

Index of Financial Regulations

Financial Regulation		Page
1	Financial Administration	2
2	Accounting and Audit (Internal and External)	4
3	Annual Estimates (Budgets) and Forward Planning	6
4	Budgetary Control and Authority to Spend	6
5	Earmarked Reserves Policy	8
6	Banking Arrangements and Authorisation of Payments	9
7	Payment Procedures	10
8	Payment of Salaries	12
9	Members' Allowances	13
10	Loans and Investments	13
11	Income	14
12	Ordering Procedures	15
13	Contracts	15
14	Contract Exemptions	17
15	Tendering Procedures	17
16	Contracts for Supplies and Services etc. Exceeding £25,000	21
17	Contracts for Supplies, Services or Works etc. Less than £25,000	21
18	Contents of Written Contracts and Penalties	21
19	Payments under Contracts for Building or other Construction Works	22
20	Corrupt Practices	22
21	Assets, Properties and Estates	22
22	Insurances	23
23	Internal Control	23
24	Risk Management	24
25	Revision and Suspension of Financial Regulation	24
	Appendix 1 Procurement Policy	25



1. FINANCIAL ADMINISTRATION

- 1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial Regulations must be observed in conjunction with the Council's Standing Orders and any individual Financial Regulations relating to contracts.
- 1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These Financial Regulations are designed to demonstrate how the Council meets these responsibilities.
- 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 and Accountability Return, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7 Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8 The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the Council.
- 1.9 The RFO, acting under the policy direction of the Policy & Finance Committee, shall
- administer the Council's financial affairs in accordance with all Acts, Regulations and proper practices;

- determine on behalf of the Council its accounting records, and accounting control systems;
- ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices;
- assist the Council to secure economy, efficiency and effectiveness in the use of its resources;
- produce financial management information as required by the Council; and
- be responsible for the Council's Internal Audit procedures.

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, statement of balances or management information requested by the Council shall 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 they 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 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, wherever possible;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Policy and Finance Committee 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 decision regarding:

- setting the final budget or the Precept (Council Tax Requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- declaring eligibility for the General Power of Competence.

1.14 In addition the Council (or relevant Committee) 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 £10,000;
- 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;
- deal with the writing off of bad debts.

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. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

2.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2 The bank statements will be presented to and checked by the Town Clerk weekly, or in their absence the Assistant Town Clerk or other senior manager, for large extraction of funds. This check will be evidenced by the signature of whoever carries out the check and the date when the check was undertaken.

2.3 On a regular basis, at least once in each quarter, and at each financial year end, the Chair of Policy & Finance shall verify bank reconciliations (for all accounts) produced by the RFO. The Chair shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by, the Policy & Finance Committee.

2.4 The RFO shall be responsible for completing the Council’s 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.

2.5 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.

2.6 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.

- 2.7 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the RFO, or by Council in accordance with proper practices.
- 2.8 The internal auditor shall:
- be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Council.
- 2.9 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.
- 2.10 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.
- 2.11 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.
- 2.12 The Governance & Audit Committee will receive all Internal Audit reports. They will consider the recommendations and recommend to the appropriate Standing Committee any action required in order to address the issues.
- 2.13 The RFO shall, without undue delay as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.
- 2.14 The Internal Auditor will carry out an annual review of the Financial Regulations. It shall be the duty of the Governance & Audit Committee to receive and consider recommendations from this review and after consultation with any other Committees concerned, make such

recommendations to the Council.

3. ANNUAL ESTIMATES (BUDGETS) AND FORWARD PLANNING

- 3.1 The Town Clerk shall each year, before the end of February, recommend to Council a programme of estimates for consideration and the programme is to include adequate time for such discussion between the Policy and Finance Committee, other Committees and Council.
- 3.2 The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including a three year forecast of Revenue and Capital Receipts and Payments, 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 relevant Standing Committee and the Council.
- 3.3 Each Standing 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 Policy & Finance Committee not later than the end of December each year including any proposals for revising the forecast.
- 3.4 The Policy and Finance Committee shall review the estimates and submit them to the Council not later than the end of February in each year, together with such summaries, statements and reports as are considered desirable in order to enable Council to determine the Precept to be levied for the ensuing year.
- 3.5 Concurrently with the report to the Council and the proposed Precept to be levied for the ensuing year, the Town Clerk and RFO shall report on the funding of the capital programme, in order to enable a definite programme for the following year to be determined.
- 3.6 The Council shall consider annual budget proposals in relation to the Council's three 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.
- 3.7 The Council shall fix the Precept, and relevant basic amount of Council Tax to be levied for the ensuing financial year not later than by the end of February each year. The RFO shall issue the Precept to the billing authority and shall supply each Member with a copy of the approved budget.
- 3.8 The approved annual budgets shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1 Expenditure on the revenue account may be authorised up to the amounts included in the approved budget, subject to the requirements of the Standing Orders & Financial Regulations. Such authority is to be evidenced by a Minute

