



## IVYBRIDGE TOWN COUNCIL

### FINANCIAL REGULATIONS 2019 (AS AMENDED SEPTEMBER 2021)

These regulations were adopted by the Council at the meeting held on 16 September 2019, and modified by Council at the meeting on 20 September 2021 in order to take account of change in practices. They should be read in conjunction with the procurement strategy.

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Prepared in accordance with the NALC Financial Regulations 2019

## 1. GENERAL

- 1.1 The conduct of the affairs of the Council is governed by the statutes, statutory instruments and proper practices for town and parish councils and standing orders of the Council. These regulations must therefore be read in conjunction with these and other policies or procedures of the Council including those referred to in this document. Any contract or grant condition entered into by the Council that imposes additional conditions shall also have precedence over these regulations. The administration of the finances of the Council is the responsibility of the Responsible Finance Officer.
- 1.2 In these financial regulations, reference 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 and 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).
- 1.3 The Council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.4 The Council's accounting control systems must include measures:
- for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of officers.
- 1.5 These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.6 At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its systems of internal control which shall be in accordance with proper practices.
- 1.7 A breach of these Regulations by an employee could be construed as gross misconduct.
- 1.8 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

- 1.9 The Responsible Finance Officer (RFO) holds a statutory office to be appointed by the council. The Clerk has been appointed as RFO for Ivybridge Town Council and these regulations will apply accordingly.
- 1.10 The Responsible Finance Officer
- acts under the policy direction of the Council;
  - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Council its accounting records and accounting control systems;
  - ensures that the accounting control systems are observed;
  - maintains the accounting records of the Council up to date in accordance with proper practices
  - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the Council
- 1.11 The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Account and Audit Regulations.
- 1.12 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 for which the income and expenditure or receipts and payments relate;
  - a record of the assets and liabilities of the council; and
  - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.13 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 uncollectible 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 approvals are shown in the accounting records; and

- measures to ensure that risk is properly managed.

1.14 The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular, any decision regarding:

- setting the final budget or the precept (Council Tax Requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors,  
shall be a matter for the full Council only

1.15 In addition the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts
- approve any grant or a single commitment in excess of £5,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.

## **2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

2.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.

2.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman will 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 Policy and Resources Committee.

2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as is practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.

- 2.4 The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.5 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6 The internal auditor shall:
- be competent and independent of the financial operations of the Council;
  - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the Council.
- 2.7 Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council
  - initiate or approve accounting transactions; or
  - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1 Each committee shall review its forecast of revenue and capital receipts and payments (where applicable) including the use of reserves and all sources of funding for the following financial year to the Council not later than the end of November.
- 3.2 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 Council.
- 3.3 The Council shall consider the annual budget proposals not later than the end of January each year and shall fix the precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.4 The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.5 The Council shall consider the need for, and shall have regard to, a three year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual budget.

### **4. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. Policy and Resources Committee approves all revenue expenditure, subject to regulation 5.8(below). Such authority is to be evidenced by an authorised slip signed by the Clerk or a delegated officer. Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council or appropriate committee. During the budget year and with the approval of the appropriate 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').
- 4.3 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year subject to 4.2 (above).
- 4.4 The salary budgets are to be reviewed at least annually by the end of October for the following financial year and such review shall be

evidenced by a hard copy schedule signed by the Clerk and Chairman of the Council or relevant committee Chairman. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

- 4.5 In cases of extreme risk to the delivery of council services, the clerk, or nominated officer, may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2500. The clerk will report the action to the Mayor as soon as possible and to council as soon as is practicable thereafter.
- 4.6 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.8 The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and an explanation will be given for material variances.
- 4.9 Changes in earmarked reserves shall be approved by the Policy and Resources committee as part of the budgetary control process.

## **5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

- 5.1 The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2 The RFO, or nominated officer, shall prepare a schedule of payments that shall be initialled, and the relevant cheques and/or the relevant lists of electronic payments signed, by two councillors who are members of the Policy and Resources Committee and have been duly authorised by the Committee. A detailed list of all payments together with the relevant invoices will be presented to the next meeting of the Committee and included in the meeting agenda. The committee shall review the schedules for compliance and, having satisfied itself shall ratify payment by a resolution of the committee. 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. All amendments to supplier information to be entered within the electronic payment system are checked by a duly authorised signatory councillor being a member of the Policy & Resources Committee or the Responsible Finance Officer and that check evidenced.

