

HARPENDEN TOWN COUNCIL

FINANCIAL REGULATIONS

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1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders¹ and any individual financial regulations relating to contracts.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to 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 willful 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 Council into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Finance Manager has been appointed as the RFO for this Council and these regulations will apply accordingly.

¹ Model standing orders for councils are available in Local Councils Explained © 2013 National Association of Local Councils

- 1.9. The RFO;
- acts under the policy direction of the Council;
 - administers the Council's financial affairs in accordance with all Acts, regulations and proper practices;
 - determines on behalf of the Council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Council 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 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 decision regarding:
- setting the final budget or the precept (council tax requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - 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 or appropriate committee must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
 - approve all grants
 - 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. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. On a regular basis and at each financial year end, the appropriate committee or sub-committee shall verify the bank reconciliations for all accounts. This activity shall on conclusion be reported, including any exceptions, to and noted by the council or appropriate committee dependent on who carried out the review.

- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Governance and Accountability Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 2.6. The internal auditor shall:
- be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
 - initiate or approve accounting transactions; or
 - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors’ rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

- 2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. The RFO must each year, by no later than February, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by Corporate Policy & Finance Committee and Council.
- 3.2. The committees responsible for the services shall review the detailed estimates and any new initiatives or growth areas, ensuring they are in line with the policies of the committee. The committees shall also review its three-year forecast of revenue and capital estimates.
- 3.3. The Corporate Policy and Finance Committee shall review the estimates from the committees, formulate an annual budget and submit them to the Council not later than the first week in February each year, together with any summaries, statements and reports considered appropriate.
- 3.4. 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.
- 3.5. The Council shall set the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than the first week 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 annual budget.
- 3.6. The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.7. The RFO shall publish the annual budget on the website and information points and supply each member with a copy of the budget.
- 3.8. The annual budget shall form the basis of financial control for the ensuing year.
- 3.9. The Council shall prepare a Medium Term Financial Plan (MTFP) covering a 3-5year period alongside the annual budget. This MTFP will be aligned to the business plan of the council.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee.
- 4.2. The Town Clerk has the authority to vire (move) amounts up to £10,000 provided within the approved budget, except in the case of sums provided for pay and allowances or when any continuing expenditure is to be generated, subject to approval of the appropriate committee. Virements in excess of £10,000, or those in respect of pay and allowances, can only be approved by the Corporate Policy and Finance Committee or Council.
- 4.3. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in a reserve in accordance with the Council's Earmarked Reserves Policy or Capital Reserve Policy.
- 4.4. Changes in earmarked reserves and capital reserves shall be approved by Council as part of the budgetary control process.
- 4.5. Reserves will only be treated as earmarked or capital in line with 'proper practices and regulations' and the Council's earmarked reserves policy and capital reserves policy. The amount treated as earmarked reserves in any one financial year will not exceed the difference (surplus) between the annual budget net expenditure and the actual net expenditure. The amount treated as capital reserves will be any unspent sums remaining from the capital receipt.
- 4.6. Each reserve will be managed, controlled and reviewed by the RFO on a transaction by transaction basis to ensure no reserve is overspent.
- 4.7. Twice per year, once during the budget review procedure and once at the year end the RFO will review the appropriateness of each reserve and provide a position statement to the accounts and risk sub-committee. This will be reported through the Corporate Policy and Finance Committee to Council. Any reserves considered no longer appropriate will be transferred back to the General Reserve.
- 4.8. The salary budgets are to be reviewed by Committees and Council at least annually for the following financial year as part of the budget setting process.

