

## **BROCKENHURST PARISH COUNCIL**

### **FINANCIAL REGULATIONS**

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These Financial Regulations were adopted by the council at its meeting held on 17th March 2020.

Amended 16th March 2021 relating to online payment authorisation. 6.13.

## **1. General**

1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.

1.2. The council is responsible in law for ensuring that its financial management is adequate and effective, and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

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

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

1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements. They should be reviewed regularly for fitness of purpose.

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

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

1.7. 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.

1.8. The Responsible Financial Officer (RFO) holds a statutory office, to be appointed by the council. From April 2020 the role of Clerk and RFO will be separate, with the intention of them becoming the responsibility of the Clerk solely again later in 2020. These regulations will apply accordingly.

1.9. The RFO;

- acts under the policy direction of the council;
- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;

- maintains the accounting records of the council up to date in accordance with proper practices;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

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

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

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

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

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

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

- setting the final budget or the precept (council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- 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.

1.14. In addition, the council must:

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

1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

## **2. Accounting and audit (internal and external)**

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

2.2. On a regular basis, in addition to the checks carried out by the Internal Auditor, and at each financial year end, a member (generally the Chairman of the Personnel and Resources Committee) shall be appointed to verify bank reconciliations produced by the RFO. The member shall sign the reconciliations and/or the original bank statements (or similar document) as evidence of verification. This activity shall be reported, including any exceptions, to, and noted by, the council's Personnel & Resources Committee.

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

2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.

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

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the council;
- report to council a minimum of one annual written report during each financial year;
- 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
- be provided with the direct contact details of the Chairman of Council in order that any concerns over the accounts can be raised without the involvement of the Clerk/RFO.

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. If appropriate, each committee (if any) shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Personnel & Resources Committee not later than the end of October each year if possible, including any proposals for revising the forecast.

3.2. The RFO must each year, in early 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 Personnel & Resources Committee.

3.3. If appropriate, 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.

3.4. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the January Parish Council meeting each year in order to inform New Forest District Council, the billing authority. The RFO shall make the application for the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

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

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

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

- the council for all items over £3,000;
- a duly delegated committee of the council for items over £1500 and under £3,000; or
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £1500.

Such authority is to be evidenced by a minute of the relevant committee, the council, or by invoice signed by the Clerk, as appropriate.

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 by more than 15% 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').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4. The salary budgets are to be reviewed at least annually in November for the following financial year. As far as possible, the RFO will inform committees of any changes, (eg, NI or pension contributions) 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 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 £1500. The Clerk/RFO shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied

that the necessary funds are available and/or 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 Personnel & Resources Committee 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 for each Personnel & Resources Committee meeting and shall show explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.

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

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

5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. The council may seek credit references in respect of members or employees who act as signatories, as appropriate.

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution. 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) shall not be included.

5.3. 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.

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

5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the 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

b) fund transfers within the council's banking arrangements provided that a list of such payments shall be submitted to the next appropriate meeting of the Personnel and Resources Committee.

5.6. 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, shall be checked as part of the regular internal audit and random checks made by councillors.

5.7. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £3,000 shall before payment, be subject to ratification by resolution of the council. Grants in excess of the budgeted figures may be recommended by the Personnel & Resources Committee if extenuating circumstances apply.

5.8. 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.

5.9. Any changes in the recorded details of suppliers, such as bank account records, shall be independently checked by a councillor or another member of staff.

## **6. Instructions for the making of payments**

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

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

6.3. All payments shall be effected by cheque, direct debit or online 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 payment drawn on the bank account in accordance with the schedule as presented to council shall be signed by two member[s] of council and countersigned by the Clerk, in accordance with a resolution instructing that payment. Cheques shall be written in indelible ink. 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, where possible and practical, be a signatory to the payment 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.



6.6. Cheques or orders for payment shall normally be presented for signature at a council or committee meeting but expediency may require payments to be made other than at a meeting. Invoices and other documentary evidence shall be provided in the usual manner. Any payments made away from such meetings shall be reported to the council at the next meeting.

6.7. If considered 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 and any payments are reported to council as made. The approval of the use of a variable direct debit shall be made by resolution of the council if appropriate.

6.8. If considered 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.

6.9. If considered appropriate by the council, payment for some items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by at least two authorised bank signatories, are retained and any payments are reported to council as made.

6.10. If considered appropriate by the council payment for some items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.

6.11. 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 to access the computer or bank accounts. Online banking PINS and passwords are specific to each councillor and must not be disclosed to any other person, including the account administrator/Clerk/RFO.

6.12. 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. Back-ups can also be made by means of secure Cloud storage, protected by password.

6.13. 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, are used.

6.14. Where internet banking arrangements are made with any bank, the Clerk and/or RFO shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify the councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the number of signatories for transactions.

