



Blockley Parish Council

Financial Regulations May 2022

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# Blockley Parish Council

## Financial Regulations

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## Section 1 – General Responsibilities

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### 1 Introduction

- 1.1 These Financial Regulations were adopted by Blockley Parish Council at its Meeting held on 16<sup>th</sup> April 2020 .
- 1.2 They govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.

### 2 Review, Revision and Suspension of Financial Regulations

- 2.1 It shall be the duty of the council to review the Financial Regulations periodically. The 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.
- 2.2 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.

### 3 Council Responsibilities

- 3.1 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.
- 3.2 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.
- 3.3 These financial regulations demonstrate how the council meets these responsibilities and requirements, and a breach of these Regulations by an employee is gross misconduct.
- 3.4 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.
- 3.5 Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

### 4 Delegation and Constraints

- 4.1 Management of Parish Council finances is delegated to the Responsible Financial Officer (RFO) subject to the constraints detailed below.
- 4.2 The council is not empowered by these Regulations or otherwise to delegate certain specified decisions which shall be a matter for the full Council only. These decisions include:
  - setting the final budget or the precept (council tax requirement);
  - approving accounting and annual governance statements;
  - borrowing;
  - writing off bad debts;
  - addressing recommendations in any report from the internal or external auditors
- 4.3 In addition the council must:
  - determine and keep under regular review the bank mandate for all council bank accounts;
  - approve grants or payments (including retrospective approve for Clerk delegated expenditure); and 1,500

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- have regard to recommendations about annual salaries of employees made by national bodies.

## **5 Responsible Financial Officer (RFO)**

5.1 The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. Within Blockley Parish Council this post is combined with the role of the Clerk.

5.2 The RFO role is to:

- act under the policy direction of the council;
- administer the council's financial affairs in accordance with Acts, Regulations and proper practices;
- determine on behalf of the council its accounting records and accounting control systems;
- ensure the accounting control systems are observed;
- maintain the accounting records of the council up to date in accordance with proper practices;
- assist the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produce financial management information as required by the council.

5.3 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, comply with the Accounts and Audit Regulations.

5.4 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.

5.5 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; and
- measures to ensure that risk is properly managed.

5.6 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 Disclosable Pecuniary Interests**

6.1 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.

## **7 Legal and Procedural References**

7.1 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.

- 7.2 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).

## **Section 2 – Accounting & Audit (Internal & External)**

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### **8 RFO Responsibilities**

- 8.1 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.
- 8.2 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.

### **9 Internal Control**

- 9.1 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 as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

### **10 Council Responsibilities**

- 10.1 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.

### **11 Audit**

- 11.1 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.
- 11.2 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.
- 11.3 Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
  - initiate or approve accounting transactions; or
  - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 11.4 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.
- 11.5 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

## **12 Elector's Rights**

- 12.1 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.

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## **Section 3 – Annual Estimates (Budget) & Forward Planning**

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### **13 Lead Councillors or Committees**

- 13.1 Each lead councillor or committee shall (with the support of the RFO) review its three-year forecast of revenue and capital receipts and payments.
- 13.2 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.

### **14 RFO Responsibilities**

- 14.1 The RFO must each year, by no later than November, 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 council.

### **15 Council Responsibilities**

- 15.1 The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 15.2 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.

### **16 Approved Annual Budget**

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

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## **Section 4 – Budgetary Control & Authority to Spend**

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### **17 Expenditure Authority**

- 17.1 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council. 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').
- 17.2 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

## **18 RFO Reporting**

- 18.1 The RFO shall provide the council with a financial report, balance sheet, income and expenditure summary, and payments raised for approval at every meeting. Additional reports or documents on any aspect of financial affairs will be prepared or made available by the RFO upon request of any member.

## **19 Clerk Expenditure Authority**

- 19.1 The Clerk may incur expenditure on behalf of the council which is necessary:
- to carry out any repair, replacement or other works which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision, subject to a limit of £1,500;
  - under s.111 Local Government Act 1972 (calculated to facilitate, or is conducive or incidental to, the discharge of any council function), subject to a limit of £1000; or
  - for routine administrative purposes and stationery for subsequent claim as expenses against receipt, subject to a transaction limit of £500.

The Clerk shall report the action to the council at the next meeting or, with regard to expenses, present the expenses claim on a quarterly basis.