- 4.9. The Town Clerk may in consultation with the Mayor or Deputy Mayor or Chair or Vice Chair of a committee in a calendar month [SO.35]:
- a) order unbudgeted goods and services for the repair or maintenance of the Council's property, without reference to the Council or the appropriate committee, provided that the sum involved does not exceed £5,000;
 - b) approve budgeted expenditure of sums not exceeding £10,000.
 - c) incur expenditure on behalf of the Town Council that is necessary to carry out any repair or 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, not exceeding £10,000. This action shall be reported to the Council or appropriate committee as soon as practicable.
- 4.10. Where expenditure is incurred in accordance with regulation 4.1 above and the sum required cannot be met from savings made elsewhere within the Council's approved budget it shall be subject to the provisions of a supplementary estimate to be approved by Council.
- 4.11. 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.
- 4.12. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.13. The RFO shall regularly provide the Council or appropriate committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £5,000 or 10% of the budget.
- 4.14. The Corporate Policy and Finance Committee shall carry out a review of the expenditure and income of the Council for the current financial year at the same time as it undertakes its evaluation of the following year's budgetary requirements.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, 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. An account held for the payment of invoices shall be maintained

at the Bank and an additional current account to facilitate investment may be held with an alternative bank institution.

- 5.2. The RFO shall prepare a retrospective schedule of payments for review, prepared on the basis of an individual payment de minimis of £500. Forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to the Accounts and Risk sub-committee who will review the schedule for compliance and note the payments. A detailed list of 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.
- 5.3. All invoices for payments shall be examined, verified and agreed by the officer placing the order. Before agreeing an invoice, the officer that placed the order shall satisfy themselves that the work and prices charged and goods or services to which the invoice relates have been received, carried out, examined, checked and approved. The officer shall code them to the appropriate expenditure head.
- 5.4. Duly agreed invoices shall be passed to the Finance Officer, who shall examine them in relation to arithmetical accuracy, confirmation that the goods or services have been received and appropriate expenditure head.
- 5.5. When the Finance Officer is satisfied that invoices are in order, they shall pass them to the Town Clerk (or in their absence the RFO or Community Services Manager) for final authorisation. Payment will then be made in line with the procedures outlined in section 5.2.
- 5.6. In line with recommended national good practice and to avoid a charge of interest under the Late Payment of Commercial Debts (Interest) Act 1998 all possible steps will be taken to settle all invoices submitted within 30 days of their receipt, unless they are in order or not subject to query.
- 5.7. The Clerk and 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 the Council [or finance committee];

- b) An expenditure item authorised under 5.10 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council [or finance committee]; or
 - c) fund transfers within the Council's banking arrangements up to the sum of [£10,000], provided that a list of such payments shall be submitted to the next appropriate meeting of Council [or finance committee].
- 5.8. The Town Clerk, or nominated officer, shall undertake a frequent, [at least every 3 days] independent review of the bank accounts to check for any unidentified transactions.
- 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 [or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council [or Corporate Policy and Finance Committee].
- 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.
- 5.13. The Council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The Council will make safe and efficient arrangements for the making of its payments.

- 6.2. Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. Apart from petty cash payments, all payments shall be effected by cheque, business payment card, fuel card, direct debit, standing order, BACs or CHAPS drawn on the Council's bank.
- 6.4. All schedules to approve payments shall be presented to, and signed by, two appointed members of the Council. Authorised signatories shall be the Town Mayor, Deputy Town Mayor and the Chairs of the Corporate Policy and Finance and Community Services Committees. In the event that the Mayor or Deputy Mayor hold the position as Chair of a Standing Committee the Vice Chair of a Standing Committee (Corporate Policy and Finance or Community) will be an authorised signatory. In the event that the Chair of the Standing Committees be the same Councillor then the Vice Chair of the Corporate Policy and Finance Committee will be the authorised signatory.
- 6.5. 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.
- 6.6. If thought appropriate by the Council, payment for utility supplies (energy, telephone and water), National Non-Domestic Rates or payments to other government departments may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 6.7. If thought appropriate by the Council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to Council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the Council at least every two years.
- 6.8. If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
- 6.9. If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.

- 6.10. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.11. 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.
- 6.12. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.13. 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.
- 6.14. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. 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.
- 6.15. Access to any internet banking accounts will be directly to the access page (which may be saved under "favorites"), 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.
- 6.16. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by [two of] the Clerk [the RFO][a member]. A programme of regular checks of standing data with suppliers will be followed.

