

WYMONDHAM TOWN COUNCIL FINANCIAL REGULATIONS

Financial Regulations

May 2021

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These Financial Regulations were adopted by the Council at its Meeting held on 4th MAY 2021.

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 orders¹ 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 promote operational efficiencies.
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Town Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
- 1.9. The RFO;
- acts under the policy direction of the Council.
 - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices.
 - determines on behalf of the Council its accounting records and accounting control systems.
 - ensures the accounting control systems are observed.
 - maintains the accounting records of the Council up to date in accordance with proper practices.
 - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Council.
- 1.10. 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 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 Finance & General Purposes Committee and that the approvals are shown in the accounting records; and
- 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:

- setting the final budget or the precept (council tax requirement);
- approving accounting statements.
- approving an annual governance statement.
- borrowing.
- writing off bad debts over £250.
- addressing recommendations in any report from the internal or external auditors.
- sums to be invested in infrastructure and non-monetary assets.

shall be a matter for the full Council only.

1.14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all council bank accounts. The bank mandate, which shall ensure that there are not less than four signatories for the Council's current accounts.
- ensure that the bank mandate contains safe and efficient arrangements for the making of its payments.
- approve any grant or a single commitment in excess of £10,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

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

2. 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 quarterly basis and at each financial year end, the Chairman of the Finance & General Purpose Committee shall verify bank reconciliations (for all accounts) produced by the Finance Officer. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The internal auditor shall:
- be competent and independent of the financial operations of the Council.

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

3. ANNUAL BUDGET AND FORWARD PLANNING

- 3.1. Detailed estimates of all receipts and payments for the year, together with proposed allocations to earmarked reserves, and a schedule shall be prepared each year by the RFO.
- 3.2. Each designated committee shall review the detailed estimates and submit proposals to the Finance & General Purposes Committee by the end of November.
- 3.3. The annual budget must contain 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 an annual budget which must be considered by the Finance & General Purposes Committee and recommended to the Council.

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- 3.4. The Council shall by no later than the end of January of each year approve the Council's annual budget and forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding.
- 3.5. At this meeting, the Council shall also fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year. The RFO shall issue the precept amount to the billing authority by the date specified and shall supply each Council member with a copy of the approved annual budget.
- 3.6. Changes in the use and reclassification of earmarked reserves shall only be approved by Council as part of the budgetary control process.
- 3.7. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
 - the Council for all items over £25,000.
 - a duly delegated Committee of the Council for items over £10,000.
 - The Town Clerk for items below £10,000 except for expenditure incurred under Regulation 4.3 below.
- 4.2. No expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure other than by resolution of the Council, or duly delegated Committee. Unspent and available amounts may be vired (moved) to other budget headings or to earmarked reserves by the Town Clerk for amounts not exceeding £10,000 per budget heading or by the Finance & General Purposes Committee for amounts exceeding £10,000 per budget heading. The Town Clerk must notify the Finance Committee of any virement initiated in terms of this regulation.
- 4.3. In cases of extreme risk to the delivery of Council services, risk of life or substantial damage to Council property, the Town Clerk may authorise revenue expenditure on behalf of the Council, subject to a limit of £10,000 (Where possible approval to be obtained from the Chair or Vice Chair of the Finance & General Purposes Committee) which in the Town 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. The Town Clerk shall report such action to the Mayor as soon as possible and to the Council as soon as practicable thereafter.

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- 4.4. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.
- 4.5. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.6. The RFO shall regularly provide the Finance & General Purposes Committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of the September, December and March financial quarters and shall show explanations of material variances.
- 4.7. Where expenditure is incurred in accordance with regulation 4.3 above and the sum required cannot be met from savings made elsewhere within that Committees budget, it shall be met from the Councils general reserve.
- 4.8. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless approved by the Council but shall be placed in the Councils general reserve.

5. PROCESSING OF SUPPLIER AND OTHER INVOICES AND FEES

- 5.1. All invoices and fees for payment shall be examined, verified and authorised by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council in terms of Regulation 4 The Finance Officer shall also examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO may delegate these tasks, other than the authorisation of invoices, to members of staff.

6. THE MAKING OF PAYMENTS

- 6.1. The Council's banking arrangements, including the bank mandate referred to in Regulation 1.14, shall be implemented by the RFO.
- 6.2. Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 7.1 shall be signed by two of the approved bank signatories.

- 6.3. All payments must be made by BACS (other than petty cash) unless it is more appropriate to make a payment by cheque drawn on the Council's bankers.
- 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 when a cheque is used for payment purposes.
- 6.5. A Council member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.6. Members of Council who initiate BACS payments or sign cheques may examine the invoices and supporting documentation prior to making payment. The Finance Officer must make arrangements to provide the information requested.
- 6.7. Unless prohibited by the bank mandate referred to in Regulation 1.14, the RFO and the Finance Officer may together make payments under the following circumstances:
- a) Transfers between the Council's bank accounts to maximise opportunities to earn interest.
- 6.8. If thought appropriate, payment for utility supplies (energy, telephone and water), National Non-Domestic Rates and other contracted payments may be made by variable direct debit. Two of the approved bank signatories may sign the direct debit on behalf of the Council.
- 6.9. Dispersal credits used for the payment of salaries are to be authorised by the RFO and shall not exceed £15,000 per month.
- 6.10. 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 RFO certifies that there is no dispute or other reason to delay payment, the RFO 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 the full Council.

