



# GRAPPENHALL AND THELWALL PARISH COUNCIL FINANCIAL REGULATIONS

*(Adopted at the Council Meeting on 16<sup>th</sup> Feb 2023)*

**Based on the NALC Model Financial**

## **Regulations**

### **1 GENERAL**

- 1.1 These Financial Regulations govern the conduct of the 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 and any financial regulations relating to contracts.
- 1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3 The Council's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of Officers.
- 1.4 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 the Council are expected to follow the instructions within these Regulations and not entice employees to breach them. Failure to follow the instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8 The RFO holds a statutory office to be appointed by the Council. The 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 affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Council its accounting records and accounting control systems;
  - ensures that accounting control systems are observed;
  - maintains the accounting records of the Council up to date in accordance with proper practices;

- assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the Council.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.
- 1.11 The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Council; and
  - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12 The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
  - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of Officers dealing with financial transactions and division of responsibilities of those Officers in relation to significant transactions;
  - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
  - measures to ensure that risk is properly managed.
- 1.13 The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular, any decisions regarding:
- setting the final budget or the precept;
  - approving accounting statements;
  - approving an annual governance statement;
  - borrowing;
  - writing off bad debts;
  - declaring eligibility for the General Power of Competence' and
  - addressing recommendations in any report from the internal or external auditors 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 any grant or a single commitment in excess of £5000; 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.

- 1.16 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 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 2.1 Each committee shall review its three-year 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.
- 2.2 Detailed estimates of all income and expenditure, including the use of reserves and all sources of funding, for the year shall be prepared each year (by no later than end December) by the RFO, and shall submit them for consideration and approval by the Council in accordance with the budget timetable agreed by the Council and in line with Warrington Borough Council precept requirements timescales.
- 2.3 The Council shall determine the precept to be levied for the ensuing financial year not later than by mid January. The RFO shall supply each member with a copy of the approved estimates.
- 2.4 The approved annual budget shall form the basis of financial control for the ensuing year.

## **3 BUDGETARY CONTROL**

- 3.1 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 over £5000;
  - a duly delegated Committee of the Council for items over £1000; or
  - the Clerk in conjunction with the Chairperson of the Council or Chairperson of the appropriate Committee for items below £1000.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairperson.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

### **Definitions**

Revenue items – items that are bought on an ongoing basis, such as stationery and other such items as are used up as a result of carrying out the Parish Council's functions.

Capital items – items that are one-off purchases that result in the Parish Council adding items to the asset register, for example a laptop, a photocopier.

- 3.2 No expenditure may be incurred which will exceed the amount provided in the appropriate revenue budget unless approved by the Council. During the budget year and with the approval of the 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').
- 3.3 The RFO shall periodically (usually quarterly) provide the Council with a statement of income and

expenditure to date under each head of the budgets, comparing actual expenditure against that

planned. These statements shall 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 £100 or 15% of the budget.

- 3.4 The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and Chairperson of the Council or relevant Committee. The RFO will inform the Council's Committees of any changes impacting on their budget requirement for the coming year in good time.
- 3.5 In cases of extreme risk to the delivery of Council services the Clerk may incur 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 £2,500. The Clerk will consult with the Chairperson of the Council before any expenditure is occurred, and shall report the action to the Council as soon as practicable thereafter.

#### Definition

Extreme risk – any risk which would result in high outcome consequences, such as harm to people or loss or damage to property. Occasions which might engender extreme risk might be flooding, fire, storm, terrorist act or biosecurity events .

- 3.6 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year, unless specifically earmarked for reserves by the Council they will remain in general reserves.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary capital funds are available, or the requisite borrowing approval can be obtained.
- 3.7 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

## **4 ACCOUNTING AND AUDIT**

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations and any subsequent amendments thereto, appropriate guidance and proper practices.
- 4.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairperson or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Council.
- 4.3 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.
- 4.4 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 ~~ef~~ the Council to be necessary for the purpose of the audit and shall as directed by the Council, supply the RFO, ~~or~~ Internal Auditor or External Auditor with such information and explanation as the Council considers necessary for that purpose.

- 4.5 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.
- 4.6 The Internal Auditor shall:
- be competent and independent of the financial operations of the Council;
  - report to 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.
- 4.7 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.
- 4.8 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.
- 4.9 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditors. (Amended as per NALC model Financial Regs for clarity).
- 4.10 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 the Audit Commission Act, or any superseding legislation, and the Accounts and Audit Regulations.