or by an authorisation slip duly signed by the Clerk. Contracts may not be disaggregated to avoid controls imposed by these regulations, in accordance with the scheme of delegation.

- 4.2 During the budget year and with the approval of the Policy and Finance Committee, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings (vired) or to an earmarked reserve as appropriate.
- 4.3 The Town Clerk has powers to vire amounts up to £1,000 between budget heads provided within the approved revenue budget, except in the case of sums provided for pay and allowances or when any continuing expenditure is to be generated. These transfers will be reported within the periodic Budget Monitor that each Committee receives.
- 4.4 Expenditure may not be incurred which cannot be met from the amount provided within the net revenue budget or when it is likely to result in an overspend in the year, unless a request for a supplementary estimate has been approved by the Policy and Finance Committee. This regulation shall apply where such event would result in an increase in net cost within the financial year.
- 4.5 Unspent provisions in the revenue or capital budgets shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council.
- 4.6 The salary budgets are to be reviewed at least annually for the following financial year and reported to the Property and Personnel Committee as part of the budget cycle. The RFO will inform Committees of any changes on their budget requirement for the coming year in good time.
- 4.7 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure. The Clerk shall report the action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.
- 4.8 Except as provided in Standing Orders and Financial Regulations, all proposals involving expenditure on the capital account shall be the subject of an annual report to the appropriate Committee and the report shall include the full financial implications of the proposals.
- 4.9 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.
- 4.10 All capital works shall be administered in accordance with the Council's Procurement Policy (Appendix 1), Standing Orders and Financial Regulations relating to contracts.

4.11 The RFO shall regularly provide each Committee with a statement of income and expenditure to date, 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.

4.12 Changes in earmarked reserves shall be approved by the Policy and Finance Committee as part of the budgetary control process.

5. EARMARKED RESERVES POLICY

5.1 Reserves will only be earmarked in line with the CIPFA Code of Practice on Local Authority Accounting in the UK (the Statement of Recommended Practice). The amount Earmarked in any one financial year will not exceed the difference (surplus) between the budgeted net expenditure and the actual net expenditure.

5.2 Reserves can be spent or Earmarked at the discretion of the Town Council. They can result from:

- events which have allowed monies to be set aside,
- surpluses,
- decisions causing anticipated expenditure to have been postponed or cancelled,
- monies set aside for major anticipated capital schemes, projects or service arrangements the Town Council may wish to carry out.

5.3 Expenditure will not be charged direct to Earmarked Reserves and transfers to and from Earmarked Reserves will be distinguished from service expenditure in the Statement of Accounts.

5.4 For each reserve established the following will be clearly documented:

- The reason for or the purpose of the Earmarked Reserve will be clearly defined within the above guidelines.
- The types of expenditure the Earmarked Reserve will be used for and the basis of transactions will be clearly defined.
- Any circumstances for which the reserves cannot be used.

5.5 Reserves will be managed, controlled and reviewed by the RFO;

- On a transaction by transaction basis to ensure that the correct expenditure is being taken from the correct reserve and that no reserve is overspent.
- Twice per year, once during the budget review procedure and once at the year end. The RFO, in consultation with the Town Clerk, will review the appropriateness of each reserve, making recommendations as to which reserves should be earmarked in the next financial year. At such time any reserves considered no longer appropriate will be transferred back to the General Reserve.

5.6 The Town Clerk or in his/her absence the RFO, is authorised to spend Earmarked Reserves up to the amounts included in the approved EMRs in line with the Financial Regulations, Standing Orders and Scheme of Delegation.

6. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

6.1 All arrangements with the Council's Bankers shall be made by the Town Clerk and the RFO and approved by the Policy and Finance Committee. The aforementioned Officers shall be authorised to operate such banking accounts as they may consider necessary.

6.2 Before authorising an invoice Officers shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out, examined and represent expenditure previously approved. Where there is any doubt about the receipt of goods or services, invoices for payment shall be examined and verified by the authorised Officer issuing the order.

6.3 The RFO shall ensure invoices are examined in relation to arithmetical accuracy and coded to the appropriate expenditure head. The RFO shall take all reasonable steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.

6.4 When the Town Clerk, or Responsible Financial Officer or duly authorised Officer is satisfied that the invoices are in order they shall finally authorise them for payment.

6.5 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.

6.6 In respect of the Mayors Discretionary Fund the maximum the Mayor may allocate from the Discretionary Fund in one year will be decided by Full Council in its budget. The purpose of the budget provided by Council is to meet those one-off initiatives that the Town Mayor might identify whilst out and about in the Community in accordance with the guidance in the Mayoral Induction Pack. It is not intended to provide another round of grant funding.

6.7 An individual award from the Discretionary Fund will not exceed £200, unless by referral to The Policy and Finance Committee, and will only be made on one occasion per year to any recipient. Funding can be awarded anytime during the Mayoral year up to 31st March.

6.8 The discretionary funding will be approved by the Town Clerk on the recommendation of the Town Mayor and will be reported at the next Full Council Meeting.

6.9 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.

6.10 Specified Members will be approved by Council to be authorised Member signatories. These Members shall be the Mayor, Chairs of the Policy and Finance, Community Resources, Property and Personnel, Planning and Transportation Committees. In cases of duplication the Vice-Chair of the appropriate Committee shall be the designated signatory. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any personal or prejudicial interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby obtain the confirmation of the Town Clerk as to whether it is appropriate and / or permissible to be a signatory to the transaction in question.

6.11 The Town Clerk or in his/her absence, the RFO, is authorised to sign cheques on the Imprest Account to a value not exceeding £200 approved as part of the Town Council's annual budget and precept setting process.

7. PAYMENT PROCEDURES

7.1 The Council will make safe and efficient arrangements for the making of its payments. Apart from petty cash payments, the normal method of payment of money due from the Council shall be by online banking, cheque, business charge card, or other order drawn on the Council's Bank (e.g. Direct Debit or Standing Order).

7.2 Following authorisation under Financial Regulation 6 above, the Council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.

7.3 All schedules to approve payment of cheques shall be presented to and all cheques up to a value of £249,999 shall be signed by two specified authorised Member signatories and cheques over £250,000 shall be signed by three specified authorised Member signatories as approved by Council.

7.4 To indicate agreement of the details shown on the cheque or order for payment with sight of the invoice or similar supporting documentation, the Town Clerk, or in his/her absence an officer designated by him/her, shall also initial the corner of the cheque.

7.5 Payment for utility supplies (energy, telephone and water) and rates may be made by variable Direct Debit provided that the instructions are signed by two authorised Member signatories. The approval of the use of variable direct debit shall be renewed by resolution of the Council at least every two years.

7.6 Payment for salaries may be made by variable Direct Debit using the Lloyds telepay system once authorised by the Town Clerk, or in his/her absence an officer designated by him/her, who shall also sign the payment list and the reverse of the telepay form.

- 7.7 Payment for certain items may be made by BACS or CHAPS provided that the instructions for each payment are signed by two authorised Member signatories and documentary evidence retained.
- 7.8 Payment may be made by internet banking transfer provided evidence is retained showing which Members approved the payment.
- 7.9 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.
- 7.10 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.
- 7.11 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.
- 7.12 Where internet banking arrangements are made with any bank, the Clerk and RFO shall be appointed as Service Administrator. The bank mandate will state clearly the maximum value of payments that can be instructed by the Service Administrator. All schedules to approve payment of online transactions shall be presented to and authorised by ~~two~~ an authorised Member signatory up to a value of £50,000 before the online transaction is authorised. Online transactions will require the approval of the Town Clerk, or in his/her absence the RFO, who are authorised to approve payments up to a value of £50,000. The Officer creating the payment must be different to the Officer authorising the payment.
- 7.13 For payments using online banking, the RFO, or in his/her absence an officer designated by him/her, shall initial the printed copy of online payments to indicate agreement of the details shown on the payment with sight of the invoice or similar supporting documentation.
- 7.14 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 password 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.
- 7.15 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 and the RFO. A programme of regular checks of standing data with suppliers will be followed.
- 7.16 The RFO may maintain such petty cash floats as are deemed necessary for operational purposes up to a maximum of £250 for any one float and provide petty cash to officers for the purpose of defraying operational and other expenses
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or miscellaneous items of an urgent nature. Such petty cash accounts to be maintained on the Imprest system in the manner and form prescribed by the RFO:

- a) Vouchers for payments made from petty cash shall be kept to forwarded to the RFO with a claim for reimbursement and kept to substantiate the payment.
- b) Income received must not be paid into any petty cash float but must be separately banked, as provided elsewhere in these regulations.

7.17 The Council shall have a business charge card through Lloyds TSB Bank for use by the Town Clerk and shall be subject to automatic payment in full at each month-end.

7.18 Internal Control Procedures for purchases paid for by Charge Card:

- (i) Monthly expenditure on the Business Charge Card shall be limited to £3,000.
- (ii) Only the Town Clerk shall be authorised to use the Business Charge Card. With his/her written instructions the use of the card may be delegated to the RFO up to the value of £500 per week.
- (iii) The Town Clerk (or as above) shall be authorised to spend up to £500 in any one transaction on items identified in the budget (e.g. stationery) or that has previously been approved by Committee up to the value of £500.
- (iv) Prior to a purchase being made or an order placed;
 - (a) An official order shall be raised and signed by the Town Clerk
 - (b) A Business Charge Card authorisation form shall be completed with purchase details attached.
- (v) The expenditure must be authorised by:
 - (a) The RFO, or in his/her absence, an officer designated by him/her and
 - (b) Any two of the authorised Member signatories will sign the monthly Business Charge Card statement when it is received with sight of the invoice or similar supporting documentation.

8. PAYMENT OF SALARIES

8.1 The payment of all salaries, wages and other emoluments shall be made by the RFO in accordance with the instructions of the Town Clerk, taking into account national pay awards and other information likely to have a bearing on individual staff members' conditions of service.

8.2 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. Salaries shall be as agreed by Council or duly delegated Committee.

- 8.3 The RFO is responsible for keeping all payments 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.
- 8.4 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the relevant Committee.
- 8.5 Confidential payroll records are 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.
- 8.6 Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 8.7 Before employing interim staff the relevant Committee must consider a full business case.

9. MEMBERS' ALLOWANCES

- 9.1 Allowances as recommended by the Independent Panel on Members' Allowance for the District Council, or otherwise agreed by the Town Council, shall be paid on a monthly basis to those Members who have indicated through agreed procedures that they wish to receive such payments. Where a Member fails to register their interest, in receiving the payment of the Basic Allowance, by 31 March in each municipal year, then that Member, shall forego their entitlement to the Basic Allowance. In a year with elections, Members wishing to receive the Basic Allowance in that year, who have either not stood for re- election or are not returned, must indicate accordingly by 31 May of that year. Failure to do so will indicate that they wish to forego their entitlement. Payment in these cases will be pro-rata.
- 9.2 Travel and Subsistence allowance shall not be paid for travel within the boundaries of the Town but will be available to Members representing the Council on approved duties which will be agreed by the appropriate Committee. The Mayor and Deputy Mayor shall be entitled to Travel and Subsistence Allowances when carrying out approved, official duties on behalf of the Council.

10. LOANS AND INVESTMENTS

- 10.1 All borrowings shall be affected in the name of the Council and be subject to

approval of the Council who shall determine the terms and purpose of the application for the necessary borrowing approval.

- 10.2 Once the borrowing approval has been received, the Council shall approve the application for borrowing. The decision to borrow must be taken by the full Council (2003 Act, Schedule 1 paragraph 2(4)). This is a separate decision from the decision to apply for borrowing approval.
- 10.3 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.
- 10.4 All investments of money under the control of the Council shall be in the name of the Council and made under arrangements approved by the Town Clerk and RFO.
- 10.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 10.6 The Council shall agree an annual investment strategy, in accordance with relevant regulations, proper practices and guidance and shall be reviewed by Council at least annually.
- 10.7 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 6 (Authorisation of Payments) and Regulation 7 (Payment Procedures). The RFO (or in his/her absence the Town Clerk) shall be authorised to make all necessary transfers between the Council's bank accounts and investments to achieve the best possible interest within the guidance of the Council's Annual Investment Strategy.

