



**PEMBREY AND BURRY PORT TOWN COUNCIL  
FINANCIAL REGULATIONS**

**APPROVED AT THE ANNUAL MEETING WEDNESDAY 15<sup>TH</sup> MAY 2019**

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## 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 three 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.
- 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 may bring the office of Councillor into disrepute and may constitute a breach of the Code of Conduct.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council.
- 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 comply with the Accounts and Audit (Wales) Regulations and to prepare additional or management information, as the case may be, to be prepared for the Council from time to time.
- 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;
  - 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; 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 (Wales) Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 39 of the Public Audit (Wales) Act 2004, 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 in Wales - A Practitioners' Guide* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

## **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 (Wales) Regulations, appropriate Guidance and proper practices.
- 2.2. The RFO will maintain a separate account of expenditure and income incurred under LGA 1972 S137 and LGA1986 section 5.
- 2.3. On a regular basis, and at least each financial year end, the internal auditor shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The internal auditor shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Council.

- 2.4. 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 (Wales) Regulations.
- 2.5. 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.
- 2.6. 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.
- 2.7. 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 and to the Finance, Governance and Personnel Committee during October each 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.
- 2.8. 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.
- 2.9. 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.
- 2.10. 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 the Public Audit (Wales) Act 2004.or any superseding legislation, and the Accounts and Audit (Wales) Regulations.
- 2.11. 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 (if any) shall formulate and submit proposals to the Finance, Governance and Personnel Committee of the Council in respect of revenue and capital schemes for the following financial year, not later than the end of November each year..
- 3.2. The Finance, Governance and Personnel Committee will consider and agree the initial budget strategy for establishing the draft budget for the following financial year. This will set out the parameters for the budget build process and be considered by Full Council by October each year
- 3.3. 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 Council not later than the end of December each year including any proposals for revising the forecast.
- 3.4. The RFO must each year, by no later than January, 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 Finance, Governance and Personnel Committee and the council.
- 3.5. The council shall consider annual budget proposals in relation to the council's annual 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
- 3.6. The council shall fix the precept and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of February 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.
- 3.7. The approved annual budget shall form the basis of financial control for the ensuing year.

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

- 4.1 Standing Committees are authorised to commit and make expenditure only if that expenditure is part of the Council's pre-approved budgets under the authority of that Standing Committee.
- 4.2 Standing Committees are also empowered to make adjustments to their pre-approved budgets to meet expenditure provided that the overall budget is not exceeded. (VIREMENT).

4.3 Standing Committees may delegate the making of expenditure to all established sub committees in the areas of activity that is the brief of that sub committee. Such delegated authority cannot exceed 80% of the budget heading under the control of the Standing Committee.

4.3 If expenditure is required by a committee and it cannot be covered by adjustments to the budgets as covered by 1 above (VIREMENT) then it has no authority to commit to that expenditure without the authorisation and approval of:

- the Town Council for all items over £5,000;
- the Finance, Personnel and Civic Governance committee of the council [for items up to £5,000]; or
- the Clerk, in conjunction with the Chair of the appropriate committee, [for any items below £5,000] in an urgent or emergency situation.

Such authority is to be evidenced by a Minute of the Finance, Personnel and Civic Governance Committee or Council meeting or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.4 The TSO is authorised to commit expenditure up to £1000 in conjunction with the Clerk or the Chair of the appropriate committee but only if that expenditure is within the pre-authorised budget.

4.5 The TSO alone is authorised to carry out expenditure on any pre-approved budget up to the limit of £250.

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

4.7 The salary budgets are to be reviewed at least annually by November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and Chair of relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.8 In cases of extreme risk to the delivery of council services (emergency or time sensitive situations) the Clerk or TSO 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 £5,000. The Clerk or TSO shall make this decision in conjunction with the three chairs and if that is not possible in conjunction with the Chair responsible for that area of work/expenditure, and report such action to the Council as soon as practicable thereafter.