## **5 BANKING ARRANGEMENTS AND CHEQUES**

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council. Banking arrangements may not be delegated to a Committee. They shall be regularly reviewed for safety and efficiency.
- 5.2 A schedule of invoices and other vouchers for payments shall be prepared by the RFO and, together with the relevant invoices, be presented to the Council, or to a Committee authorised to approve them. The schedule of payments approved by resolution of the Council shall be signed by the Chairperson of the Meeting.
- 5.3 Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4 shall be signed by any 2 of the authorised signatories.
- 5.4 Debit card payments or bank transfers will also require 2 authorised signatories on the relevant completed authorisation forms.
- 5.5 The RFO 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 Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council. The approved schedule shall be ruled off and initialled by the person of the Meeting. A detailed list of all payments 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.

- 5.6 All invoices for payment shall be examined, verified and certified 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.
- 5.7 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.
- 5.8 The Clerk/RFO 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 Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council;
  - b) An expenditure item authorised under 5.9 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
  - 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 Council [or finance committee].
- 5.9 For each financial year the Clerk and RFO 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, Superannuation Fund and regular maintenance contracts and the like for which Council may authorise payment for the year provided that the requirements of regulation 3.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 5.10 A record of regular payments made under 5.9 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.11 In respect of grants a duly authorised 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.
- 5.12 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.

## **6 PAYMENT OF ACCOUNTS**

- 6.1 The Council will make safe and efficient arrangements for the making of its payments.
- 6.2 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.3 All invoices for payment shall be examined, verified and certified by the Clerk/RFO. The Clerk/RFO shall satisfy herself that the work, goods or services, to which the invoice relates, shall have been received, carried out, examined and approved.
- 6.4 The RFO shall examine invoices in relation to arithmetical accuracy and shall analyse them to the appropriate expenditure heading.

- 6.5 If payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 2013, and the due date for payment is before the next scheduled Meeting of the Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, the RFO may take all steps necessary to settle all such invoices provided that a list of such payments shall be submitted to the next appropriate Meeting of the Council.
- 6.6 Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable or other interest, unless a dispensation has been granted.
- 6.7 Cheques or orders for payment drawn on the bank account in accordance with the schedule presented to Council or Committee shall be signed by two members of the Council (authorised signatories) in accordance with a resolution instructing that payment. A 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.
- 6.8 If thought appropriate by the Council, payment for utility supplies and other subscriptions may be made by variable direct debit provided that the instructions are included in the monthly schedule of accounts and authorised accordingly.
- 6.9 If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS - provided that the instructions for each payment are signed by two signatories.
- 6.10 If thought appropriate by the Council, payment of certain items may be made by internet bank transfer - provided that the instructions are signed by two signatories.
- 6.11 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier. A programme of regular checks of standing data with supplier will be carried out.
- 6.12 Any Debit Card transactions will be restricted to a single transaction maximum value of £1,000 unless authorised by the Council or any Committee prior to any order being placed.
- 6.13. 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.
- 6.14. The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- 6.15. Where internet banking arrangements are made with any bank, the Clerk/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. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.16. 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.
- 6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier. A programme of regular checks of standing data with suppliers will be followed.

## **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.
- 7.2 The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE, national insurance, pensions and salaries, shall be as agreed by the Council.
- 7.3 Payment of salaries and payment of deductions from salaries 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, provided that each payment is reported to and ratified by the next available Council Meeting.
- 7.4 No changes shall be made to any employee's pay, emoluments or terms and conditions of employment without the prior consent of the Council.
- 7.5 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 (salaries file). 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;
  - d) By any person authorised un Audit Commission Act 1998 or any superseding legislation.
- 7.6 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.7 Payment of staff salaries will be made monthly, usually between the 10<sup>th</sup> and the 15<sup>th</sup> of the month.
- 7.8 Nominated Councillors should periodically undertake a detailed review of the monthly payroll, by agreeing with a sample of payments to underlying information such as timesheets, expense claims, payslips and overtime forms, evidence should be signed and dated.
- 7.9 An effective system of personal performance management should be maintained for the Officers of the Council.

## **8 LOANS AND INVESTMENT**

- 8.1. All borrowings shall be affected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing 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 Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.



- 8.3. All loans and investments shall be negotiated in the name of the Council, and shall be for a set period of time in accordance with Council policy.
- 8.5 The Council's Investment Strategy Policy shall accord with relevant regulations, proper practices and guidance and shall be reviewed annually.
- 8.6 All investments of money under the control of the Council shall be in the name of the Council.
- 8.7 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 the Council as to terms and purpose.
- 8.8 All investment certificates and documents relating thereto shall be retained in the custody of the RFO.
- 8.9 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 RESERVES

### 9.1 General Reserve

The General Reserve is a contingency to cushion the impact of unexpected events or emergencies. The Council considers a prudent level of General Reserve to reflect between 25% and 100% of the precept amount. The General Reserve amount must be reviewed by full Council at the annual budget setting meeting.