- 6.17. The Council shall have a business charge card through the Council's Bank for use by the Town Clerk when making purchases over the internet or sums requiring electronic payment. Monthly expenditure on the business charge card shall be limited to £2,500. Any individual purchases in excess of £1,000 must be authorised by two of the authorised signatories prior to purchase.
- 6.18. The Council shall have fuel cards limited to the purchase of fuel and oil for the purpose of re-fueling the Council owned vehicles or machinery only.
- 6.19. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Town Clerk or member of the Corporate Management Team (CMT) (excluding the RFO and any temporary post holder) and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.20. The RFO may maintain such petty cash floats as are deemed necessary for operational purposes up to a maximum of £500 for any one float and provide petty cash to officers for the purpose of defraying operational and other expenses or miscellaneous items of an urgent nature. Such petty cash accounts shall be maintained on the Imprest system in the manner and form prescribed by the RFO.
- 6.21. Vouchers and receipts for payments made shall be kept in accordance with instructions laid down by the RFO and shall be authorised by the Town Clerk, RFO or Corporate Management Team (CMT). All payments from the petty cash float shall be included on the schedule of payments in line with paragraph 5.2.
- 6.22. Income due and/or received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or appropriate committee.

- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Human Resources Committee.
- 7.4. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any Councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.8. Before employing interim staff the Council must consider a full business case.

8. MEMBERS ALLOWANCES

- 8.1. Allowances as agreed following the considered response of the District Council's Independent Remuneration Panel on Members Allowances shall be paid on a quarterly basis in arrears to those members who have indicated through agreed procedures that they wish to receive such payments. Where a member fails to register their intention to take the payment of the Basic Allowance by 31 March in each municipal year, that member shall forego their entitlement to the Basic Allowance. Payment will be pro-rata for any member who has only served for part of a municipal year.
- 8.2. Travel and subsistence allowance shall not be paid for travel within the boundaries of the parish unless the member has self-certified that they have a disability which makes travel assistance necessary. It will be payable for members representing the Council on approved duties which will be agreed by Council or the appropriate committee. All travel and subsistence rates will be those approved by the District Council in each financial year.

9. LOANS AND INVESTMENTS

- 9.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose and should be in line with the Investment Strategy. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by Full Council.
- 9.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the Full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 9.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 9.4. All investments of money under the control of the Council shall be in the name of the Council.
- 9.5. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 9.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

- 9.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

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. Staff responsible for handling/collection of sums shall complete a reconciliation statement to agree sums received.
- 10.3. Every transfer of official money from one officer to another shall be signed for by the receiving officer.
- 10.4. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 10.5. The Council shall agree the scale of fees and charges for each service. These will be reviewed on an annual basis following a report to the Council or appropriate Committee responsible for the service.
- 10.6. All bad debts will be reported to the Corporate Policy and Finance Committee in accordance with the Town Council's Debt Management and Write Off Policy. Approval of write off limits are;
- Up to £1,000 - Town Clerk
 - £1,000 - £10,000 – Corporate Policy and Finance Committee
 - Over £10,000 – Council
- 10.7. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 10.8. The origin of each receipt shall be entered on the paying-in slip.
- 10.9. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.10. The RFO shall promptly complete any VAT Return that is required by HMRC in the designated format, i.e., manual or digital. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

- 10.11. 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.

11. INCOME - CARD PAYMENTS

- 11.1. The RFO should be notified in advance if card facilities are to be used to establish arrangements for transactions to be reconciled with the Council's bank account.
- 11.2. Any charges which are incurred in relation to payments being processed by credit and debit card will be borne by the Council. The transaction charge is a % of the payment value, currently 1.69% but can vary depending on the type of card used.
- 11.3. Staff responsible for the collection of sums shall complete a reconciliation statement to agree sums received.
- 11.4. Any customer data is to be stored inline with the Council's GDPR policy.
- 11.5. If a card transaction has been processed in error or the Card Transaction amount changes you must, wherever possible cancel the whole of the Card transaction. The cardholder must be given a copy of the cancelled transaction.

