

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).

2.0 ANNUAL ESTIMATES

2. ANNUAL ESTIMATES (BUDGET)

- 2.1 Each Committee (if any) shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year, not later than the end of November each year.
- 2.2 ~~Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO. The RFO must each year, by no later than December, 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 and the council.~~
- 2.3 ~~The Council shall review the estimates/consider annual budget proposals not later than the end of January, following the November (see 2.1) and shall fix the precept to be levied for the ensuing financial year. The Town Clerk/RFO shall supply each member with a copy of the approved estimates (budgets).~~
- 2.4 ~~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.~~
- 2.45 The approved annual budgets shall form the basis of financial control for the ensuing year.
- 2.56 The Council shall prepare and have regard to, a three year forecast of Revenue and Capital Receipts and Payments, which shall be prepared at the same time as the annual Budget or Estimates.

3.0 BUDGETARY CONTROL

3. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 3.1 Expenditure on revenue items may be ~~incurred/~~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;~~
 - ~~• a duly delegated committee of the council for items over £1,000, or~~
 - ~~• the Chief Executive Officer, in conjunction with the Chairman of the Council or Chairman of the appropriate committee, for any items below £1,000.~~
 - Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Chief Executive Officer and where necessary also by the appropriate Chairman.
 - Contracts may not be disaggregated to avoid controls imposed by these regulations.

Version 4.62.0

- 3.2 No expenditure may be ~~incurred~~ ~~authorised that will~~ which exceeds 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 an earmarked reserve as appropriate ('virement') unless a virement has been approved by the Council.
- 3.3 The ~~Town Clerk/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. For this purpose 'material' shall be in excess of £100 or 15% of the budget against that planned.
- 3.4 The ~~Town Clerk/RFO~~ Chief Executive Officer may ~~incur~~ ~~authorise~~ expenditure on behalf of the Council which in the CEO's judgement it is necessary to carry out. Such expenditure includes, which is necessary to carry out any repair, replacement, or other work, which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The ~~Town Clerk/RFO~~ CEO shall report the action to the ~~Chairman as soon as possible and to the Council as soon as practicable thereafter.~~
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless approved by the Council.
- ~~3.6 The salary budgets are to be reviewed at least annually in December for the following financial year and such review shall be evidenced by a hard copy schedule signed by the CEO and the Personnel Committee chairman. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.~~
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into, or tender accepted involving capital expenditure, unless the Council is satisfied that the necessary funds are available, ~~or available and~~ the requisite borrowing approval has been obtained.
- 3.7 All capital works shall be administered in accordance with the ~~Council's~~ council's standing orders and financial regulations relating to contracts.
- ~~3.9 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.~~

4.0 ACCOUNTING AND AUDIT

4. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 4.1 All accounting procedures and financial records of the Council shall be determined by the ~~Town Clerk/RFO as required by~~ in accordance with the ~~Local Audit and Accountability Act 2014 as amended~~ Accounts and Audit Regulations, appropriate guidance and proper practices.

4.2 ~~The Town Clerk/RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable, after the year-end of the financial year and shall submit them and report thereon to the Council. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Policy & Resources Committee.~~

4.3 ~~The Town Clerk/RFO shall be responsible for completing complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission specified in proper practices), and for submitting the Annual Return for approval and authorisation by the Council, within the timescale set by the Local Audit and Accountability Act 2014 as amended, or set by the Auditor(s) soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.~~

4.4 ~~The Town Clerk/RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's its accounting, financial and other operations accounting records, and of its system of internal control in accordance with proper practices, in accordance with Local Audit and Accountability Act 2014 as amended.~~ Any officer or member of the Council council shall, if the Town Clerk/RFO or Internal Auditor requires, make available such documents and records as appear to the council of the purpose of the Council, which appear to the Town Clerk/RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall, as directed by the council, supply the Town Clerk/RFO, or Internal Auditor, or external auditor with such information and explanation as the Town Clerk/RFO or Internal Auditor council considers necessary for that purpose.

4.5 ~~The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.~~

4.6 ~~The Internal Auditor shall:~~

- ~~• be competent and independent of the financial operations of the council;~~
- ~~• report to council in writing, 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.~~

~~I carry out the work required by the Town Clerk/RFO, or by the Council, with a view to satisfactory completion of the Auditor's Report section of the Annual Return, as compiled annually by the Audit Commission and their appointed agents. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.~~

4.6.7 ~~Internal or external auditors may not under any circumstances:~~

Version 7.42.0

- perform any operational duties for the council;
- initiate or approved accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

4.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described ~~in~~in proper practices.

