. All sums received on behalf of the council shall be banked intact unless disbursed on related expenditure as agreed with 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 promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are planned to be received by the council, the RFO shall make such arrangements as the RFO and the Clerk judge practicable to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Orders must be assigned to a named officer and approved by a different named officer and must comply with the authorization limits prescribed in Regulation 4 above. Copies of all orders shall be retained.
- 10.2. Order records shall be controlled and maintained by the RFO.
- 10.3. All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 (i) below .
- 10.4. A member may not issue an official order or make any contract on behalf of the council.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down as follows:
 - a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;

- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - v. for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council);
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price; and
 - vii. contracts placed under any Approved Suppliers Scheme established in accordance with Regulation 11.2 below.
- b) Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by the Public Contracts Regulations 2015 ("The Regulations") which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations.
 - c) 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 exceeds thresholds in the Regulations set by the Public Contracts Directive 2014/24EU (which may change from time to time).
 - d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be set out in a recommendation to the council.
 - e) 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.
 - f) The tendering process shall be managed by the Clerk or the RFO in a fair and lawful manner. The outcome shall be reported to members and the details of the award published.
 - g) 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.
 - h) Any invitation to tender issued under this regulation shall refer to the terms of the Bribery Act 2010.
 - i) 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 budget manager shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the budget manager shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
 - j) The council shall not be obliged to accept the lowest of any tender, quote or estimate, but reasons must be recorded for any such decision.
 - k) 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.

- 11.2 The council may maintain a list of approved suppliers on the following conditions:
- a) the list shall identify suppliers and specify the types of goods, materials, works or services that may be ordered from each;
 - b) the RFO may admit a supplier to the list only after due enquiry has been made to establish that it is willing and able to provide good value for money;
 - c) the RFO shall review each supplier's membership of the list every three years to ensure that it remains willing and able to provide good value for money and if unsatisfied on this point may remove the supplier from the list;
 - d) any potential supplier may apply to the RFO at any time for admission to the list;
 - e) the RFO shall report to the Policy & Finance Committee all admissions to and removals from the list; and
 - f) the Policy & Finance Committee shall review the list at least once a year and may resolve to admit or remove any supplier from it or alter the categories of goods, materials, works or services relating to a supplier on the list at any time.

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 to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

13. STORES AND EQUIPMENT

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

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. The Clerk shall make appropriate arrangements for the registration at Land Registry of all interests in land held by the council that are capable of such registration and custody of all documents that cannot be so registered. 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.
- 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 Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council with a full business case.
- 14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually in the case of items which cost more than £3,000 and at three-yearly intervals in any other case), possibly in conjunction with a health and safety inspection of assets.

15. INSURANCE

- 15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the Clerk.
- 15.2. Budget managers shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting.
- 15.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.

16. CHARITIES

16.1. Where the council is sole managing 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 is responsible for putting in place arrangements for the management of risk. The Clerk, with the RFO, shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

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

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

18.1. It shall be the duty of the council to review the Financial Regulations of the council annually. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these financial regulations.

18.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.