### 9.2 Earmarked Reserves

Earmarked Reserves are a means of building up/or ring-fencing funds over several years to deliver A defined project or for known significant expenditure. The Earmarked Reserves must be reviewed by the Council at the annual budget setting meeting.

## 10 INCOME

- 10.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 10.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 10.3 The Council will review all fees and charges annually.
- 10.4 Any irrecoverable sums and any bad debts shall be reported to the Council and shall be written off in the year.
- 10.5 All sums received on behalf of the Council shall be banked intact as directed by the RFO. Receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 10.6 The origin of each receipt shall be entered on the paying-in slip.
- 10.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due shall be made at least annually, coinciding with the financial year-end, or made quarterly in line with VAT requirements.

- 10.9 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control, such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 10.10 Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting.

## **11 ORDERS FOR WORK, GOODS AND SERVICES**

- 11.1 The Parish Council does not operate a 'purchase order numbering system' but all orders for work, goods and services shall be agreed via email/letter.
- 11.2 Orders for work, goods and services shall be controlled by the RFO and no member of the Council shall place any order for work, goods or services, without the prior authorisation of the RFO.
- 11.3 All Members and Officers are responsible for obtaining value for money at all times. 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.

## **12 CONTRACTS**

- 12.1 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 regulations need not apply to contracts which relate to items (i.) to (vi) below:
- (i.) for the supply of gas, electricity, water, sewerage and telephone services;
  - (ii.) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
  - (iii.) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - (iv.) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - (v) for additional audit work of the External Auditor up to an estimated value of £500 (in excess of this sum, the clerk and the RFO shall act after consultation with the Chairperson and the Vice Chairperson of the 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, by advertising on Contracts Finder, notifying the process to be followed to tender and advertising the award of the tender. (Included as per NALC model Financial Reg to comply with statutory requirements)
- (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<sup>1</sup> in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)

- (d) All contracts must be agreed in writing.
- (e) When it is considered appropriate 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) Invitations 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 state that tenders must be addressed to the Clerk to the Council. 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.
- (g) 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 the Council.
- (h) If less than three tenders are received for contracts valued 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 contain a statement to the effect of the Standing Order 6(d) and shall refer to the terms of the Bribery Act.
- (j) When it is to enter into a contract less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk/ or RFO shall, ~~where possible, obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the Clerk/ RFO shall strive to obtain 3 estimates, unless the nature of the goods, services or works is that only one contractor or supplier would be suitable. Otherwise, Regulation 11 (3) above shall apply, and shall in any event use his/her best endeavours to obtain value for money.~~
- (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.

Table 1 – summary of limits

Goods or services worth over £25,000	Tender process
Goods or services in value from £5000 to £24, 999	Three quotations to be sought
Goods or services in value from £1001 to £4999	Three estimates to be sought
Goods or services up to £1000	Best value to be obtained

#### Definitions

Quotation – fixed price to provide the goods or supply the service

Estimate – best guess price, subject to change depending on the eventual scope of providing the goods or supplying the service.

<sup>1</sup> Thresholds currently applicable ( Cabinet Office: Procurement Policy Note 10/21) are:

- a) For public supply and public service contracts £213,477
- b) For public works contracts £5,336,937

## **13 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- 13.1 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 architects or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 13.2 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.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and notified by the Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

## **14 STORES AND EQUIPMENT**

- 14.1 The Clerk to the Council shall be responsible for the care and custody of stores and equipment.
- 14.2 Delivery notes must 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.
- 14.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 14.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

## **15 ASSETS, PROPERTIES AND ESTATES**

- 15.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations 2015, and any subsequent amendments thereto.
- 15.2 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.
- 15.3 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, save where the estimated value of any one item does not exceed £50. 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).
- 15.4 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).
- 15.5. Subject only to the limit set in Regulation 15.2 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.

## Definitions

Tangible moveable property – includes vehicles, machinery, furniture.

- 15.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investment 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.

## 16 INSURANCE

- 16.1 Following an annual risk assessment, the Clerk/RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 16.2 All new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances shall be arranged by the Clerk/RFO.
- 16.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 16.4 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 Council at the next available Meeting.
- 16.5 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 risk exposure as determined by the Council.

## 17 RISK MANAGEMENT

- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO shall prepare and promote risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 17.2 When considering any new activity, the Clerk/RFO shall prepare a draft risk management assessment including risk management proposals for consideration and if thought appropriate, for adoption by the Council.

## 18 SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Council to review its Financial Regulations from time to time or to Accord with any legislative changes. The Clerk/RFO 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 member of Council.

Produced By: Colette Fellows, Clerk to the Council / Responsible Financial Officer

December 2023