4.9 The Town Clerk/RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by the Local Audit and Accountability Act 2014 as amended ~~exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by the Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.~~

4.10 The Town Clerk/RFO shall, ~~as soon as practicable~~without delay, bring to the attention of all Councillors, any correspondence or report from the ~~Internal or External~~external Auditor~~auditors, unless the correspondence is of a purely administrative matter.~~

5.0 BANKING ARRANGEMENTS AND ~~CHEQUE~~AUTHORISATION OF PAYMENTS

5.1 The Council's banking arrangements, including the bank mandate, shall be made by the Town Clerk/RFO and approved by the ~~Council~~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 made since the previous meeting or required, forming part of the Agenda for the Meeting, ~~shall be prepared by the Town Clerk/RFO~~ and, together with the relevant invoices, be presented to the Council. If more appropriate, the details may be shown in the Minutes of the Meeting.

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. Four elected Members are authorised to sign cheques—Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2, or in accordance with paragraph 5.4, shall be signed by two of the four nominated Members of Council.

5.4 ~~To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice, or similar documentation, the signatories shall each also initial the cheque counterfoil.~~

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.

5.5 The CEO and RFO shall have delegated authority to authorise payments 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, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that the payments are included on the schedule of payments submitted to the next meeting of the council.
- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that the payments are included on the schedule of payments submitted to the next meeting of the council.
- c) Fund transfers within the council's banking arrangements up to the sum of £10,000, provided that the payments are included on the schedule of payments submitted to the next meeting of the council.

5.6 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 3.1 (Budgetary Controls) are adhered to, provided also that the payments are included on the schedule of payments submitted to the next meeting of the council.

5.7 A record of regular payments made under 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.

5.8 In respect of grants the council shall approve expenditure within any limits set by the 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.

5.10 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.

5.11 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a member.

6.0 PAYMENT OF ACCOUNTS

6 INSTRUCTIONS FOR THE MAKING OF PAYMENTS

6.1 All payments (other than petty cash (6.4)) shall be effected by cheque or other order drawn on the Council's bankers including BACS payments. The council will make safe and efficient arrangements for the making of its payments.

6.2 All invoices for payment shall be examined, verified and certified by the Town Clerk/RFO. The Town Clerk/RFO shall satisfy him/herself that the work, goods and services, to which the invoice relates, shall have been received, carried out, examined

and approved. Payments shall be made following authorisation, under Financial Regulation 5 above

- 6.3 The Town Clerk/RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. All payments shall be effected by BACS or cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council or duly delegated committee.
- 6.4 The Town Clerk/RFO may provide petty cash to officers for purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
- (a) The Town Clerk/RFO 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 on the next available working day, 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 5.2 above.
- 6.4 Cheques or orders for payment drawn on the bank account shall be signed by two members of council. 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.
- 6.5 To indicate agreement of the details shown on the cheque or an order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil or the BACS listing sheet(s).
- 6.6 If thought appropriate by the council, payment for utility supplies (energy, telephone and water), any National Non-Domestic Rates, Salaries, PAYE and NI and Superannuation Fund 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.
- 6.7 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.
- 6.8 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 retained in a sealed envelope in the council's safe. The envelope may not be opened other than in the presence of two 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.

Version 1.62.0

- 6.9 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.10 Regular back-up copies of the records on any computer shall be made and shall be stored safely away from the computer in question, and preferably off site.
- 6.11 The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- 6.12 Where internet banking arrangements are made with any bank, the CEO/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.
- 6.13 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.
- 6.14 Changes to account details for suppliers, which are used for internet banking may only be changed on written hardcopy notification by the supplier which should be signed by the RFO. A programme of regular checks of standing data with suppliers will be followed.
- 6.15 Any Debit Card issued for use will be specifically restricted to the CEO and will also be restricted to a single transaction value of £1,000 unless authorised by council or the Policy & Resources Committee in writing before any order is placed.
- 6.16 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the council. Transactions and purchases made will be reported to the council and authority for topping-up shall be at the discretion of the council.
- 6.17 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the CEO 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.
- 6.18 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO 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.