*(Contracts may not be disaggregated to avoid controls imposed by these regulations)*

## **20 Salary Budgets**

- 20.1 The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council. The RFO will inform the council of any changes impacting on their budget requirement for the coming year.

## **21 Capital Budgets and Contracts**

- 21.1 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 21.2 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 21.3 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

## **22 Grants**

- 22.1 In respect of grants, the council or nominated committee shall review applications annually and approve expenditure in accordance with policy.

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## **Section 5 – Banking Arrangements & Authorisation of Payments**

### **23 Banking Arrangements & Payments**

- 23.1 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.

- 23.2 The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, the latest Bank Charge-card statement, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. The approved schedule shall be ruled off and initialled by the Mayor. 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.

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

23.4 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.

23.5 The Clerk/RFO shall have delegated authority to authorise the payment of items in the following circumstances:

a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council or the Policy and Finance 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 council or the Policy and Finance committee; or

c) fund transfers within the councils banking arrangements in accordance with the Council's investment policy.

d) A payment charged to the Bank Charge-card up to a combined value of £1,000. This charge-card to be used for items where payment is required upfront before item can be ordered or transaction completed.

23.6 For each financial year the Clerk/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 may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

23.7 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.

23.8 In respect of grants the Policy and Finance 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.

23.9 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.

23.10 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.

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

## **Section 6 – Instructions for the Making of Payments**

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24.1 The council will make safe and efficient arrangements for the making of its payments.

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

24.3 All payments shall be effected by cheque, charge-card or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council or duly delegated Committee.



- 24.4 Cheques, charge-card or orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two members of council in accordance with a resolution instructing 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.
- 24.5 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.
- 24.6 Cheques, charge-card or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.
- 24.7 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.
- 24.8 If thought appropriate by the council, payment for certain items (principally Salaries) may be made by Banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.
- 24.9 If thought appropriate by the council, payment for certain items may be made by BACS, CHAPS or charge-card methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS, CHAPS or charge-card shall be renewed by resolution of the council at least every two years.
- 24.10 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. All internet banking transfers are entered online by the Responsible Finance Officer and electronically approved by two signatures which can include the RFO before payment can be made.
- 24.11 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chair in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 24.12 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.
- 24.13 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.
- 24.14 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.
- 24.15 Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 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.

- 24.16 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk. A programme of regular checks of standing data with suppliers will be followed.
- 24.17 Any Debit Card issued for use will be specifically restricted to the Clerk/ RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council or Policy and Finance committee in writing before any order is placed.
- 24.18 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Policy and Finance committee. Transactions and purchases made will be reported to the Policy and Finance committee and authority for topping-up shall be at the discretion of the Policy and Finance committee.
- 24.19 Any corporate charge-card or trade card account opened by the council will be specifically restricted to use by the Clerk/RFO and shall be subject to automatic payment in full at each month-end. A limit of £1000 will be applied to any corporate charge-card. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 24.20
- 24.21 The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk [or RFO] (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

## **Section 7 – Payment of Salaries, Allowances and Expenses**

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### **25 Employer Obligations**

- 25.1 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 by the RFO in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council.

### **26 Salary Payment**

- 26.1 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.
- 26.2 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.

### **27 Other Staff Related Payments**

- 27.1 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 27.2 Before employing interim staff the council must consider a full business case.

### **28 Confidential Records**

- 28.1 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 (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- by any councillor who can demonstrate a need to know;
  - by the internal or external auditor;
  - by any person authorised under Audit Commission Act 1998, or any superseding legislation.

## **29 Members Allowances and Expenses**

- 29.1 The rates for Members Allowances and Expenses shall be agreed annually by the council, in accordance with the limits advised by the Parish Remuneration Panel of Cotswold District Council.
- 29.2 Claims for payment of Members Allowance and / or expenses shall be submitted at the end of September and at the end of March each year for approval by the council. Any member not making an Allowance or expenses claim in any 6 month period shall confirm this by submitting a signed NIL claim form for the relevant period.
- 29.3 Any member not submitting a claim form within 30 days of the end of any 6 month period shall be deemed to have made a NIL return for that period. Allowances or expenses for that period cannot be claimed in the subsequent period, unless the council agrees that extenuating circumstances apply.

## **30 Payment Reporting and Public Notices**

- 30.1 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.
- 30.2 A summary of Allowances and Expenses paid to each member shall be included within the Annual Report as presented for audit, and displayed on notice boards within the Parish.