11. INCOME

- 11.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 11.2 The RFO shall make and maintain adequate arrangements for prompt and proper banking and accounting for all cash, including its collection, custody, control and deposit.
- 11.3 All sums received on behalf of the Council shall be banked intact without undue delay, 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.
- 11.4 The Town Council shall agree the scale of fees and charges for each service on, at least, an annual basis following a report of the Town Clerk.

- 11.5 Personal cheques shall in no circumstances be cashed out of money held on behalf of the Council.
- 11.6 Any sums found to be irrecoverable and any bad debts shall be reported to the Policy and Finance Committee and shall be written off in the year.
- 11.7 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.

12. ORDERING PROCEDURES

- 12.1 Official Orders shall be issued for all work, goods or services to be supplied to the Council and such orders should be signed by the Town Clerk or any other Officer duly authorised by Council, such authorisation to be evidenced in writing.
- 12.2 The Order Books shall be issued under the control of the RFO.
- 12.3 Each Order raised shall conform with the directions of the Council with respect to Standing Orders and Financial Regulations.
- 12.4 Copies of official orders should be retained. One filed with the purchase invoice and a second copy in a separate file.
- 12.5 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 15 below.
- 12.6 A member may not issue an official order or make any contract on behalf of the Council.

13. CONTRACTS

- 13.1 Every contract made by the Council or by a Committee or Officer acting on its behalf shall comply with the EU Treaty and with any relevant Directives of the EU and Regulations arising from the withdrawal of the UK from the EU for the time being in force in the United Kingdom and except as hereinafter provided, the Town Council's Procurement Policy (Appendix 1), Standing Orders and Financial Regulations.
- 13.2 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 below:
- contracts of employment;
 - any contract, for the sale or purchase of any right in or over land

- or premises;
 - to any other agreement, licence or wayleave relating to land or premises;
 - for the supply of gas, electricity, water, sewerage and telephone services;
 - for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - 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;
 - for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Town Clerk and RFO shall act after consultation with the Chair and Vice-Chair of Council);
 - 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.
- 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).

13.3 It shall be a condition of any contract between the Council and any person (not being an Officer of the Council) who is required to supervise a contract on their behalf or nominate there under a sub-contractor or supplier that, in relation to such contract or nomination, he/she shall comply with the requirements of these Standing Orders and Financial Regulations as if he/she were an Officer of the Council. In these Standing Orders and Financial Regulations, any reference to an Officer of the Council shall be deemed to include a reference to any such person aforesaid.

13.4 Before any contract for the supply of goods and materials, execution of works, or any provision as to the maintenance or servicing thereof is made, the Town Clerk and/or Responsible Financial Officer shall ensure that the estimated cost of said supply or works has been included in the annual budget of the Council under the appropriate heading.

13.5 Any proposed contract for the supply of goods and materials, execution of works or any provision as to the maintenance or servicing thereof which has not been included in the annual budget shall be the subject of a separate

report to the appropriate Committee or the Council. If approved, normal tender procedures will apply.

14. CONTRACT EXEMPTIONS

- 14.1 Exemption from any of the following provisions of these Financial Regulations may be made by direction of the Council or a Committee within whose Terms of Reference the subject matter of the contract falls where the Council or Committee is satisfied that the exemption is justified in special circumstances.
- 14.2 Every exemption made by a Committee to which the power of making contracts has been delegated shall be reported to the Council and the report shall specify the circumstances by which the exemption shall have been justified.
- 14.3 Express note of any exemption from any of the provisions of these Standing Orders and of the emergency, if any, by which the exemption shall have been justified shall, unless recorded in the report of a Committee which is laid before the Council, be made in the Minutes of the Council meeting.