12. ORDERS FOR WORK, GOODS AND SERVICES

- 12.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. The Town Clerk, RFO or Corporate Management Team (CMT) shall authorise such orders. Copies of orders shall be retained.
- 12.2. Ordering will be carried out through the Council's online finance software.
- 12.3. All members and officers are responsible for always obtaining value for money. 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.
- 12.4. A member may not issue an official order or make any contract on behalf of the Council.

- 12.5. Orders should conform to the directions of the Town Council, i.e., committee policies and resolutions, and be placed in line with Standing Orders [SO.45] on Contracts. Where the value of goods and services exceed £25,000 a written contract in a form prescribed or approved by the Council's legal advisor and signed by the Town Clerk on behalf of the Council is required.

13. CONTRACTS

- 13.1. Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. or 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 £1,000 (in excess of this sum the Clerk and RFO shall act after consultation with the Town Mayor and Deputy Town Mayor); 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.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- e. Such invitation to tender shall state the general nature of the intended contract and the 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 'confidential' 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.

- f. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council *normally the Town Mayor or Chair of relevant Committee.*
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders 41-48 and shall refer to the terms of the Bribery Act 2010.
- h. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- i. 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.

13.2. The Arrangements for invitation of tenders and quotations for works within previously approved budgets in line with Standing Orders [SO.44] on Tendering procedures are as follows:

<i>Estimated Value</i>	<i>Method of Invitation</i>	<i>Received by</i>
<i>Up to £10,000</i>	<i>Best value practices in line with procurement strategy</i>	<i>Town Clerk or nominated officer</i>
<i>£10,000 – £ 25,000</i>	<i>Minimum of three quotes</i>	<i>Town Clerk or nominated officer</i>
<i>£25,000 – £50,000</i>	<i>Minimum of four invitations to tender and government contract finder portal</i>	<i>Town Clerk and at least one Councillor normally the Town Mayor or Chair of relevant Committee</i>
<i>Above £50,000</i>	<i>Minimum of five invitations to tender and government contract finder portal</i>	<i>Town Clerk and at least one Councillor normally the Town Mayor or Chair of relevant Committee</i>

The value is the total cost of the project/works over the length of the agreement.

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

- 14.1. 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).
- 14.2. 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 10% or more a report shall be submitted to the Council.
- 14.3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Town Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

15. STORES AND EQUIPMENT

- 15.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 15.2. Delivery notes shall be obtained in respect of all goods received or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

16. ASSETS, PROPERTIES AND ESTATES

- 16.1. 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 Accounts and Audit Regulations.

- 16.2. 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 £5,000.
- 16.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 16.4. 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).
- 16.5. Subject only to the limit set in Regulation 13.2 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.
- 16.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

17. INSURANCE

- 17.1. Following the annual risk assessment (per Regulation 17), the Internal Operations Manager shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Town Clerk.
- 17.2. All officers are responsible for giving prompt notification to the Corporate Management Team (CMT) of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 17.3. The Internal Operations Manager shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

- 17.4. The Internal Operations Manager shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to council at the next available meeting.
- 17.5. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or duly delegated committee.
- 17.6. All officers should ensure that contractors or clients have in place and provide evidence of adequate public liability insurance cover to a minimum level of £5million.

18. RISK MANAGEMENT

- 18.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk with the Responsible Finance Officer (RFO) shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 18.2. When considering any new activity, the Town Clerk with the nominated officer shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.
- 18.3. All officers shall ensure any clients or contractors of the Council prepare and provide a suitable risk assessment and have adequate risk management procedures in place.

19. TAXATION

- 19.1. The RFO shall be responsible for the correct accounting and completing returns for all taxation, i.e., VAT, Inland Revenue and other deductions, as required by current legislation and regulations, ensuring adequate and correct records are maintained.
- 19.2. The RFO shall be responsible for the payment of all sums due to Government Departments and recognised bodies by the required deadlines.

20. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 20.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.
- 20.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council or appropriate committee, 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.

21. PUBLICATION OF FINANCIAL REGULATIONS

- 21.1. A copy of these Financial Regulations shall be given to each member and added to the Council's website.

22. REVOCATION OF PREVIOUS FINANCIAL REGULATIONS

- 22.1. The Financial Regulations previously adopted by the Council are hereby revoked.