7.0 PAYMENT OF SALARIES

- 7.1 ~~The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating. Salaries shall be agreed by the Council. 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 ~~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~~ may be made in accordance with the payroll records and on the appropriate dates ~~stipulated in employment contracts~~, provided that each payment is reported to, ~~and ratified by,~~ 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 council.~~
- 7.4 ~~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 separate confidential record (Sage Payroll software). 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 the 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 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.~~

8.0 LOANS AND INVESTMENTS

- 8.1 ~~All loans and investments shall be negotiated/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. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council and shall be for a set period in accordance with Council policy.~~

- 8.2 ~~The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually). 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 investments of money under the control of the Council shall be in the name of the Council.~~
- 8.4 ~~All borrowings shall be effected in the name of the Council after obtaining any necessary borrowing approval. Any applicant for borrowing approval shall be approved by Council as to terms and purpose.~~
- 8.5 ~~All investment certificates and other documents relating thereto shall be retained in the custody of the Town Clerk/RFO.~~
- 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 ~~All investments of money under the control of the council shall be in the name of the council.~~
- 8.5 ~~All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.~~
- 8.6 ~~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 65 (Authorisation of Payments) and Regulation 6 (Instructions for Payments).~~

9.0 INCOME

- 9.1 ~~The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Town Clerk/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 and notified to the Town Clerk/RFO. The Town Clerk/RFO shall be responsible for the collection of all accounts due to the Council.~~
- 9.3 ~~The Council will review all fees and charges annually, following a report of the Town Clerk/RFO/CEO.~~
- 9.4 ~~Any sums found to be irrecoverable 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 Town Clerk/RFO. In all cases, all receipts shall be deposited with the Council's bankers, with such frequency as the Town Clerk/RFO considers necessary.~~
- 9.6 ~~The origin of each receipt shall be entered on the paying-in slip.~~

Version 1-6-20

- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Town Clerk/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 Town Clerk/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.
- 9.10 Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere within these Regulations.

10.0 ORDERS

10.1 ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 An official order, email or letter shall be issued under the Town Clerk/RFO's CEO's signature for all work, goods and services, unless a formal contract is to be prepared, or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 Order books (if used) shall be controlled by the Town Clerk/RFO.
- 10.3 All Members and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order ~~is to~~ shall ensure as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any ~~de minimis~~ provisions in Regulation 11.1 below.

~~10.4 A member may not issue an official order or make any contract on behalf of the council.~~

~~10.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.~~

11.0 CONTRACTS

11.1 Procedures as to contract 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 ~~these~~ ~~this~~ regulation shall not apply to contracts which relate to items (i) to (vi) below:-
- (i) for the supply of gas, electricity, ~~water~~, sewerage and telephone services;
- (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;

Version 1-620

- (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 £250-500 (in excess of this sum the Town Clerk/CEO/RFO shall act after consultation with the Chairman and Vice-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.
- (b) Where it is the council intended-intends to enter-into-a-contract-exceeding £10,000 in value, for the supply of goods or materials, or for the execution of works or specialist services other than such goods, materials, works or specialist services as are exempted as set out in paragraph 11.1(a), the Town Clerk/RFO shall invite tenders from at least three companies to be taken from the appropriate approved list 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 2014/24EU (which may change from time to time)'
- (d) Where 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.
- (ed) Such invitation to tender shall state the general nature of the intended contract, and the Town Clerk/RFO/CEO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall, in addition, state that tenders must addressed to the CEO in the ordinary course of post. Each a tendering company-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.
- (e) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk/RFO/CEO in the presence of at least one member of Council.
- (fg) Any invitation to tender issued under this regulation shall be subject to Standing Order 30 and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are exempted as set

out in paragraph (a) the CEO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the CEO shall strive to obtain three estimates. Otherwise, Regulation 10.3 above shall apply.

If less than three tenders are received for contracts over £10,000, or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials, or executing the works.

(g) Any invitation to tender issued under this regulation, shall contain a statement to the effect of Standing Orders 60, 62 and 63.

(h) When it is to enter into a contract less than £10,000 in value for the supply of goods or materials, or for the execution of works or specialist services, other than such goods, materials, works or specialist services as are expected as set out in paragraph (a), the Town Clerk/RFO shall obtain three quotations (priced descriptions of proposed supply); where the value is below £5,000 and above £1,000, the Town Clerk/RFO shall strive to obtain three estimates. Otherwise, Regulation 10 (3) above shall apply.

i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate

e) 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.

12.0 PAYMENTS UNDER CONTRACT FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)

12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Town Clerk/RFO, upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholdings as may be agreed in the particular contract).

12.2 Where contracts provide for payment by instalments, the Town Clerk/RFO shall maintain a record of all such payments. In any case, where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more, a report shall be submitted to the Council.

