



# MUCH WENLOCK TOWN COUNCIL

## FINANCIAL REGULATIONS

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These Financial Regulations were adopted by Much Wenlock Town Council at its meeting held on 22<sup>nd</sup> May 2025.

## 1. General

- 1.1. These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
  - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
  - "Approve" refers to an online action, allowing an electronic transaction to take place.
  - "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
  - 'Proper practices' means those set out in *The Practitioners' Guide*
  - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
  - 'Must' and **bold text** refer to a statutory obligation the council cannot change.
  - 'Shall' refers to a non-statutory instruction by the council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. 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 control systems;
  - ensures the accounting control systems are observed;
  - ensures the accounting records are kept up to date;
  - seeks economy, efficiency and effectiveness in the use of council resources; and
  - produces financial management information as required by the council.
- 1.6. **The council must not delegate any decision regarding:**
  - **setting the final budget or the precept (council tax requirement);**
  - **the outcome of a review of the effectiveness of its internal controls**
  - **approving accounting statements;**
  - **approving an annual governance statement;**
  - **borrowing;**
  - **declaring eligibility for the General Power of Competence; and**

- **addressing recommendations from the internal or external auditors**
- writing off bad debts

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £10,000; and
- addressing recommendations in any report from the internal or external auditors

## **2. Risk management and internal control**

2.1. **The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**

2.2. The Clerk and RFO shall prepare, for approval by the council, risk management policy statements covering all activities of the council. This policy, risk management policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

2.3. When considering any new activity, the Clerk and RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

2.4. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.5. **The accounting control systems determined by the RFO must include measures to:**

- **ensure that risk is appropriately managed;**
- **ensure the prompt, accurate recording of financial transactions;**
- **prevent and detect inaccuracy or fraud; and**
- **allow the reconstitution of any lost records;**
- **identify the duties of officers dealing with transactions and**
- **ensure division of responsibilities.**

2.6. At least once in each quarter and at each financial year end, a member other than the Chair, shall be appointed to verify bank reconciliations for all accounts (including petty cash records) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Finance and Assets Committee.

2.7. Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

## **3. Accounts and audit**

3.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

- 3.2. **The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
- **day-to-day entries 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;**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.4. The RFO shall complete the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.6. **Any officer or member of the council must make available such documents and records as the internal or external auditor consider 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.
- 3.7. The internal auditor shall be appointed by the Finance and Assets Committee and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the council;
  - reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
  - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - has no involvement in the management or control of the council
- 3.9. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
  - initiate or approve accounting transactions;
  - provide financial, legal or other advice including in relation to any future 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.
- 3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

- 3.11. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

#### **4. Budget and precept**

- 4.1. **Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 4.2. Budgets for salaries and wages, including employer contributions shall be reviewed by the HR Committee at least annually by December for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the RFO and the Chair of the Council or relevant committee. The RFO will inform committees of any salary changes impacting on their budget requirement for the coming year in good time.
- 4.3. The RFO must each year, by no later than December, prepare detailed estimates of all income and expenditure, 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 Finance & Asset Management Committee of the council.
- 4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward by placing them in an earmarked reserve with the formal approval of the Finance and Asset Committee.
- 4.5. The council shall consider annual budget proposals in relation to the council's three-year forecast of revenue and capital receipts and payments including Finance and Asset Management Committee recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 4.6. 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.
- 4.7. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.8. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.9. The approved annual budget shall form the basis of financial control for the ensuing year by comparing actual spending and income against what was planned.
- 4.10. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council or relevant committee.

- 4.11. The RFO shall regularly provide the Finance & Asset Management Committee with a statement of income and expenditure 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 the end of each month and shall show explanations of material variances. For this purpose “material” shall be in excess of 15% of the budget.

## 5. Procurement

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer issuing an official order for the procuring goods, services or works shall ensure, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction, usually by obtaining three quotations or estimates from appropriate suppliers subject to any *de minimis* provisions.
- 5.2. The RFO/Town Clerk should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases or payments, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3. Every contract shall comply with the council’s Standing Orders and these Financial Regulations and no exceptions shall be made, other than in an emergency.
- 5.4. **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.**
- 5.5. Where the estimated value is below the Government threshold<sup>2</sup>, the council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:
- 5.6. For contracts estimated to exceed £30,000 excluding 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 Appendix 1.
- 5.7. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation<sup>1</sup> regarding the publication of invitations and notices.**
- 5.8. For contracts greater than £3,000 excluding VAT the Clerk or RFO shall seek at least 3 fixed-price quotes; other than such goods, materials, works or specialist services as are excepted as set out in paragraph 5:12

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<sup>1</sup> The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

<sup>2</sup> Thresholds currently applicable are:

- a) For public supply and public service contracts £214,904
- b) For public works contracts £5,372,609

- 5.9. Where the value is between £500 and £3,000 excluding VAT, the Clerk or RFO shall try to obtain 3 estimates (which might include evidence of online prices, or recent prices from regular suppliers).
- 5.10. For smaller purchases, the clerk or RFO shall seek to achieve value for money.
- 5.11. **Contracts must not be split to avoid compliance with these rules.**
- 5.12. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:
- i. for the supply of gas, electricity, water, sewerage and telephone services;
  - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
  - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
  - v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the RFO shall act after consultation with the Chairman and Deputy Chairman of council); and
  - vi. for goods or materials proposed to be purchased which are proprietary articles and/ or are only sold at a fixed price.
- 5.13. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council. Avoidance of competition is not a valid reason.
- 5.14. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by:
- The Town Clerk or RFO, for any items below £500 excluding VAT.
  - The Town Clerk or RFO, in conjunction with the Chairman of the Council or Chairman of the appropriate committee, for any items above £500 and below £1,000 excluding VAT.
  - A duly delegated committee of the council for all items of expenditure within their delegated budgets for items up to £15,000 excluding VAT
  - The council for all items over £15,000;
- Such authorisation must be supported by a minute or by an authorisation slip duly signed by the Town Clerk or RFO, and where necessary also by the appropriate Chairman.
- The Town Clerk or RFO may approve the purchase of sundry items as may be needed from time to time for the efficient operation of the Town Council Office.
- 5.16. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the council or make any contract on behalf of the council.

- 5.17. 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 or the Finance & Asset Management Committee, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 5.18. In cases of extreme risk to the delivery of council services, the Town Clerk or RFO may authorise revenue expenditure on behalf of the council which, in the Town Clerk or RFO'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 £1,000. The Town Clerk or RFO shall report such action to the Chairperson as soon as possible and to the council as soon as practicable thereafter.
- 5.19. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 5.20. An official order or letter shall be issued for all work, goods and services over £500 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.
- 5.21. Access to order books shall be controlled by the RFO/Town Clerk.

## **6. Banking and payments**

- 6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements may not be delegated to a committee. The arrangements shall be reviewed regularly for security and efficiency.
- 6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.
- 6.3. All invoices for payment shall be examined for arithmetical accuracy and analysed to the appropriate expenditure heading by the RFO. They will be verified and certified by the RFO/Town Clerk, to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council.
- 6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.5. All payments shall be made by online banking or cheque, in accordance with a resolution of the Finance and Asset Committee, unless the council resolves to use a different payment method.
- 6.6. The RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the Finance and



Assets Committee may authorise in advance for the year, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Assets Committee.

- 6.7. In respect of grants the Finance and Assets 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.
- 6.8. The Town Clerk and RFO shall have delegated authority to authorise payment of items only in the following circumstances:
- i. any payments of up to £500 excluding VAT, within an agreed budget.
  - ii. payments of up to £1,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
  - iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date for payment is before the next scheduled meeting of the Finance and Assets Committee, where the Clerk or 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 Finance and Assets Committee.
  - iv. Fund transfers within the councils banking arrangements up to the sum of £20,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance & Assets Committee.
  - v. An expenditure item authorised under 6.6 above (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance & Asset Management Committee.
- 6.9. The RFO shall present a retrospective schedule of payments requiring authorisation, forming part of the agenda for the meeting to the Finance and Assets Committee. The committee shall review the schedule for compliance and, having satisfied itself, shall retrospectively authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.
- 6.10. 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.
- 6.11. 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.
- 6.12. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

## **7. Electronic payments**

- 7.1. Where internet banking arrangements are made with any bank, the RFO or Town Clerk shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify several councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process.
- 7.2. All authorised signatories shall have access to view the council's bank accounts online.
- 7.3. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.
- 7.4. The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to two authorised signatories.
- 7.5. In the prolonged absence of the Service Administrator, an authorised signatory shall set up any payments due before the return of the Service Administrator.
- 7.6. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.
- 7.7. Evidence shall be retained showing which members approved the payment online, for audit purposes.
- 7.8. A full list of all payments made in a month shall be provided to the next Finance and Assets committee meeting, and a signed copy appended to the minutes.
- 7.9. Regular payments (such as utilities and National Non-Domestic Rates) may be made by variable direct debit, provided that the instructions are signed by two authorised members and the payments are reported to the Finance and Assets committee. The approval of the use of each variable direct debit shall be reviewed by resolution of the council at least every two years.
- 7.10. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved online by two authorised bank signatories, evidence is retained and any payments are reported to the Finance and Assets committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 7.11. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed by two authorised members, evidence of this is retained and any payments are reported to the Finance and Assets committee when made. The approval of the use of a banker's standing order shall be reviewed by the council at least every two years.
- 7.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the RFO. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 7.13. Members and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