15. TENDERING PROCEDURES

- 15.1 An invitation to tender shall state the general nature of the intended contract and the Town 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 Town Clerk 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.
- 15.2 Any invitation to tender issued under this regulation shall be subject to the Town Council's Procurement Policy (Appendix 1), Standing Orders and shall refer to the terms of the Bribery Act 2010.
- 15.3 The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 15.4 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.
- 15.5 The European Union Procurement Directive and Public Procurement (Amendment etc.)(EU Exit) Regulations 2019 shall apply and the terms of the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2016 including published thresholds shall be followed.

- 15.6 Where the estimated cost of works, goods and materials and related services is as set out below and the requisite provision thereof has been made in the approved budget, the arrangements for the invitation of tenders or quotations and the subsequent acceptance thereof shall be as shown:

Estimated Value			Method of Invitation	Acceptance by
0	to	£4,499	Best Practice to be followed, in line with Procurement Strategy	Acceptance by the Town Clerk
£5,000	to	£16,000	Minimum of three invitations for quotations	Acceptance by the Town Clerk
£16,000	to	£32,500	Minimum of four invitations for quotations. <u>Advertise contracts over £25,000 on the Find a Tender service and Contracts Finder website within 24 hours of advertising elsewhere.</u>	Acceptance by the Town Clerk
£32,500	to	£60,000	Minimum of five invitations for quotations with discretion to invite tenders by public advertisement. <u>Advertise contracts over £25,000 on the Find a Tender service and Contracts Finder website within 24 hours of advertising elsewhere.</u>	Acceptance by the Chair of the appropriate Committee or nominee and Town Clerk
above		£60,000	Invite tenders by public advertisement. <u>Advertise contracts over £25,000 on the Find a Tender service and Contracts Finder website within 24 hours of advertising elsewhere.</u>	Acceptance by the Chair of the appropriate Committee or nominee and Town Clerk

In all cases up to £16,000 where the lowest tender received is in excess of 5% above the original budget, or in cases over £16,000 where it is in excess of the original budget, it shall be reported to the appropriate Committee for acceptance or otherwise.

15.7 Tenders to be invited by Public Advertisement

Contracts which exceed £60,000 in value or amount for the supply of goods or materials or the execution of any work for which provision has been made in the annual budget shall not be made unless at least ten days public notice has been given in one or more of the local papers circulating in the district. Provided that it shall not be obligatory for the Council or any Committee exercising powers delegated by the Council to invite tenders for a contract or materials where effective competition is prevented by Government control or where the Town Clerk reports in writing to the Council or to the Committee exercising such powers that effective competition is prevented by the special nature of the goods or materials required. Nor shall it be necessary to give

public notice of the intention to enter into such a contract.

15.8 Exceptions to Tendering Procedures

The Order shall not apply to:-

- (i) purchase by auction;
- (ii) purchase or repair of patented or purchase of patented or proprietary goods or materials sold at fixed price;
- (iii) purchase of materials normally supplied by specialist contractors;
- (iv) the execution of work, the purchase of goods or materials or the provision of services involving special, scientific or artistic knowledge;
- (v) the execution of work or the purchase of goods or materials which are a matter of urgency after prior reference to the appropriate Committee Chair;
- (vi) the purchase of goods or materials which the Town Clerk may from time to time deem it expedient to make in the open market provided that before making any such purchase the approval of the Chair of the appropriate Committee concerned is obtained and finance is available in the appropriate budget;
- (vii) contracts with professional persons or companies for the execution of work and for advice in which the personal skills of the person or company is of primary importance, and
- (viii) those contracts where a Committee may expressly determine that it is in the Council's interests that a tender be negotiated directly with a contractor or supplier of goods or services.

15.9 Requirements for Submission of Tenders

Where in pursuance of Financial Regulation 16 a public invitation to tender is required, every notice of such invitation shall state that no tender will be received except in a plain sealed envelope which shall bear the word "Tender" followed by the subject to which it relates, but shall not bear any name or mark indicating the sender and such envelopes shall remain in the custody of the Town Clerk until the time appointed for their opening.

15.10 Declarations as to Conduct of Tenderer

In connection with the submission of tenders for the execution of works or supply of goods and materials, declaration shall be obtained from each tenderer in the following form:

"We declare that we are not parties to any scheme or arrangement under which:

- (i) we communicate the amount of our tender to any other person or body before the contract is let;
- (ii) any other tenderer for the works, which are the subject of our tender, is reimbursed any part of his tendering costs, and
- (iii) our tender prices are adjusted by reference directly or indirectly to the prices of any other tenderer for the works.