12.3 Any variations to, addition to or omission from a contract, must be approved by the Council and the Town Clerk/RFO in writing to the Contractor, the Council being informed where the final cost is likely to exceed the financial provision.

13.0 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.

Version 4.42.0

- 13.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered ~~or otherwise delivered;~~ and goods must be checked as to order and quantity at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The ~~Town Clerk~~RFO shall be responsible for periodic checks of stocks and stores at least annually.

14.0 PROPERTIES

14. ASSETS, PROPERTIES AND ESTATES

- 14.1 The ~~Town Clerk/RFO/CEO~~ shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties ~~owned-held~~ by the ~~Council/council~~. The ~~Town Clerk~~RFO shall ensure a record is maintained of all properties ~~owned-held~~ by the ~~Council/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 ~~Regulation 4 (3) (b) of the Accounts and Audit Regulations 1996 as amended.~~
- 14.2 No ~~tangible moveable~~ property shall be ~~purchased or otherwise acquired~~, sold, leased or otherwise disposed of without the authority of the ~~Council/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 ~~£100,000~~.
- ~~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 purchase or acquired 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).~~
- ~~14.5 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 must be verified at least annually, possibly in conjunction with a health and safety inspection of assets.~~

15.0 INSURANCE

- 15.1 Following ~~on the~~ annual risk ~~assessment~~assessment (per Regulation 17), the Town Clerk/RFO shall effect all insurances and negotiate all claims on the ~~Council's~~council's insurers.
- 15.2 The Town Clerk/RFO/CEO shall give prompt notification to the ~~Council~~council of all new risks, properties or vehicles, which require to be insured, and of any alterations affecting existing insurances.
- 15.3 The Town Clerk/RFO shall keep a record of all insurances effected by the ~~Council~~council and the property and risks covered thereby; and annually review it.
- 15.4 The Town Clerk/RFO shall be notified of any loss, liability or damage, or of any event likely to lead to a claim, and shall report these to the ~~Council~~council at the next available meeting.
- 15.5 All appropriate ~~members and~~ employees of the ~~Council~~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~~council or ~~duly delegated~~ committee.

16.0 CHARITIES

- 16.1 Where the ~~Council~~council is sole trustee of a charitable body, the Town Clerk/CEO/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 the Charity Law and legislation, or as determined by the Charity Commission. The Town Clerk/CEO/RFO shall arrange for any ~~Audit~~, or ~~Independent Examination~~, as may be required by Charity Law, or any Governing Document.

17.0 RISK MANAGEMENT

- 17.1 ~~The council is responsible for putting in place arrangements for the management of risk. The Town Clerk/CEO/RFO shall prepare, for approval by the council and promote risk management policy statements in respect of all activities of the Council/council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council annually.~~
- 17.2 ~~When considering any new activity, the Town Clerk/CEO/RFO shall prepare a draft Risk Management Policy/assessment including risk management proposals for consideration and adoption by the council, for the activity, and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.~~

18.0 REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

- 18.1 ~~Regulations 4 and 6 of the Local Audit and Accountability Act 2014 as amended require bodies to review the effectiveness of their system of internal control and audit once a year~~

and for the findings of the review to be considered by an appropriate committee or the whole body. For Burnwood Town Council it will be the whole Council.

18.2 In accordance with guidance in the Appendix to the NALC Financial Update of March 2007, Burnwood Town Council will make an annual assessment in relation to:

- The scope of internal audit
- The independence of internal audit
- The competence of internal audit
- Relationships (communication) between Town Clerk/RFQ and internal auditor
- Audit planning and reporting

The review will be conducted by the Leader of the Council and the Town Clerk of Burnwood Town Council who will report to the whole Council as to whether the internal audit system is effective using Table 1 below.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

18.1 It shall be the duty of the council to review the Financial Regulations of the council from time to time. The CEO shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.

18.3 18.2 The council, may, by resolution of the council duly notified prior to the relevant meeting of the 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.

