



# New Alresford Town Council

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# Financial Regulations

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## 1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management of the council and may only be amended or varied by resolution of the council. Financial regulations provide procedural guidance for members and officers and must be observed in conjunction with the council's standing orders.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 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 Town Clerk has been appointed as Responsible Financial Officer (RFO) 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 Town Clerk shall be sufficient to show and explain the council's transactions and to enable the Clerk(s) 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 Town Clerk 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 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 Town Clerk 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 Town Clerk 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, however the Clerk is able to write off debts to the value of £2.00 and under.
  - declaring eligibility for the General Power of Competence; and
  - 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:
- Determine and keep under regular review the bank mandate for all council bank accounts;

- Approve all grants;
- Approve all expenditure £5000 and over; 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 Local Audit and Accountability Act 2014 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 Smaller Authorities in England - a Practitioners’ Guide* issued by the Joint Panel on Accountability and Governance (JPAG).

## **2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

2.1. All accounting procedures and financial records of the council shall be determined by the Town Clerk 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 other than the Chair of the Council or the Chair of the Finance and Facilities Committee, shall be appointed to verify bank reconciliations for all accounts produced by the Town Clerk. 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 Finance and Facilities Committee.

2.2. The Town Clerk will 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.

2.3. 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 Town Clerk, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.

2.4. An internal auditor shall be appointed and carry out the work in relation to internal controls required by the council in accordance with proper practices.

2.5. The internal auditor shall:

- be competent and independent of the operations of the council;
- report to the council in writing, on a regular basis with a minimum of one annual written report during each financial year;
- 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.
- 2.6. 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.
- 2.7. 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.
- 2.8. The Town Clerk 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 the Local Audit and Accountability Act 2014 or any superseding legislation
- 2.9. The Town Clerk shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors unless it is of an administrative nature.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1. Each Committee shall review its five-year forecast in respect of Revenue and Capital costs. Having regard to the forecast it will formulate and submit proposals to the Finance and Facilities Committee for review for the following financial year, by the end of October each year. The proposals will be submitted to Town Council by the end of November each year.
- 3.2. The Town Clerk must by the end of November each year, prepare detailed estimates of all receipts and payments, current year forecast and year end position, 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 Town Council.
- 3.3. Once the Forecast and Budget is approved the council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year by the end of January each year. The Town Clerk shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.4. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.
- 3.5. 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 revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- The council for all items £5,000 and over;
  - A duly delegated committee of the council for items under £5000.00; or

- The Town Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items £1000.00 or below.
- The Town Clerk may authorise expenditure in the “Office budget” up to £500.00 per item that does not relate to themselves or to Staff costs.
- In cases of risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk’s judgement, it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000.00. The Clerk shall report such action to the Chair of the Committee as soon as possible and to the Council as soon as practicable thereafter.

Authority to spend is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

- 4.2. For all projects where the total value exceeds £5,000 the Committee must ensure they have sufficient expertise to manage the whole project, if they do not, a competent expert should be engaged to confirm the specification and project plan is adequate.

Subsequent to the work being completed the invoice must be submitted to full council prior to payment for approval. Together with confirmation from the expert if used, that the completed works are to a satisfactory standard.

If no expert is used the invoice must be signed by the Chair on behalf of the Committee as confirmation the works have been completed satisfactorily

- 4.3. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or the Finance and Facilities Committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate. (‘virement’).
- 4.4. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.5. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The Town Clerk will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.6. 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.
- 4.7. All capital works shall be administered in accordance with the council's Standing Orders and Financial Regulations relating to contracts. Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.8. The Town Clerk shall provide the council at least quarterly, with a statement of Income and Expenditure under each budget heading, comparing actual expenditure against that shown in the budget. The Town Clerk will also provide explanations of material variances in budget, in excess of 15% of the budget, unless previously agreed by council.

## **5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

- 5.1. The council's banking arrangements, including the bank mandate, shall be made by the Town Clerk and approved by the Town Council. Banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency
- 5.2. The Town Clerk shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council. The Town Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by resolution. A detailed list of all payments shall be disclosed as an attachment with the Agenda and the approved payment list attached to the minutes. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) will be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be examined, verified and certified by the Town/Deputy Clerk to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.4. The Town/Deputy Clerk shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Town Clerk shall take all steps to take all invoices submitted, and which are in order, to the next available Council meeting
- 5.5. The Town Clerk shall have delegated authority to authorise the payment of items only 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 Town Clerk certifies that there is no dispute or other reason to delay payment.
  - 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 council ; or
  - c) Fund transfers within the councils banking arrangements up to the sum of £20,000 provided that a list of such payments shall be submitted to the next appropriate meeting of Town Council or Finance and Facilities Committee.
- 5.6. For each financial year the Town Clerk shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, utility and regular maintenance contracts) which the Council may authorise for the year, provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, and provided also that a list of such payments shall be submitted to the next appropriate meeting of the Town Council. These may be via bank transfer, standing order or variable direct debit.
- 5.7. A record of regular payments made under 5.6 above shall be signed by one member on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants, the Town Council shall approve expenditure in accordance with the approved Grants policy.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment



is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

- 5.10. 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.
- 5.11. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chair of the council at the same time as one is issued to the Town Clerk
- 5.12. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