- 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 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.
- 7.15. 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.
- 7.16. 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 these shall be kept securely by the Town Clerk in a locked drawer, which can be accessed only by the Town Clerk or RFO. Passwords must be changed if there is a change in administrative personnel. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

## **8. Cheque payments**

- 8.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two authorised members.
- 8.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and/or permissible to be a signatory to the transaction in question.
- 8.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and/or payment list and the relevant invoice.
- 8.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to the Finance & Asset Management Committee shall be signed by two members of council in accordance with a resolution instructing that payment.

## **9. Payment cards**

- 9.1. Any Debit Card issued for use will be specifically restricted to the Clerk and the RFO and will also be restricted to a single transaction maximum value of £1000 unless authorised by the Finance and Asset Committee before any order is placed.
- 9.2. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 9.3. Any corporate 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.

## **10. Petty Cash**

- 10.1. The RFO shall maintain a petty cash float of £50 and may provide petty cash for the purpose of defraying operational and other expenses.
  - a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.

- b) Cash 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 the council under 6.9.

## **11. Payment of salaries and allowances**

- 11.1. As an employer, the council must make arrangements to comply with the statutory requirements of PAYE and National Insurance legislation.**
- 11.2. Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 11.3. Salary rates shall be agreed by the council, or a duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the committee responsible for personnel.
- 11.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
- 11.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 11.6. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. The total of such payments shall be reported (along with all other payments as made) to the Finance and Assets Committee at the next available meeting to ensure that only payments due for the period have actually been paid.
- 11.7. Any termination payments shall be supported by a report to the council, supported by a clear business case. Termination payments shall only be authorised by the full council.
- 11.8. Before employing interim staff, the council must consider a full business case.
- 11.9. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be kept confidential and 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.

## **12. Loans and investments**

- 12.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council and must be approved as to terms and purpose by Council.
- 12.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full council. In each case a written report shall be provided to council on the value for money of the proposed transaction.

- 12.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 12.4. All loans and investments of money under the control of the council shall be in the name of the council and shall be for a set period.
- 12.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO or Town Clerk.
- 12.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these financial regulations.

### **13. Income**

- 13.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO, with the exception of rent due from market stalls, which may be collected and managed by the Administrative Assistant.
- 13.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report from the RFO. Notified to the RFO and the RFO shall be responsible for the collection of all amounts due to the council.
- 13.3. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year. The council's approval shall be shown in the accounting records.
- 13.4. All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 13.5. Personal cheques shall not be cashed out of money held on behalf of the council.
- 13.6. The RFO shall ensure that VAT is correctly recorded in the council's accounting software and that any VAT Return required is submitted by the due date. Any repayment claim under section 33 of the VAT Act 1994 shall be made at least annually at the end of the financial year.
- 13.7. Where 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 record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.
- 13.8. Any income that is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 18 below).

#### **14. Payments under contracts for building or other construction works**

- 14.1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 14.2. Any variation of, addition to or omission from a contract must be authorised by the council and by the Town Clerk or RFO to the contractor in writing. A report shall be submitted to the council where the final cost (excluding agreed variations) is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

#### **15. Stores and equipment – Not applicable**

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

- 16.1. The Town Clerk and RFO shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.
- 16.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their 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.
- 16.3. The continued existence of tangible assets shown in the Register shall be verified at least annually, in conjunction with a health and safety inspection of assets.
- 16.4. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the full council, together with any other consents required by law, except where the estimated value of any one item of tangible moveable property does not exceed £500. In each case a written report shall be provided to council with a full business case.
- 16.5. 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 consents required by law. In each case a written report 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 where required by law or felt to be appropriate.

#### **17. Insurance**

- 17.1. The RFO or Town Clerk shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.
- 17.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Finance and Assets Management Committee at the next available meeting. The RFO shall negotiate all claims on the council's insurers in consultation with the Clerk.

17.4. 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 Finance and Asset Committee.

## **18. Charities**

18.1. Where the council is sole managing trustee of a charitable body the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

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

19.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time and following any change of clerk or RFO. The Town Clerk and RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any need to amend these Financial Regulations.

19.2. The council may, by resolution of the council, duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members of council. Suspension does not disapply any legislation or permit the council to act unlawfully.

19.3. The council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

## **Appendix 1 - Tender process**

- 1) Any invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
- 3) Where a postal process is used, 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. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order 18(d) and shall refer to the terms of the Bribery Act 2010.
- 6) Where 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, 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.