- 5.3 Under the Council's transparency policy a list of payments in excess of £500 is published on the Council's website monthly.
- 5.4 All invoices for payment shall be examined, verified and certified by the RFO or a nominated officer to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure which will be presented to the next Policy and Resources committee meeting.
- 5.5 The Finance Officer shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall undertake random checks on payments made and allocation to expenditure headings. The RFO shall take all steps to settle invoices submitted and which are in order, and report the payment to the next available Policy and Resources committee meeting as in 5.2 (above).
- 5.6 The RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) an expenditure item authorised under 5.6 b (below) provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Resources committee; or
  - b) fund transfers within the council's banking arrangements up to a sum of £50,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Resources committee.
  - c) payments under Section 4.5 above.
- 5.7 A record of regular payments made under 5.6 (above) shall be drawn up and shall be signed by two members on each and every occasion when payment is authorised in order to minimise the risk of duplicated payments being authorised and/or made.
- 5.8 In respect of grants the Policy and Resources committee shall approve expenditure within any limits set by Council and in accordance with any Policy statement approved by Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council



- 5.9 Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest unless a dispensation has been granted.
- 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 The details of any new suppliers and any changes notified by existing suppliers will be cross checked by the Senior Finance Officer and the Finance Officer and initialled by a duly authorised signatory Councillor, being a member of the Policy and Resources Committee or by the Responsible Finance Officer.

## **6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS**

- 6.1 The Council will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 5 (above), the Policy and Resources committee, or if so delegated the RFO or nominated officer shall give instruction that a payment shall be made.
- 6.3 All payments shall be effected by cheque, electronic or other instructions to the Council's bankers, or otherwise, in accordance with a Resolution of Council or duly delegated committee
- 6.4 Cheques or orders for electronic payment drawn on the bank account in accordance with the schedule as presented to the Policy and Resources committee shall be signed by two members of that committee. 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.
- 6.5 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 and the payment list. In the case of electronic payments authorised councillors will check the payment details and evidence that check.
- 6.6 If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates and also any VAT payable may be made by variable Direct Debit provided that the instructions are signed by two members and any

payments are reported to the Policy and Resources committee at the next convenient meeting. The approval of the use of a variable Direct Debit or any other form of direct payment instruction shall be renewed by resolution of the Council at least every two years.

- 6.8 Access to computer software containing financial information will be limited to the Responsible Finance Officer, the Senior Finance Officer and the Finance Officer and will be password protected. In accordance with Lloyds Bank and Council procedures passwords will be changed on a regular basis.
- 6.9 No employee or councillor shall disclose any password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by council or a duly delegated committee. The RFO shall maintain the ability to input and interrogate any of the Council's computers
- 6.10 Regular back-up copies of the records on any computer shall be made and shall be stored securely off site.
- 6.11 The Council shall ensure that anti-virus, anti-spy-ware and firewall software with automatic updates, together with a high level of security, is used.
- 6.12 Any Debit Cards issued for use will be restricted to the RFO and nominated officers and will be restricted to a single transaction maximum of £500 unless authorised by the Policy and Resources committee in writing before any order is placed.
- 6.13 A Business Charge card may be issued to officers with varying limits. These limits will be set by the Policy and Resources committee. Transactions and purchases made will be reported to the Policy and Resources committee.
- 6.14 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 £450 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 Policy and Resources committee under 5.2 (above).

## **7. PAYMENT OF SALARIES**

- 7.1 As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by the personnel committee.
- 7.2 Payments of salaries and payments 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 Policy and Resources committee 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 personnel committee.
- 7.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory deductions must be recorded by the payroll agency employed by the council.
- 7.5 The Clerk must maintain a confidential record of the personal details of employees and this 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 the 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.
- 7.6 The total of such payments in each calendar month shall be reported with all other payments as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.7 Any termination payments shall be supported by a clear business case and reported to the appropriate committee(s). Termination payments shall only be authorised by council or delegated committee(s).

- 7.8 Before employing interim staff the council or delegated committee(s) must consider a full business case.

## **8. LOANS AND INVESTMENTS**

- 8.1 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.
- 8.2 Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State such as Hire Purchase or Leasing of tangible assets shall be subject to approval by the appropriate committee. In each case a report in writing will be provided to that committee in respect of value for money for the proposed transaction.
- 8.3 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 RFO.
- 8.4 All loans and investments shall be negotiated in the name of the Council and shall be in accordance with council policy, or as agreed by council.
- 8.5 The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.6 All investments of money under the control of the council shall be in the name of the Council.
- 8.7 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8 Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instruction for payments).

## **9. INCOME**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered, goods supplied including room hire, catering, entertaining and any other associated services shall be agreed annually by the council,

notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council

- 9.3 The Council will review all fees and charges annually, following a report from the Clerk.
- 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 RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of Council.
- 9.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9 Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10 Any income arising which 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 to the Managing Trustees of the charity meeting separately from any council meetings (see also Regulation 16 (below)).
- 9.11 A Debtors list analysed by age will be produced to each meeting of the Policy and Resourced Committee.

