

NEWBURY TOWN COUNCIL
FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the Council at a meeting of the Policy and Resources Committee held on 25 April 2016.

1. GENERAL

- 1.1. Where these regulations refer to “the Council”, this is to be interpreted as meaning the Council, its Committees or Sub-Committees unless otherwise stated. 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 must be observed in conjunction with the Council’s standing orders. The Council is responsible in law for ensuring that it’s 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.
- 1.2. The Council’s accounting control systems must include measures:
 - a) for the timely production of accounts.
 - b) that provide for the safe and efficient safeguarding of public money.
 - c) to prevent and detect inaccuracy and fraud.
 - d) for identifying the duties of officers.
- 1.3. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.4. 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.
- 1.5. A breach of these Regulations by an employee may be considered as gross misconduct.
- 1.6. 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.
- 1.7. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council.
- 1.8. The RFO is accountable to the CEO and;
 - a) acts under the policy direction of the Council.
 - b) administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices.

- c) determines on behalf of the Council its accounting records and accounting control systems.
 - d) ensures the accounting control systems are observed.
 - e) maintains the accounting records of the Council up to date in accordance with proper practices.
 - f) assists the Council to secure economy, efficiency and effectiveness in the use of its resources.
 - g) produces financial management information as required by the Council.
- 1.9. 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.
- 1.10. The accounting records determined by the RFO shall in particular contain:
- a) 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.
 - b) a record of the assets and liabilities of the Council.
 - c) 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.
- 1.11. The accounting control systems determined by the RFO shall include:
- a) procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible.
 - b) procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records.
 - c) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions.
 - d) 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.
 - e) measures to ensure that risk is properly managed.
- 1.12. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- a) setting the final budget or the precept (Council tax requirement).
- b) approving accounting statements.
- c) approving an annual governance statement.
- d) Borrowing.
- e) declaring eligibility for the General Power of Competence.

shall be a matter for the Full Council only.

1.13. In addition the Council must:

- a) determine and keep under regular review the bank mandate for all Council bank accounts.
- b) 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.

1.14. 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, after consultation with the Chief Executive Officer (CEO), 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, the Leader (or Deputy Leader) shall verify bank reconciliations (for all accounts) produced by the RFO. The Leader (or Deputy Leader) 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 and Resources 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:
 - a) be competent and independent of the financial operations of the Council.
 - b) report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year.
 - c) to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships.
 - d) 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:
 - a) perform any operational duties for the Council.
 - b) initiate or approve accounting transactions.
 - c) 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 Audit Working Group any correspondence or report from internal or external auditors, who in turn will make appropriate recommendations to Policy and Resources Committee.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. Each committee shall review its annual forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than 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 and Resources committee and the Council.
- 3.3. The Council shall consider annual budget proposals in relation to the Council's four year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 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.

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:
 - a) the CEO for all items over £500 (excluding VAT).
 - b) a manager of the Council for items up to and including £500 (excluding VAT).Such authority is to be evidenced by a signed purchase order.
Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.2. Any expenditure exceeding the authorised amount provided in the revenue budget for that class of expenditure must be approved by resolution of the Council, or the Policy and Resources 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').
- 4.3. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless by resolution of the P & R Committee or the Council to an earmarked reserve.

- 4.4. The salary budgets are to be reviewed at least annually for the following financial year by the Staff Sub Committee. 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 risk to the delivery of Council services, to Council assets or to Council staff, the CEO may authorise revenue expenditure on behalf of the Council which in the CEO's judgement, it is necessary to carry out. Before doing so the CEO will consult with the RFO and the Leader of the Council and/or the chair of the relevant committee, and exercise due diligence. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £25,000 (excluding VAT). The CEO shall report such action to the Council as soon as practicable thereafter.
- 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.
- 4.8. 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 at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £500 or 15% of the budget line.
- 4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO, after consultation with the CEO, and approved by Policy and Resources Committee. They shall be regularly reviewed for safety and efficiency and to ensure that they are in accordance with any investment strategy.
- 5.2. All invoices for payment shall be examined and verified by a Corporate Services Officer and matched where possible to a purchase order. They will then be checked by the relevant manager; the RFO or CSM (Community Services Manager), to confirm that the work, goods or services to which each invoice relates has been received or carried out and represents expenditure previously approved by the Council. Invoices over £500 (excluding VAT) will also be signed off by the CEO.
- 5.3. A schedule of the payment of monies shall be prepared by the RFO and presented to the Policy and Resources Committee. 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. The schedule is for information only and members may request clarification on any item on the list before the meeting. The list will be published on the website as an appendix to the Policy and Resources committee meeting, and will therefore ensure all expenditure is published, in line with the 2015 Local Government Transparency Code.