No provision is made in our tender price for any reimbursement of any

adjustment of any contribution thereto”.

15.11 Procedure for Opening Tenders

- (i) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk or an official of the Council designated by him/her in the presence of such Member(s) of the Council as may have been designated for the purpose by the Council or by the Committee or Sub-Committee to which the power of making the contract, to which the tenders relate, has been delegated. Where tenders have been opened in pursuance of this paragraph they shall be recorded and reported to the next meeting of the appropriate Committee.
- (ii) If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the Council or relevant Committee may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

15.12 Limitations of Acceptance of Tenders

A tender other than the lowest tender if payment is to be made by the Council or the highest tender if payment is to be received by the Council shall not be accepted until the Council shall have considered a written report from the appropriate Officer.

16. CONTRACTS FOR SUPPLIES AND SERVICES ETC. EXCEEDING £25,000

- 16.1 Every contract which exceeds £25,000 in value or amount shall be in writing and in a form prescribed or approved by the Council's legal adviser and signed by the Town Clerk on behalf of the Council.

17. CONTRACTS FOR SUPPLIES, SERVICES OR WORKS ETC. LESS THAN £25,000

- 17.1 Every contract for which provision has been made in the approved estimates and/or approved by the appropriate Committee of the Council pursuant to the Town Council's Procurement Policy (Appendix 1), Standing Orders and Financial Regulations and being in value of an amount less than £25,000 shall be entered into on behalf of the Council by the Town Clerk or authorised Officer by issuing of an official order only.

- 17.2 The Town Clerk shall take legal advice on the contract if they consider it necessary due to the need for expertise or the complexity of the contract.

18. CONTENTS OF WRITTEN CONTRACTS AND PENALTIES

- 18.1 Every written contract shall specify:-
- the work, materials, matters or things to be furnished, had or done;
 - the price to be paid with a statement of discounts or other deductions;
 - the time or times within which the contract is to be performed;

- whether the contractor is accredited to ISO 9000 and approved by and will carry out work to the standard laid down by an appropriate national organisation such as Gas Safe or National Inspection Council for electrical Installation Contractors (NICEIC) and that such work will be covered by guarantees issued by these bodies.

19. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 19.1 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).
- 19.2 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.
- 19.3 Any variation to a contract or addition to or omission from a contract must be approved by the Town Clerk and issued to the Contractor in writing, the Council being informed of significant changes and where the final cost is likely to exceed the financial provision.

20. CORRUPT PRACTICES

- 20.1 There shall be inserted in every written contract a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if in relation to the contract or in relation to any other contract with the Council:
- The contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the favour or disfavour to any person;
 - The contractor or any person employed by him/her or acting on his/her behalf;
 - (a) shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or
 - (b) shall have given any fee or reward, the receipt of which is an offence under Section 117 (2) of the Local Government Act 1972.

21. ASSETS, PROPERTIES AND ESTATES

- 21.1 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 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 the requirements of the Local Government (Transparency Requirements) (England) Regulations 2015.

- 21.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500. 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).
- 21.3 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 consent 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).
- 21.4 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.

22. INSURANCE

- 22.1 Following risk management arrangements (per Regulation 24), the RFO shall effect all insurance cover and negotiate all claims on the Council's insurers.
- 22.2 All members of staff with line management responsibility are responsible for notifying the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing risks or insurances.
- 22.3 A comprehensive record of all insurances effected by the Council and the property and risks covered thereby shall be maintained and reviewed annually.
- 22.4 All members of staff are responsible for immediately notifying the RFO, in writing, of any loss, theft, liability or damage, or of any event likely to lead to a claim. The RFO shall ensure that the Town Clerk and relevant Committee Chair are informed.
- 22.5 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 Council.

23. INTERNAL CONTROL

- 23.1 The Town Clerk and RFO, under the direction of the Governance & Audit Committee shall be responsible for all internal control matters.
- 23.2 The Council's system of internal control shall cover:
- i) Appointment of Proper Officers and the RFO;
 - ii) Proper book-keeping and financial reporting arrangements;
 - iii) Financial Regulations including Standing Orders and payment controls;
 - iv) Risk management arrangements;
 - v) Budgetary controls;
 - vi) Income controls;
 - vii) Petty cash controls;
 - viii) Payroll controls;
 - ix) Capital controls covering asset management, investments and borrowing;
 - x) Bank reconciliation;
 - xi) Other areas identified from time to time in risk assessments.