## **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 5 above, the council, a duly delegated committee or, if so delegated, the Town Clerk shall give instruction that a payment shall be made.
- 6.3. Payments shall be made by internet banking transfer, provided that the instructions for each payment are authorised (and electronically signed) by two members. The bank mandate approved by the council shall identify the councillors who will be authorised to approve transactions on these accounts. Evidence will be retained showing which members authorised the payment. In exceptional circumstances the Town Clerk act as a signatory
- 6.4. 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.
- 6.5. Where internet banking transfer is not possible, payment shall be effected by cheque and signed by two authorised members
- 6.6. 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
- 6.7. All payments will be reported at the next Town Council meeting.
- 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 off site or on the Cloud.
- 6.10. The council shall ensure that computers used for financial business, have appropriate anti-virus, anti-spyware and firewall software, with automatic updates, together with a high level of security.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a

sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

- 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. 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 changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Town Clerk. A programme of regular checks of standing data with suppliers will be followed.
- 6.14. Debit Card issued for use will be specifically restricted to the Town and Deputy Clerk and will be restricted to a single transaction maximum value of £1,000.00 and £1,000.00 per month limit, unless authorised by the Town Council or Finance and Facilities committee in writing before any order is placed.
- 6.15. The Town Clerk shall maintain a petty cash float not exceeding £100 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept substantiating the payment. Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.
- 6.16. Income received must not be paid into the petty cash float but must be separately banked intact, as provided elsewhere in 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, 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 council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council.
- 7.4. 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 Local Audit and Accountability Act 2014 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 council.
- 7.8. Before employing interim staff, the council must consider a full business case.

## **8. LOANS AND INVESTMENTS**

- 8.1. All borrowing and loans shall be negotiated and effected in the name of the Council and should be for a set period and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall be approved by the Town 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 Town Council.
- 8.3. All investments and money under the control of the Council shall be in the name of the Town Council and comply with Council policies
- 8.4. All investment certificates and other documents relating thereto shall be retained in the custody of the Town Clerk.
- 8.5. The Investment Strategy and Policy which, shall be in accordance with relevant regulations, proper practices and guidance. The Financial Strategy and Policy shall be reviewed by the council at least annually.
- 8.6. 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 5 (Authorisation of 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 Town Clerk.
- 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 Town 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 as directed by the Town Clerk. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the Clerk 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 Town Clerk shall promptly direct the completion of any VAT Return that is required. Any repayment claims due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. New Alresford Town Council are trustees of Colonel Stratton Bates Recreation Ground, Charity registration number 301895 and any income arising from the charity shall be managed by the Trustees.

## **10. ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2. 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 below.
- 10.3. A member may not issue an official order or make any contract on behalf of the council.
- 10.4. The Town Clerk 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 Town Clerk 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. 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 Town Clerk shall act after consultation with the Chair and Vice Chair of council); and
  - 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 £25,000 or more, the council shall comply with the relevant requirements of the Regulations<sup>1</sup>.
  - 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)<sup>2</sup>
  - d. Where it is intended to enter into a contract exceeding £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms.
  - e. 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.
  - f. 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/email.
  - g. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
  - h. 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.
  - i. Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
  - j. 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 Town/Deputy/Committee Clerk shall obtain 3 quotations (priced descriptions of the

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<sup>1</sup> 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.

<sup>2</sup> Thresholds currently applicable are:  
a) For public supply and public service contracts £181,302  
b) For public works contracts £4,551,413

proposed supply); where the value is below £5,000 and above £1000 the Town Clerk shall strive to obtain 3 written estimates. Items below £1000 are considered di minimis.

- k. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- l. 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.
- m. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

## **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 Town Clerk 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. 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 Town 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.
- 13.2. Delivery notes shall be obtained in respect of all goods received and must be checked as to order and quality at the time delivery is made.

## **14. ASSETS, PROPERTIES AND ESTATES**

- 14.1. The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The Clerk 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 £250. Where the value does exceed £250, in each case a report in writing shall be provided to council with a full business case.

- 14.3. No real property (interests in land) shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a 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. The Town Clerk 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. Following the annual risk assessment (per Financial Regulation 17), the Town Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2. The Clerks shall give prompt notification to the Town Clerk of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The Town Clerk 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 Town Clerk 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.

## **16. CHARITIES**

- 16.1. Where the council is sole managing trustee of a charitable body the Town Clerk shall where appropriate ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made, 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.

## **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 Town Clerk 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 at least 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.

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