- 4.9 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.
- 4.10 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.11 The RFO shall provide the council monthly with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £100 or 15% of the budget.
- 4.12 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.
- 5.2. A schedule of the payments made shall be prepared by the RFO and included in the Finance Officer's report to the appropriate committee in closed session. The schedule will identify the relevant legal power that supports the payment made by the Council. If the schedule is in order it shall be authorised by a resolution of the Council. If more appropriate, the detail may be shown in the Minutes of the Meeting. Alternative arrangements may be made when the Council is in recess and for larger tendered contracts.
- 5.3. All invoices for payment shall be examined, verified and certified by the Clerk, RFO or TSO 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.
- 5.5. 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 £5,000, shall before payment, be subject to ratification by resolution of the appropriate committee or the Council if the matter is not part of a pre delegated budget.



- 5.6. 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.
- 5.7. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time

## **6. 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, TSO or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council or Finance, Governance and Personnel Committee.
- 6.4. Cheques or orders for payment drawn on the bank account shall be signed by one member of council and countersigned by the Clerk or Chair of Finance, Governance and Personnel. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. The payroll provider will be re-imbursed for the cost of the monthly payroll by cheque from the imprest account in accordance with the terms of the Service Level Agreement (SLA). One member and the Clerk/RFO will sign the monthly payroll documentation to support the required monthly payment of the salaries costs. The management fee for the provision of the payroll service will be paid by cheque from the current account in accordance with the terms of the SLA.
- 6.7. 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.
- 6.8. 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 one or 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.

- 6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. A record of these instructions must be retained and any payments reported to Council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
- 6.10. 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.
- 6.11. 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 of Finance, Governance and Personnel 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.
- 6.12. 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.
- 6.13. 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.
- 6.14. 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.
- 6.15. 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.
- 6.16. 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 and appropriate action will be taken including the use of the Council's disciplinary procedure in the case of employees.

- 6.17. 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 two of the Clerk/the RFO and a member. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any corporate trade card account opened by the council will be specifically restricted to use by employees authorised by the Clerk, TSO and RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.19. The use of any debit/credit card taken out by the Town Council must be authorised by the Chair of Finance, Governance and Personnel.
- 6.20. 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 £250 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
  - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

## **7. PAYMENT OF SALARIES/EMPLOYEE MATTERS**

- 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 council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must 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.
- 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 Finance, Governance and Personnel Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to

inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
  - b) by the internal auditor;
  - c) by the external auditor.
  - d) by any person authorised under Public Audit (Wales) Act 2004, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made, as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. The Council will utilise the County Council or other approved payroll provider to carry out its payroll function and to ensure compliance with its employer obligations to HMRC. The monthly payroll details shall also be signed by one member and Clerk/Chair of Finance, Governance and Personnel Committee (see 6.4 above) to authorise payment.
- 7.7. An effective system of personal performance management should be maintained for the senior officers.
- 7.8. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.9. 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/Welsh Government (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 council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chair of Finance, Governance and Personnel Committee at the same time as one is issued to the Clerk or RFO.
- 8.4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.

- 8.5. 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 (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. The weekly duties and invoicing will be undertaken by the Finance/Administration Assistant.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied 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 at least annually, following a report of the Facilities and Assets Committee.
- 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 the 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 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 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. An official pre-numbered order shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. utilities bills, business rates. The order must show clearly the date ordered, item/s with suitable description, quantity and price of the goods (or best estimate where necessary). All orders will be authorised by Clerk/TSO. Copies of all orders shall be retained.
- 10.3. Orders must only be placed for goods and services as intended within the original Approved Budget of the Council, unless approval for budget virement or urgent expenditure has been gained in accordance with the financial regulations. Orders for all non-routine or exceptional items must be referred to the Clerk
- 10.4. Sufficient lead time must be allowed for the procurement of goods and services to comply with financial regulations and the completion of an official order. On occasions where a telephone or verbal order is necessary for expediency, an order number must be provided to the supplier at the time of the order being placed. The order must state that it is a confirmation order. Where required, this can be posted to the supplier to confirm the verbal order placed.
- 10.5. Order books shall be controlled by the RFO/Clerk.
- 10.6. 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 (I) below.
- 10.7. For supplies over £500 and up to £2,000 three estimates must be obtained and over £2,000 three quotes. If the purchase is on line, then evidence of three website prices/estimates must be produced.
- 10.8. A member may not issue an official order or make any contract on behalf of the council or commit expenditure in any way or both.