24. RISK MANAGEMENT

- 24.1 The Council is responsible for putting in place arrangements for the management of corporate risk. The Town Clerk in conjunction with the RFO, under the direction of the Governance & Audit Committee, shall be responsible for all corporate risk management matters and prepare, for approval by the Council, corporate risk management policy statements in respect of all activities of the Council. The Council's Corporate Risk Register shall be reviewed by the Council at least annually.
- 24.2 When considering any new service provision, the Town Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

25. REVISION AND SUSPENSION OF FINANCIAL REGULATIONS

- 25.1 All financial figures contained within Standing Orders and these Financial Regulations will be increased as and when appropriate following review by the Governance & Audit Committee and approval by Council.
- 25.2 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.
- 25.3 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.

LITTLEHAMPTON TOWN COUNCIL

Procurement Policy

1. Introduction

- 1.1 The Council's overall objective in the procurement of goods and services will be to secure value for money and be able to clearly demonstrate how this has been achieved.
- 1.2 The Council's Standing Orders (SO) and Financial Regulations (FR) on contracts are the foundation on which this Procurement Policy is based, ensuring that fair, robust and transparent procurement processes are in place. These set out the process by which the Town Council will acquire the supply of goods or materials or the execution of works and provide details in respect of the tendering procedures and the thresholds which apply for the purchase of works, goods, materials or related services.

2. Aims

- 2.1 The key aims of the Council are:
 - 1.1.1 To deliver value for money, efficiencies and savings
 - 1.1.2 To support growth in the local economy
 - 1.1.3 To improve sustainability
 - 1.1.4 To build strong governance
 - 1.1.5 To put our residents and the local communities at the heart of everything we do.

3. Policy Statement

The Town Council will:

- Undertake procurement of all goods and services in accordance with the Council's Standing Orders & Financial Regulations and in compliance with UK and EU Regulations.
- Wherever possible appoint local suppliers and organisations in their procurement of goods and services.
- Pay all suppliers within 30 days of receipt of an acceptable invoice, providing that the goods or service have been received.
- Not be obliged to accept the lowest of any tender, quote or estimate but in all cases will specify the circumstances by which the exemption shall have been justified.
- Ensure all staff involved in procurement have the appropriate training, skills and awareness of procurement regulations/policies/procedures.
- Keep up to date with best practice in procurement.
- Be open, fair and transparent in all their procurement without

breaching supplier confidentiality.

- Manage all procurement related risks in accordance with the Council's risk management strategy.
- Collaborate with other public bodies for procurement where efficiencies can be made.
- Ensure that environmental and social issues form part of the decision making process in procurement.
- Ensure our contracts promote equality and diversity.
- Evaluate recurring contracts to ensure that value for money is being achieved.
- Publish all expenditure over £500 on its website.
- Publish details of all tenders and contracts over £5,000 on its website.

4. Rules of procurement

4.1 Before placing an order, checks must be made to ensure that:

- There is a suitable budget available for the purchase and
- appropriate authority has been given i.e. a Committee decision or delegated authority.

If this is not the case then the potential purchase will need to go to Committee for approval after consultation with the Town Clerk and Responsible Financial Officer.

4.2 Purchases should always follow the rules laid down in the Council's Standing Orders and Financial regulations.

4.3 Wherever possible 2 or 3 comparative quotes should be obtained for expenditure under £1,500.

4.4 With regards to recurring tasks (goods/services), having established through quotations and tenders a preferred supplier for a specific service and/or goods, if sufficient confidence exists that future and similar work will be done economically based on past performance, it will not generally be necessary to seek a quotation for individual tasks with the chosen supplier. E.g. electricity, gas, security, plumbing work. Project work will still need to be quoted for as per Standing Orders & Financial Regulations. For smaller services, such as janitorial or stationery supplies prices should be regularly checked to combat complacency and ensure value for money is being achieved.

5. E Procurement

5.1 If the purchase is to be paid by invoice normal rules apply as above. If the purchase is via charge card Financial Regulations should be followed and the purchase must be done by the Finance Team and the order raised must be signed by the Town Clerk.