7. REVIEW AND RATIFICATION OF PAYMENTS MADE

- 7.1. The Finance Officer shall prepare a schedule of all payments (including BACS, cheque payments, Direct Debits and Standing Orders) already made or to be made from the Council's bank accounts. The payment schedule shall form part of the Agenda for the Full Council meeting. The payment schedule will contain payments already made and which require ratification by the Full Council. The schedule will also contain payments

that will still have to be made and these will need to be approved prospectively by the Full Council. The detailed list of all payments already made or still to be made shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

- 7.2. The Finance Officer shall bring the invoices and other supporting documentation to the meeting where the schedule of payments is tabled. Members of the Full Council may inspect the invoices and other supporting documentation prior or during the meeting as directed by the Chairman.
- 7.3. In respect of grants the Finance & General Purposes Committee or Full Council shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council.
- 7.4. 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.

8. INTERNET BANKING SAFEGUARDS

- 8.1. 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.
- 8.2. 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.
- 8.3. 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.
- 8.4. 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 councillors, who will be authorised to approve transactions on those accounts.
- 8.5. 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 and may lead to disciplinary action.

- 8.6. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by two approved bank signatories and the RFO. A programme of regular checks of standing data with suppliers will be followed.

9. CREDIT CARDS, PETTY CASH AND FLOATS

- 9.1. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the RFO and other authorised officers and will also be restricted to a single transaction maximum value of £3,000. Such corporate credit or trade account shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 9.2. The Finance Officer may provide petty cash/floats 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 Finance Officer shall maintain a petty cash float of £150 that is sufficient 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 petty cash float shall be shown separately on the schedule of payments presented to the Full Council under Regulation 7 above.

10. PAYMENT OF SALARIES

- 10.1. 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.

- 10.2. 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.
- 10.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Full Council.
- 10.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
 - a) by any Councillor who can demonstrate a need to know;
 - b) by the Internal Auditor;
 - c) by the External Auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 10.5. The total of such payments in each calendar month shall be reported with all other payments as made as required under Regulation 7, to ensure that only payments due for the period have actually been paid.
- 10.6. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by Council.
- 10.7. Before employing interim staff, the Council must consider a full business case.

11. LOANS AND INVESTMENTS

- 11.1. 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 the Council.
- 11.2. 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 Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 11.3. 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.

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- 11.4. All investments of money under the control of the Council shall be in the name of the Council.
- 11.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 11.6. 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 6 (making of payments).

12. INCOME

- 12.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 12.2. 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.
- 12.3. The Council will review all fees and charges at least annually, following a report to the Finance & General Purposes Committee.
- 12.4. Any sums found to be irrecoverable and any bad debt over an amount of £250 shall be reported to the Council and shall be written off in the year when they are considered to be irrecoverable.
- 12.5. 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.
- 12.6. The origin of each receipt shall be entered on the pre numbered cash sheet used for this purpose.
- 12.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 12.8. The Finance Officer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least quarterly coinciding with the financial year end.
- 12.9. Where any significant sums of cash are regularly received by the Council, the Finance Officer 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.

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13. ORDERS FOR WORK, GOODS AND SERVICES

- 13.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 13.2. 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 14.1 below.
- 13.3. A member may not issue an official order or make any contract on behalf of the council.
- 13.4. 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.

14. CONTRACTS

- 14.1. 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 £250 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of the Finance & General Purposes Committee).

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- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- 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 £50,000 or more, the council shall comply with the relevant requirements of the Regulations².
- 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 exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (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 embodied 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. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall provide a specifically marked envelope (which must not identify the tenderer in any way) in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. Any invitation to tender issued under this regulation shall be subject to Standing Order 18.
- h. Where it is intended to enter into a contract for the supply of goods, supply of services or the execution of works with an estimated value not exceeding £10,000 the RFO may commit expenditure. When it is intended to enter into a contract between £10,000 and £50,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £10.00 and above £5,000 the Clerk or RFO shall strive to obtain 3 estimates. For values exceeding £50,000 a full tendering process must be implemented.

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

- i. The council shall not be obliged to accept the lowest quote/tender and may take into account references, reputation of the tenderer, quality of past service and differences in tender detail with the aim of achieving the best value for money in placing the contract. If however the lowest tender is not accepted reasons shall be specified in the minutes or report of the meeting at which tenders were considered.

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.