- 10.9. The RFO/Clerk/TSO 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.
- 10.10. Where the legal power to be applied is unclear, the Clerk as Proper Officer will refer to One Voice Wales or other applicable professional body to confirm the relevant legal power.
- 10.11. Orders must only be issued for official Council business and no private purchases or the undertaking of private work using Council resources is allowable for officers, staff or Members of the Council.
- 10.12. All resources (staff, equipment and assets), supplies and goods of the Council can only be used for delivery of Council services.
- 10.13. Members, officers or staff cannot use or direct the resources of the Council for private use or to support other organisations with which they have an interest or any involvement. Any such use will result in the instigation of disciplinary procedures for staff or a breach of the Code of Conduct for Council Members.
- 10.14. Where the Council receives a request to loan equipment (eg tables/chairs) to a local organisation for charitable purposes or to support a community event, the Clerk will refer the request to Chair of the Facilities and Assets Committee. This will be reported to the next Facilities and Assets Committee and to Council by inclusion in the Clerk's report.
- 10.15. The Clerk must clearly document the agreed Terms and Conditions between the Council and other organisations, where a joint project has been approved by Clerk, TSO, Finance, Governance and Personnel Committee or Council. Any rechargeable expenditure to other organisations will be fully identified by the Clerk/TSO and reported to the RFO. The RFO will ensure that the expenditure is captured in the financial ledger appropriately and an invoice(s) raised to recover the advised costs.

## **11. CONTRACTS**

- 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 other than permitted in items (i) to (vi) below:
    - i. for the supply of gas, electricity, water, sewerage and telephone services;
    - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
    - 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 requested 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 Chair of the Finance, Governance and Personnel Committee);
  - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. The full requirements of The Public Contracts Regulations 2015 (“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).
  - €- 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.
  - d. 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.
  - e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least two members of council.
  - f. Any invitation to tender issued under this regulation shall be subject to the Council’s Standing Orders and shall refer to the terms of the Bribery Act 2010.
  - g. 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 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
  - h. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 11.2. The Proper Officer shall maintain a register of personal interests, in respect of both members.



- a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.
- b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

## **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 variation to a contract or addition to or 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 Clerk/TSO shall be responsible for the care and custody of stores and equipment.
- 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 delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The Clerk/TSO 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 TSO/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 they are held in accordance with Accounts and Audit (Wales) 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 movable property does not exceed £250.
  - 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law, In each case a Report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
  - 14.4. No real property (interests in land) shall be 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 Reg. 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 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.
  - 14.7. Members, officers or staff cannot use or direct the assets or resources of the Council for private use or to support other organisations with which they have an interest or any involvement without prior approval of the Clerk. Any such use will result in the instigation of disciplinary procedures for staff or a breach of the Code of Conduct for Council Members.

## **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 in consultation with the Clerk.
- 15.2. The Clerk/TSO 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.
- 15.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

- 15.4. 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.
- 15.5. 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, or duly delegated committee.
- 15.6. Users of the Town Council's facilities must ensure that they have their own insurances in place for any items/equipment stored on the Council's property. The Council's insurance policies do not provide cover for any items used or equipment stored. No goods or equipment must be stored on the sites that may invalidate the Council's insurances.

## **16. CHARITIES**

- 16.1. Where the council is sole managing trustee of a charitable body the Clerk and 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.

## **17. RISK MANAGEMENT**

- 17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk, with the TSO 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.
- 17.2. When considering any new activity, the Clerk, with the TSO and RFO, 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. It shall be the duty of the Council to review the Financial Regulations of the Council annually.

- 18.3. 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.

**19. COMPLIANCE WITH FINANCIAL REGULATIONS**

- 19.1 Non-compliance with these Financial regulations by officers and staff of the Council may result in the instigation of disciplinary procedures. For Members, non compliance may result in a breach in the Members Code of Conduct.