



# Waltham Abbey Town Council

## FINANCIAL REGULATIONS

Date Adopted	Minute Reference	Review Date
1 <sup>st</sup> November 2023	352/23	March 2024
14 <sup>th</sup> March 2024	578/24	March 2025
5 <sup>th</sup> March 2025	518/25	February 2026
11 <sup>th</sup> February 2026	529/26	
11 <sup>th</sup> March 2026	576/26	February 2027

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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 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 internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.

1.3. The Council's accounting control systems must include measures:

- for the timely production of accounts;
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- Identifying the duties of officers.

1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an officer may give rise to disciplinary proceedings.

1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice officers to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. These regulations will apply accordingly.

1.9. The RFO;

- acts under the policy direction of the Council;
- administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the Council up to date in accordance with proper practices;
- assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the Council.
- has delegated authority to write off aged debts to a maximum individual value of £100 over any financial year with a final report being provided to Council confirming any debts written off.

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.

1.11. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the Council; and
- wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records.

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; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.

1.14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of [£5,000]; and
- in respect of the annual salary for any officer have regard to recommendations about annual salaries of officers 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.

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 Town 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, at least once in each quarter, and at each financial year end, the Council or the Policy & Resources Committee shall verify bank reconciliations for all accounts produced by the RFO. This verification will be minuted and signed off for auditor 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 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
- has 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 officer, except to the extent that such officers 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. Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposals for revising the forecast.

3.2. The RFO must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Policy & Resources Committee of the Council.

3.3. The Council shall consider annual budget proposals in relation to the Council's five year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.4. The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

#### **4. Budgetary control and authority to spend**

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- The council for all items over £5,000 or
- The Town Clerk and/or RFO for items up to £5,000 with budgetary constraints.

4.2. 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. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to a general reserve as appropriate ('virement').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year. Except in the case of building maintenance which is moved to maintenance reserves.

4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Clerk. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. In cases of extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council which in the Town Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Town Clerk shall report such action to the Leader of Council, and Committee Chairman as soon as possible and to the Council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council £5,000 is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.

4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances.

4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

#### **5. Banking arrangements and authorisation of payments**

5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

5.2. The RFO shall prepare a schedule of payments reporting authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to the Policy & Resources Committee. The Committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Policy & Resources Committee. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the works, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.

5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Policy & Resources Committee meeting.

5.5. The Town 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 Town 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 Policy & Resources Committee.

b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy & Resources Committee; or

c) fund transfers within the Councils 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 the Policy & Resources Committee.

5.6. For each financial year the Town 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 the Policy & Resources Committee. It is recommended that this be included for signature at each Policy and Resources meeting.

5.7. A record of regular payments made as per 5.6 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. It is recommended that this be included for signature at each Policy and Resources meeting.

5.8. 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.

5.9. 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. Instructions for the making of payments**

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

6.2. Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Town Clerk or RFO shall give instruction that a payment shall be made.

6.3. All payments shall be affected by internet banking, cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council or duly delegated committee.

6.4. Internet banking will be the primary payment method using the following process:

- Payment list created by the accountant
- Payments signed off individually by 2 signatories (councillors) on the payment list
- RFO to add the payment information to the internet banking system
- Town Clerk to finalise payments after checking

The Clerk, RFO and Office Manager will each have banking profiles to enable payments to be made during periods of absence.

6.5. If a cheque is required from this imprest account, this cheque will be signed by 2 of the following officers (Town Clerk, RFO, Office Manager, Parks Manager or events Manager), a cheque requisition form shall be completed and processed by the accountant and reported to the Policy and Resources Committee as soon as is practicable.

6.6. If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made. 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. No officer 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.

6.8. 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.

6.9. The Council, and its officers, 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.

6.10. Where internet banking arrangements are made with any bank, the Town Clerk 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.

6.11. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

6.12. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier. A programme of regular checks of standing data with suppliers will be followed.

6.13. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Town Clerk and RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or officers shall not be used under any circumstances. Such cards will also be restricted to a single transaction maximum value of £2,000 unless authorised by Council or the Policy & Resources Committee in writing before any order is placed.

6.14. The Office Manager may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Office Manager with a claim for reimbursement.

a) The Office Manager shall maintain a petty cash float of £200 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

## **7. Payment of salaries**

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

7.2. The Council agrees to make payments in line with NJC payscales as advised by NALC following pay negotiations, all back pay will be paid as appropriate. In April of each year the payscale of all appropriate officers will go up by 1 payscale after successful completion of 1 full years service.

7.3. 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.

7.4. No changes shall be made to any officer's pay, emoluments, or terms and conditions of employment without the prior consent of the Council or the Policy & Resources Committee.

7.5. Each and every payment to officers of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any Councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

7.6. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7.7. An effective system of personal performance management should be maintained for the senior officers in relation to annual appraisals. Performance Management should be in place for all officers not just senior officers.

7.8. 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. Loans and investments**

8.1. All borrowings shall be taken out in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be resolved by Council as to terms and purpose. The application for borrowing approval and subsequent arrangements for the loan shall only be resolved by full Council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.

8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.

8.4. The Council's Investment Strategy is detailed in the Treasury Management Policy in accordance with the Local Government Act 2003 to determine an annual funding strategy.

8.5. All investments of money under the control of the Council shall be in the name of the Council.

8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

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

## **9. Income**

9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

9.2. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.

9.3. The Council will review all fees and charges at least annually, following a report of the RFO.

9.4. Any sums found to be irrecoverable (subject to legal proceedings), and any bad debts shall be reported to the Council and shall be written off in the year.