- (j) Where the supply of goods, supply of services or the execution of works will have an estimated value exceeding £50,000, the RFO shall seek tenders in accordance with sub-clause (n) below except where the goods, services or works to be supplied are unique to the supplier in which case the RFO will obtain price quotations and product information from at least three suppliers of similar goods sufficient to enable informed judgments as to the best value offered in terms of price, quality, delivery, after sales service and suitability for the intended purposes.
- (k) Where the supply of such goods, supply of services or the execution of works is to be on a continuing or regular basis, price quotations need not be obtained on every occasion but should be renewed and reviewed at least every 5 years or such longer periods as may be specified by the Council after taking into account the improved terms which may be obtained by entering into a longer contract or agreement.
- (l) When applications are made to waive Standing Orders/Financial Regulations relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (m) Council may, by consideration of tenders or by other means of selection appoint a broker agent to obtain goods and services at the most favourable terms on its behalf.
- (n) Where tenders are to be obtained in accordance with sub-clauses (e) above the following procedures shall apply;

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- (i) Invitation to tender shall be addressed to a minimum of three and a maximum of six suppliers or contractors.
- (ii) Each invitation to tender shall contain a detailed specification of the goods or services to be supplied or the works to be executed (the necessary technical assistance to prepare a specification in appropriate cases shall be obtained). The invitation to tender shall in addition state that tenders must be returned to the RFO with the details of the return address and the last date and time by which such tenders should reach the RFO in the ordinary course of post.
- (iii) Each invitation to tender shall contain a request that the RFO or appointed agent be advised immediately if the invitee is unable or unwilling to tender. If such advice is received from more than one of those invited to tender then further invitation(s) to additional supplier(s) or contractor(s) shall be sent with the aim of obtaining a minimum of two tenders.
- (iv) Each tendering firm shall be supplied with a specially marked envelope bearing the words `TENDER – DO NOT OPEN UNTIL (prescribed date for opening)`, but no other means of identifying the tender, in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All tenders when received shall be endorsed with date and time of receipt. No fax or e-mails will be accepted.
- (v) Returned tenders shall be opened together after the return date by the RFO in the presence of the Mayor or Chair of the Finance & General Purposes committee or a member of the committee who will consider the tenders. Opening of tenders shall normally be in advance of the meeting at which they will be considered in order that clarification of any points of detail, which may be necessary, may be obtained from tenderers.

- (vi) Details of tenders and tender amounts shall be recorded in the minutes or report of the meeting at which they were considered.

The tenderers shall be listed alphabetically and tender amounts in ascending value so that with the exception of the successful tenderer the amounts tendered by each tenderer cannot be identified by the public.

- (vii) Errors or Discrepancies in Tenders – Where examination of tenders reveals errors or discrepancies which would affect the tender figure in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and afforded an opportunity of confirming or withdrawing his/her offer. If the tenderer withdraws, the next tenderer in competitive order is to be examined and dealt with in the same way. Any exception to this procedure may be authorised only by the full Council or the Finance & General Purposes Committee after consideration of a report by the RFO.

- (o) If no tenders are received by the return date or if all the tenders received are identical, Council may make such arrangements for placing the contract as it thinks fit.
- (p) Late Tendering – Any tenders received after the specified date shall be returned promptly to the tenderer by the RFO with a suitable covering letter. The tender may be opened to ascertain the name and address of the tenderer but no details of the tender shall be disclosed.
- (q) Performance Bonds and financial checks – Where a contract is estimated to exceed £100,000 in value or amount and is for the execution of works (or the supply of goods or materials by a particular date or series of dates) the Council shall consider whether they require security for its due performance and shall either certify that no such security is necessary or, in consultation with appropriate officers, shall specify in the conditions of tender the nature and amount of security to be given. In the latter event, the Council shall require and take a bond or other sufficient security for the due performance of the contract. A financial check must be made against the selected contractor prior to the contract being awarded.

- (r) Council need not accept the lowest tender and may take into account references, reputation of the tenderer, quality of past service and differences in tender detail with the aim of achieving the best value for money in placing the contract. If however the lowest tender is not accepted reasons shall be specified in the minutes or report of the meeting at which tenders were considered.
- (s) No exception from the provision of these Standing Orders (other than those expressly provided for) shall be made without resolution of the Council or the Finance & General Purposes Committee. Every exception made by the Council or the Finance & General Purposes Committee shall be recorded in the minutes of the Council or committee specifying the special circumstances by which the exception was justified.

15. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)

- 15.1. 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).
- 15.2. 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.
- 15.3. 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.

16. STORES AND EQUIPMENT

- 16.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

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- 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.
- 16.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 16.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

17. ASSETS, PROPERTIES AND ESTATES

- 17.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council where such properties are registered in the name of the Town Council and have title deeds. 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.
- 17.2. 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 £10,000.
- 17.3. 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).
- 17.4. 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).
- 17.5. Subject only to the limit set in Regulation 17.2 above, no tangible moveable property shall be purchased or acquired without the authority of the Council. In each case a report in writing shall be provided to Council with a full business case.

- 17.6. 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.

18. INSURANCE

- 18.1. Following the annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 18.2. 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.
- 18.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 18.4. 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.
- 18.5. 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 Council Committee.

19. CHARITIES

- 19.1. Where the Council is sole managing trustee of a charitable body the Town Clerk 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 shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

20. RISK MANAGEMENT

- 20.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the Council. Risk policy statements and Financial Regulations

consequential risk management arrangements shall be reviewed by the Council at least annually.

- 20.2. When considering any new activity, the Town Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

21. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 21.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town 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.
- 21.2. 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.