6.15. 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.

6.16. Changes to account details for suppliers, which are used for internet banking, may only be made on written hard copy notification by the supplier. See 5.9.

6.17. Any Debit Card/Government Procurement card issued for use will be specifically restricted to the Clerk/RFO and restricted to a single transaction maximum value of £1000. It shall be subject to automatic payment in full at each month-end.

6.18. A pre-paid debit card with varying limits may be issued to employees. 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.

6.19. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/RFO. Personal credit or debit cards of members or staff shall only be used as a last resort. The card shall be securely stored in the Parish Council office. Loss of the card shall be reported to the chairman as soon as it is discovered.

6.20. The council will not maintain any form of cash float. All cash received must be banked intact.

6.21. The RFO shall maintain a petty cash float of up to £70 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment. Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations. Payments to maintain the petty cash float shall be shown on the schedule of payments presented to council under 5.2 above.

## **7. Payment of salaries**

7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating. Salary rates shall be as agreed by council, or the Personnel & Resources 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 be made in accordance with the payroll records and on the appropriate dates.

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 disclosed only to those with a legitimate interest such as auditors or those conducting financial checks.

7.5. An effective system of personal performance management should be maintained for the senior officers.

7.6. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

7.7. Before employing interim staff, the council 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 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. The Clerk/RFO will provide a statement of each account to the Chairman of the council or any councillor conducting random checks at any time that it is requested, with or without prior notice.

8.4. All loans and investments shall be negotiated in the name of the council in accordance with council policy.

8.5. The council shall consider the need for an Investment Strategy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy shall be reviewed by the council periodically.

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

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

## **9. Income**

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

9.2. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.

9.3. The council will review all fees and charges at least annually, on a recommendation from the Personnel & Resources Committee.

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

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

9.6. 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.

9.7. 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 by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

## **10. Orders for work, goods and services**

10.1. An official order or letter, by email if appropriate, 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 in accordance with the council's retention policy.

10.2. 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 11.1 below if possible.

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

10.4. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.

## **11. Contracts**

- a. **A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds in standing order 18(f) is subject to Regulations 109-114 of the Public Contracts Regulations 2015 which include a requirement on the Council to advertise the contract opportunity on the Contracts Finder website regardless of what other means it uses to advertise the opportunity.**
- b. **A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £181,302 for a public service or supply contract or in excess of £4,551,413 for a public works contract (or other thresholds determined by the European Commission every two years and published in the Official Journal of the European Union (OJEU)) shall comply with the relevant procurement procedures and other requirements in the Public Contracts**

**Regulations 2015 which include advertising the contract opportunity on the Contracts Finder website and in OJEU.**

- c. **A public contract in connection with the supply of gas, heat, electricity, drinking water, transport services, or postal services to the public; or the provision of a port or airport; or the exploration for or extraction of gas, oil or solid fuel with an estimated value in excess of £363,424 for a supply, services or design contract; or in excess of £4,551,413 for a works contract; or £820,370 for a social and other specific services contract (or other thresholds determined by the European Commission every two years and published in OJEU) shall comply with the relevant procurement procedures and other requirements in the Utilities Contracts Regulations 2016.**

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 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 legal professionals acting in disputes;
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
- v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and 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 the council intends to 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, which entail the use of the Contract Finder website. Where contracts are valued at less than £25,000 they may be exempt from a tendering process or procurement exercise.

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 2014/24/EU (which may change from time to time).

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 Clerk in the ordinary course of post. Each tendering firm shall be requested to respond 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. Invitations to Tender shall include information relating to the conduct of suppliers in the council's Financial Regulations.

f) 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.

g) No officer or member may seek to influence unduly the award of a contract to any supplier. No contractor or supplier shall seek to influence any member or officer to consider more favourably their tender.

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 or RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £500 the Clerk or RFO shall strive to obtain three estimates. Otherwise, Regulation 10.2 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.

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

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 the council.

12.3. Any significant variation to a contract or addition to or omission from a contract must be approved by the council and notified to the contractor in writing, the Personnel & Resources Committee being informed where the final cost is likely to exceed the financial provision.

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

13.1. 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 Accounts and Audit Regulations.

13.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £1000.

13.3. 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).

13.4. 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).

13.5. 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.

### **14. Insurance**

14.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers, (in consultation with the Clerk if they are two different people).

14.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

14.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it in conjunction with the Personnel & Resources Committee.

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

14.5. 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 by the council, or duly delegated committee.

## **15. Charities**

15.1. Where the council is sole managing trustee of a charitable body the Clerk/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 Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

## **16. Risk management**

16.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk/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.

16.2. When considering any new activity, the Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council, as appropriate.

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

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

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