9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6. The origin of each receipt shall be entered on the paying-in slip.

9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9.9. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as income sheets, and that appropriate care is taken in the security and safety of individuals banking such cash.

9.10. Where expected invoiced income is past due for 1 calendar month or more, interest at 8% will be charged per calendar month.

9.11. Where expected invoiced income is past due for over 4 months, the debtor will be given 7 further days to pay and will be advised that if no payment is received then action will be taken to recover monies via small claims court in all circumstances where the expected income is over £500.

## **SECTION 10 – ORDERS FOR WORKS, GOODS AND SERVICES**

### 10.1 General Principles

#### **10.1.1 All members and officers are responsible for obtaining value for money at all times.**

10.1.2 An officer procuring works, goods or services shall ensure, as far as practicable, that the best available terms are obtained, normally by seeking competitive prices in accordance with these Regulations.

10.1.3 No expenditure may be authorised unless budget provision exists for that type of expenditure, except where expressly permitted under these Regulations.

### 10.2 Official Orders

10.2.1 An official order or letter shall be issued for all works, goods and services above £500 excluding VAT unless a formal written contract is to be prepared or the nature of the transaction makes an official order inappropriate.

10.2.2 Copies of all orders shall be retained, together with evidence of receipt of goods or satisfactory completion of services.

10.2.3 Access to any ordering system shall be restricted and controlled by the Responsible Financial Officer (RFO), who shall ensure appropriate safeguards are in place to prevent misuse.

10.2.4 No individual member or informal group of members may issue an official order or enter into any contract on behalf of the Council unless specifically authorised by resolution of the Council.

### 10.3 Procurement Thresholds (Excluding VAT Unless Stated)

- Up to £500 – seek value for money
- £500–£3,000 – At least three estimates should be obtained
- Above £3,000 – At least three fixed-price written quotations shall be obtained
- Above £30,000 – Publication requirements under the Procurement Act 2023 must be observed
- Above £60,000 (including VAT) – Formal tender process required

#### **10.3.1 Contracts must not be artificially split or subdivided to avoid compliance with these Regulations or statutory procurement requirements.**

### 10.4 Delegated Authority for Expenditure

10.4.1 Individual purchases within an agreed budget may be authorised as follows:

- Up to £2,500 – Managers in consultation with the Clerk/RFO
- Up to £5,000 – The Clerk/RFO
- Over £5,000 – Full Council

10.4.2 All decisions shall be supported by a minute of the relevant meeting or an auditable written record of delegated authority.

10.4.3 No expenditure may exceed the approved budget for that category without prior resolution of the Council or a duly authorised committee acting within its Terms of Reference.

#### 10.5 Emergency Expenditure

10.5.1 In cases of serious and immediate risk to the delivery of Council services or public safety on Council premises, the Clerk may authorise expenditure up to £5,000 excluding VAT on urgent repair, replacement or remedial work.

10.5.2 Such action shall be reported to the Chair as soon as practicable and formally reported to the next meeting of the Council.

#### 10.6 Legal Powers

10.6.1 The RFO shall verify the lawful nature of any proposed purchase before an order is placed.

10.6.2 In the case of new or infrequent expenditure, the statutory power relied upon shall be reported to the meeting at which the expenditure is authorised and recorded in the minutes.

### **SECTION 11 – CONTRACTS**

11.1 Every contract shall comply with the Council's Standing Orders, these Financial Regulations, and all applicable procurement legislation. No exception shall be made except in a genuine emergency.

**11.2 For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**

11.3 Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:

11.4 For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Standing Orders.

**11.4 For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**

11.5 The requirement to obtain competitive prices shall not apply to contracts relating to:

- Specialist professional services (including legal advisors acting in disputes)
- Repairs to or parts for existing machinery or equipment
- Extensions or variations of existing contracts
- Goods or services available only from one supplier or sold at a fixed price

11.6 Where it is proposed to waive the requirement for competition, the reason shall be set out in a written recommendation to Council or the relevant Committee. Avoidance of competition is not a valid reason for waiver.

11.7 The Council is not obliged to accept the lowest or any tender, quotation or estimate.

11.8 No contract shall be entered into for any major project unless the Council is satisfied that sufficient funds are available and, where borrowing is required, that Government borrowing approval has been obtained.

## **SECTION 12 – PAYMENTS UNDER CONTRACTS**

12.1 Payments under building or construction contracts shall be made in accordance with the contract terms and upon certification by the appointed architect, surveyor or other professional adviser where applicable.

12.2 Where contracts provide for staged or instalment payments, the RFO shall maintain a record of all payments made.

12.3 Where it is estimated that the total cost of works under a contract (excluding agreed variations) will exceed the contract sum by 5% or more, a report shall be submitted to the Council.

12.4 Any variation, addition to, or omission from a contract must be approved in writing, be within delegated authority or approved by Council, and be properly recorded.

## **13. Stores and equipment**

13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.

13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

## **14. Assets, properties and estates**

14.1. The 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.

14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £2,500.

14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a full business case.

14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **15. Insurance**

15.1. Following the annual risk assessment (per Regulation 16), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

15.2. The RFO shall keep a record of all insurances arranged by the Council and the property and risks covered thereby and annually review it.

15.3. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.

15.4. All appropriate members and officers 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, or the Policy & Resources Committee.

## **16. Risk Management**

16.1. The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk 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.

16.2. When considering any new activity, the Town Clerk (or delegate manager) shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

## **17. Suspension and revision of Financial Regulations**

17.1. 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.

17.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.