## **10. ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 Order books shall be controlled by the RFO.

- 10.3 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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (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. CONTRACTS (SEE ALSO PROCUREMENT STRATEGY AND STANDING ORDERS)**

11.1 Procedures as to contracts are laid down as follows:

- a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which apply to items i) to vi) below:
- i) for the supply of gas, electricity, water, sewerage and telephone services
  - ii) or specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
  - iii) for work to be executed or good or materials to be supplied which consist repairs 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 Clerk shall act after consultation with the Chairman and Vice Chairman of Council); and
  - vi) for goods or materials proposed to be purchased which are propriety articles and/or sold at a fixed price.
- b) Where it is intended to enter into a contract exceeding £25,000 in value for the supply of goods or materials or for the execution of works or specialised services other than such goods, materials, works or specialised services are excepted as set out in paragraph a (above) the Clerk shall follow the under-mentioned procedure

- i) a specification for the goods, materials, services or the execution of works shall be drawn up
- ii) an invitation to tender shall be drawn up to confirm (a) the Council's specification (b) the time, date and address for the submission of tenders (c) the date of the Council's written response to the tender and (d) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process
- iii) the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate (see Contracts Finder below)

### **The Contracts Finder website**

**(1)** In accordance with s110 of the 2015 Regulations Where the estimated value of a public contract exceeds £25,000 (Net of VAT) the Council will advertise a contract opportunity as below:

- The 'Contracts Finder' website which it will do whether or not it advertises the contract opportunity elsewhere
- It will advertise the contract opportunity on the Contracts Finder website within 24 hours of advertising it elsewhere
- It will also advertise the contract as it deems appropriate but will ensure that it is in the public domain and not just to a group of potential suppliers.
- The information to be published on Contracts Finder will include a response date, how and to whom to make the response and any other requirements for participating in the procurement.
- When using the Contracts Finder, the Council must by means of the internet offer unrestricted and full direct access free of charge to any relevant contract documents and specify in the information on Contracts Finder the internet address at which those documents are accessible.
- The Council will have regard to guidance issued by the Minister for the Cabinet Office.

**(2)** Under Regulation 111 the Council may not include a pre-qualification stage in the procurement by which candidates are assessed as to their suitability to perform the contract with a view to reducing the number of candidates to a smaller number who are to proceed to a later stage. However, the Council may ask tenderers to answer 'suitability assessment questions' to assess whether the candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing.

**(3)** Under Regulation 113 the Council will ensure that contracts contain suitable provisions stating that valid undisputed invoices will be paid by within 30 days. Contractors should make the same provision for their suppliers.

- (4) Under guidance issued by the Minister for the Cabinet Office when a contract is awarded, the Council will publish on the Contracts Finder information set out in Regulation 112 including;
- The name of the contractor
  - The date on which the contract was entered into
  - The value of the contract
  - Whether the contractor is a SME – micro, small and medium sized or a non-profit making organization / social enterprise.

It is anticipated in the regulations that that the above information will be entered onto the contracts finder website between 1 month and 12 months after the contract has been awarded.

- (5) However, the Council will withhold the information set out in 4. above from publication where its release –
- a) Would impede law enforcement or would otherwise be contrary to the public interest
  - b) Would prejudice the legitimate commercial interests of a particular economic operator, whether public or private, or
  - c) Might prejudice fair competition between economic operators.

- (6)
- a) tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer by a stated date and time.
  - b) tenders submitted shall be opened by the Proper Officer in the presence of at least one councillor after the stated deadline for the submission of tenders has passed.
  - c) tenders are to be assessed and reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.
  - d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
  - e) Such invitation to tender shall state the general nature of the intended contract and the 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 Proper Officer in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.



- f) If less than three tenders are received for contracts above £25,000 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 be subject to Standing Order 14 (see also paragraph 11.1 ii) (b) above) 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 excepted as set out in paragraph a, the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk shall strive to obtain 3 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.
- j) 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.
- k) Where the contracts exceed £164,176 the European Union Procurement Directive shall apply, as will the terms of the Public Contracts Regulations 2006 and the requirements of the 2015 regulations. When dealing with a contract of this size appropriate technical and/or financial advice will be taken by the Council.

## **12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORK**

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract,

excluding agreed variations will exceed the contract sum of 5% or more a report shall be submitted to council.

- 12.3 Any variation to a contract or addition to or an omission from a contract must be approved by the Council and Clerk to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

### **13. STORES AND EQUIPMENT**

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

### **14. ASSETS, PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations.
- 14.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible moveable property does not exceed £250.
- 14.3 Where property (interest in land) is to be disposed of, in each case a Report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.4 No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council in respect of valuation and surveyed

condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 14.5 Subject only to the limit set in 14.2 (above), no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a Report in writing shall be provided to council with a full business case.
- 14.6 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **15. INSURANCE**

- 15.1 Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.3 The RFO shall be notified of any loss liability or damage or any event likely to lead to a claim and shall report these to council at the next available meeting.
- 15.4 All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum exposure as determined by the council or duly delegated committee.

## **16. CHARITIES**

- 16.1 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,

## **17. RISK MANAGEMENT**

- 17.1 The Council is responsible for putting in place arrangements for the managements of risk. The Clerk shall prepare for approval by the Council, risk management policy statements in respect of all activities

of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

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

## **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 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.
- 18.2 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 in advance to all members of Council.

Cllr P Dredge  
22 August 2019