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## **Section 8 – Loans and Investments**

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### **31 Loans**

- 31.1 All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan, shall only be approved by full council.
- 31.2 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.
- 31.3 The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.

### **32 Investments**

- 32.1 All investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 32.2 The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 32.3 All investments of money under the control of the council shall be in the name of the council and all investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 32.4 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 previous Financial Regulations.

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## **Section 9 – Income**

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### **33 Annual Fees & Collection Responsibilities**

- 33.1 The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

33.2 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 RFO who shall be responsible for the collection of all accounts due to the council.

33.3 The council will review all fees and charges at least annually, following a report by the Clerk and RFO.

#### **34 Unrecoverable Debt**

34.1 Any sums found to be irrecoverable and any bad debts shall be reported to the council for decision regarding them being written off in the year.

#### **35 Banking & Receipts**

35.1 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 within 15 working days.

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

35.3 Personal cheques shall not be cashed out of money held on behalf of the council.

#### **36 Cash Received**

36.1 There is no facility for the council to receive cash payments.

#### **37 VAT Return**

37.1 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 quarterly, subject to the amount owed exceeding £100..

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## **Section 10 – Orders for Work, Goods and Services**

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#### **38 Orders**

38.1 Order books shall be controlled by the RFO and administered in liaison with the Clerk. Order forms may be stored in a computer file and a hard copy included within the annual accounting documentation.

38.2 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

38.3 Orders will only be placed by the RFO or Clerk. A member may not issue an official order or make any contract on behalf of the council.

#### **39 Value for Money and Estimates**

39.1 All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

#### **40 Verification and Statutory Authority**

40.1 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.

## **Section 11 – Contracts**

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### **41 Compliance with Financial Regulations and Waivers**

41.1 When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.

### **42 Contract Exceptions**

42.1 Every contract made by the council shall comply with these financial regulations unless variation is approved by the council. However the financial regulations shall not apply to contracts which relate to:

- the supply of gas, electricity, water, sewerage and telephone services;
- specialist services provided by solicitors, accountants, surveyors and planning consultants;
- work, goods or materials regarding repairs to existing machinery, equipment or plant;
- work, goods or materials which constitute an extension of an existing contract by the council;
- additional audit work of the external auditor up to an estimated value of £500; and
- goods or materials to be purchased which are proprietary articles and/or are only sold at a fixed price.

### **43 Contract Value**

43.1 Where it is intended to enter into a contract:

- Exceeding £5,000 in value, the clerk shall invite tenders from at least three firms (subject to approval checks). These contracts will require full council approval.
- Not exceeding £5,000 but exceeding £2,000, the clerk shall obtain two quotations for council approval.
- Not exceeding £2,000, the clerk shall obtain one quotation for council approval.

### **44 Invitations to Tender**

44.1 Such 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. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

44.2 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.

44.3 If less than three tenders are received for contracts above £5,000, 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.

44.4 Any invitation to tender issued under this regulation shall be subject to Standing Orders and shall refer to the terms of the Bribery Act 2010.

### **45 Tender Review**

45.1 The council shall not be obliged to accept the lowest or any tender, quote or estimate.

45.2 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.

45.3 The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

### **46 Contract Extension**

- 46.1 If the performance of a supplier under an existing contract is acceptable, the council may renew such contract without seeking alternative tenders, provided no request for tender has been received from an alternative supplier and that any price increase by the current supplier does not exceed the Consumer Price Index rate.

## **Section 12 – Assets, Properties and Estates**

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### **47 Title Deeds & Assets**

- 47.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council.
- 47.2 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.
- 47.3 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.

### **48 Property Acquisition & Disposal**

- 48.1 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 £200.
- 48.2 Subject only to the limit set 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.
- 48.3 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).
- 48.4 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).

## Section 13 – Risk Management and Insurance

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### 49 Risk Management

- 49.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk and RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.
- 49.2 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.

### 50 Insurance

- 50.1 Following the annual risk assessment, the Clerk (in liaison with the RFO) shall effect all insurances and negotiate all claims on the council's insurers.
- 50.2 The Clerk shall give prompt notification to the RFO of all new risks or properties which require to be insured and of any alterations affecting existing insurances.
- 50.3 The Clerk shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 50.4 The Clerk 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.
- 50.5 All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council.

**Signed by the Chairman..... Date.....**

**Print of Chairman.....**