INTERNAL CONTROL	SUGGESTED TESTING
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up-to-date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced?
a) Standing Orders and Financial Regulations adopted and applied b) Payments Controls	<ul style="list-style-type: none"> • Has the council formally adopted Standing Orders and Financial Regulations? • Has a Responsible Financial Officer been appointed with specific duties? • Have items or services above the set minimum amount been competitively purchased? • Are payments in the cashbook supported by invoices, authorised and minuted? • Has VAT on payments been identified, recorded and reclaimed? • Is s.137 expenditure separately recorded and within statutory limits?
Risk Management Arrangements	<ul style="list-style-type: none"> • Does a review of the minutes identify any unusual financial activity? • Do minutes record the council carrying out an annual risk assessment? • Is insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed?
Budgetary Controls	<ul style="list-style-type: none"> • Has the council prepared an annual budget in support of its precept? • Is actual expenditure against the budget regularly reported to the council? • Are there any significant unexplained variances from budget?
Income Controls	<ul style="list-style-type: none"> • Is income properly recorded and promptly banked? • Does the precept recorded agree to the Council? • Tax authority's notifications? • Are security controls over cash and near-cash adequate and effective?
Petty Cash Procedures	<ul style="list-style-type: none"> • Is all petty cash recorded and supported by VAT invoices/receipts? • Is petty cash expenditure reported to each council meeting? • Is petty cash reimbursement carried out regularly?

Version 1.4.2.0

Payroll Controls	<ul style="list-style-type: none"> • Do all employees have contracts of employment with clear terms and conditions? • Do salaries paid agree with those approved by the council? • Are other payments to employees reasonable and approved by the council? • Have PAYE/NIC/Local Government pension contributions been properly operated by the council as an employer?
Assets Controls	<ul style="list-style-type: none"> • Does the council maintain a register of all material assets owned or in its care? • Are the assets and investments registers up-to-date? • Do asset insurance valuations agree with those in the asset register?
Bank Reconciliation	<ul style="list-style-type: none"> • Is there bank reconciliation for each account? • Is a bank reconciliation carried out regularly and in a timely fashion? • Are there any unexplained balancing entries in any reconciliation?
Year-End Procedures	<ul style="list-style-type: none"> • Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)? • Do accounts agree with the cashbook? • Is there an audit trail from underlying financial records to the accounts? • Where appropriate, have debtors and creditors been properly recorded?

Table 4

19.0 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 make such amendments to them as are appropriate.

RECORD OF REVISIONS		
REVISION NO.	DATE APPROVED	REASON FOR REVISION
1.0	20 September 2007	Original document
1.1	17 July 2008	Addition of Section 18.0: Review of Effectiveness of Internal Audit
1.2	14 January 2010	Revised Petty Cash float from £100 to £200 (6.4(a))
1.3	19 May 2011	Revised Banking Arrangements and Cheques to include the Town Clerk as a signatory (5.3)
1.4	07 November 2013	Recognition of change relating to the Audit Commission (4.5)
1.5	13 March 2014	Change to contract value (from £20,000 changed to £10,000) at which a minimum of three tenders are required (11.1(b) and 11.1(h))
2.0	July 2016	Complete revision in line with NALC's Model Financial Regulations

Version 1-2.0

**DUTIES OF THE RESPONSIBLE FINANCIAL OFFICER (RFO)
ADOPTED 20 SEPTEMBER 2007**

- A. To prepare financial reports for Committees (if any) and the Council. These reports will cover budget monitoring, fund balances, receipts to date, payroll summary, payment of accounts, and other relevant current matters.
- B. To prepare draft estimates, when approved by the Council these will form the annual budget monitoring during the year. To report thereon to the relevant Committees (if any) and the Council at least quarterly.
- C. To submit the precept to Lichfield District Council and supply any breakdown requested.
- D. To bank regularly all monies received by the Council.
- E. To ensure that all money due to the Council is billed and collected promptly.
- F. To manage cash flow and bank transfers.
- G. To control payments by cheque.
- H. To liaise with the Staffordshire County Council to ensure that accurate information is exchanged to ensure the overall management of the Local Government Pension Scheme is undertaken satisfactorily.
- I. To take overall responsibility for submission of VAT returns and to deal with VAT inspections.
- J. To verify and code (i.e. allocate to expenditure heads) suppliers invoices prior to certification for payment.
- K. To prepare and balance final accounts in accordance with the Regulations and report thereon to the Council.
- L. To produce accounts and records for external and internal audit in accordance with the Regulations.
- M. To arrange for internal audit material of all aspects of the Council's financial affairs in accordance with Regulations 4.4 and 4.5.
- N. To monitor compliance with the Council's Financial Regulations and to ensure correct financial systems are in place.

- O. To manage insurance risks. To process claims as necessary. To report annually to Committees (if any) or the Council on insurance risk covered (Risk Assessment review).
- P. To maintain the Council's register of property and assets (Regulation 14.1).
- Q. If the Council's accounts are computerised, to be familiar with the system in place.