- 5.4. In respect of grants, the Grants Sub-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.
- 5.5. 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.
- 5.6. All bank transactions relating to Town Council Accounts other than the No 2 Account referred to in 5.8 shall be signed by two of the following Councillors:
Mayor of Newbury
Deputy Mayor of Newbury
Leader of the Council/Chairperson of Policy and Resources Committee
Deputy Leader of the Council
Chairperson of Community Services Committee
Vice-chairperson of Community Services Committee
Chairperson of Civic Pride, Arts and Leisure Committee
Vice-chairperson of Civic Pride, Arts and Leisure Committee
Chairperson of Planning and Highways
Vice-chairperson of Planning and Highways
Leader of the Opposition
- 5.7. Officers may hold an imprest account called Newbury Town Council No 2 Account with a balance of up to £2,500 and may make debit card payments/draw cheques to a value of £1,000 to be signed by any two of four managers. The account shall be reimbursed from the Town Council Current account on a monthly basis under the procedure in 5.6 above.
- 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.

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 RFO shall give instruction that a payment shall be made.

- 6.3. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or committee shall be signed by two members of Council. 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, or in the case of a computer generated cheque, sign the list of purchase ledger cheque payments.
- 6.5. Payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made.
- 6.6. The RFO shall take all possible steps to settle invoices within 30 days of receipt.
- 6.7. Payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to Council as made.
- 6.8. If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.9. 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.
- 6.10. 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.
- 6.11. 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.

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 members of the Corporate Services department who will be authorised to approve transactions on those accounts. The member of the Corporate Services Team who authorises internet payments will be different from the one who initially enters them onto the payment system.
- 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 after following the procedure of checking with the supplier by phone and requesting a confirmation by email. A hard copy of the amended authority will be signed by the RFO. A programme of regular checks of standing data with suppliers will be followed.
- 6.14. A pre-paid debit card may be issued to employees for the No 2 imprest account, one of the debit cards to have a limit of £1,000. The topping up arrangements being the same as in 5.7 above.
- 6.15. The RFO shall maintain up to 3 petty cash floats of £200 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
- a) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - b) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.3 above.

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 the Staff Sub- 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 and Resources committee 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 Staff Sub-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. 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. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.7. Before employing interim staff the Council must consider a full business case.
- 7.8. The relevant manager shall certify timesheets as to accuracy.

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 by the RFO 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 Investment Strategy and Policy shall be reviewed by the Audit Working Group and reported to Policy and Resources committee 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 RFO, after consultation with the CEO and the CSM.
- 9.4. Decisions to write off bad debts and address recommendations in any report from the internal or external auditors shall be matters for the Policy and Resources Committee. Any sums found to be irrecoverable and any bad debts shall be reported to the Policy and Resources Committee and irrecoverable debts shall be written off in the year.
- 9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8. The RFO shall 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 regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Any income arising from the Wash Common Allotment Charity 'Allotment for the Labouring Poor' will be treated by the Council as grant to be offset against the cost of maintaining the allotment.

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. Purchase orders shall be controlled by the relevant managers.

- 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 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the Council.
- 10.5. A manager shall verify the lawful nature of any proposed purchase before the issue of any order, and when the value of the order is over £500 it shall also be approved by the CEO.
- 10.6. In accordance with the Public Services (Social Value) Act 2012, preference will always be given to local suppliers, preferably independent. Internet/national chains can be used – but only if there is no local supplier, or there is a saving of at least 10% or £250, over that local supplier.

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 CEO and RFO shall act after consultation with the Leader and Deputy Leader 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 Regulations¹.

¹ 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

- 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)².
- 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 CEO or relevant manager 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 CEO or relevant manager in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the CEO or relevant manager in the presence of at least one member of Council.
- 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 be subject to Standing Order, Nos 24.1 and 24.2 and shall refer to the terms of the Bribery Act 2010.
- i) When it is proposed 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 CEO or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £2,500 and above £500 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
- j) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 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. The RFO is responsible for establishing the most cost effective utility supplies,

² Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

ensuring that best value, green credentials and budgetary requirements are taken into consideration, with any changes in supplier reported to the following Policy and Resources Committee meeting.

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 appropriate committee.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and CEO 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 RFO, in consultation with the CEO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. 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 £2,000 or it has already been approved in the Council's budget.
- 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, 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 CEO.
- 15.2. The CEO 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 the relevant committee 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 by the RFO in consultation with the CEO and the Leader.

16. CHARITIES

- 16.1. Where the Council is sole managing trustee of a charitable body the CEO 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 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 CEO 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 strategy shall be reviewed by the Council at least annually.
- 17.2. When considering any new activity, the CEO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. RESERVES POLICY

- 18.1. The Council will normally maintain the following specific named earmarked reserves funded from revenue:
- a) Capital Equipment Reserve (usually £5,000)
 - b) Committee Reserves (comprising budget allocations for specific projects – agreed at April Policy and Resources committee meeting)
 - c) Election Administration Fund (based on projected elections)
- 18.2 The sum total of the above named reserves plus the general reserves must always be a minimum of four months annual revenue expenditure.

19. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 19.1. It shall be the duty of the Policy and Resources committee to review the Financial Regulations of the Council from time to time. The CEO and the RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Policy and Resources committee of any requirement for a consequential amendment to these financial regulations.
- 19.2. 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.
- 19.3. A copy of these Financial Regulations shall be given to each Member by the Chief Executive Officer upon declaration of the Member's acceptance of office.