GAINSBOROUGH TOWN COUNCIL

Financial Regulations

Contents

1. General…………………………………………………………………………………2
2. Risk Management and Internal Control…………………………………………….. 4
3. Accounting and Audit (Internal and External)……………………………………… 5
4. Annual Estimates (Budget) and Forward Planning………………………………...6
5. Budgetary Control and Authority to Spend…………………………………………7
6. Procurement………………………………………………………………………… 8
7. Banking and Payments……………………………………………………………..9
8. Electronic Payments……………………………………………………………….. 11
9. Cheque Payments…………………………………………………………………..12
10. Payment Cards………………………………………………………………………13
11. Petty Cash……………………………………………………………………………13
12. Payment of Salaries…………………………………………………………………13
13. Loans and Investments……………………………………………………………... 14
14. Income…………………………………………………………………………………15
15. Payments Under Contracts for Building or Other Construction Works…………………15
16. Stores and Equipment………………………………………………………………16
17. Assets, Properties and Estates…………………………………………………….16
18. Insurance……………………………………………………………………………...16
19. Charities………………………………………………………………………………17
20. Suspension and Revision of Financial Regulations………………………………17
Appendix 1 - Tender process………………………………………………………………… 18

Document History

Reviewed & Adopted – December 2007
Reviewed & Adopted – 4 December 2013
Reviewed & Adopted – 1 July 2014
Reviewed & Adopted – 20 September 2016
Reviewed & Adopted – 5 March 2019
Updated & Adopted – 2 June 2021
Reviewed & Adopted – 4 January 2023
Updated & Adopted – 5 July 2023
Reviewed & Adopted – 6 May 2025
Updated & Adopted – 1 July 2025
Updated & Adopted – 5 May 2026

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.

In these Financial Regulations 'Must' and **bold text** refer to a statutory obligation the Council cannot change.

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

a) for the timely production of accounts;
b) that provide for the safe and efficient safeguarding of public money;
c) to prevent and detect inaccuracy and fraud; and
d) 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 brings the office of Councillor into disrepute and will be subject to sanctions contained within the Town Council Code of Conduct and adopted disciplinary procedures.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Town Clerk has been appointed as RFO for Gainsborough Town Council and these regulations will apply accordingly.

1.9. The RFO;

a) acts under the policy direction of the Council;
b) administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
c) determines on behalf of the Council its accounting records and accounting control systems;
d) ensures the accounting control systems are observed;
e) maintains the accounting records of the Council up to date in accordance with proper practices;

f) assists the Council to secure economy, efficiency, and effectiveness in the use of its resources; and
g) produces financial management information as required by the Council (not individual elected Members).
h) attends relevant financial management and other relevant training as required.

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:

a) 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;
b) a record of the assets and liabilities of the Council; and
c) 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:

a) procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
b) procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
c) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
d) 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
e) measures to ensure that risk is properly managed.

1.13. **The Council must not delegate any decision regarding:**

a) **setting the final budget or the precept (Council Tax Requirement);**
b) **the outcome of a review of the effectiveness of its internal controls**
c) **approving accounting statements;**
d) **approving an annual governance statement;**
e) **borrowing;**
f) **declaring eligibility for the General Power of Competence; and**
g) **addressing recommendations in any report from the internal or external auditors**.

The following will be dealt with by the Finance and Strategy Committee

h) writing off bad debts;

1.14. In addition, the Council shall:

a) determine regularly review the bank mandate for all Council bank accounts;

b) approve any grant or a single commitment in excess of £10,000; and
c) in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the Personnel Committee in accordance with its terms of reference.

1.15. In these financial regulations,

a) Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under Sections 32, 43(2) and 46 the Local Audit and Accountability Act, or any superseding legislation, and then in force unless otherwise specified.
b) "Approve" refers to an online action, allowing an electronic transaction to take place.
c) "Authorise" refers to a decision by the Council, or a committee or an officer, to allow something to happen.
d) 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils– a Practitioners' Guide (England)* issued by the Smaller Authorities Proper Practices Panel (SAPPP), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Risk Management and Internal Control

2.1 The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

2.2 The Town Clerk & RFO shall prepare, for approval by the Council, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.

2.3 When considering any new activity, the Town Clerk & RFO shall prepare a draft risk assessment including risk management proposals for consideration by the Council.

2.4 At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

2.5 The accounting control systems determined by the RFO must include measures to:

a) ensure that risk is appropriately managed;
b) ensure the prompt, accurate recording of financial transactions;
c) prevent and detect inaccuracy or fraud; and
d) allow the reconstitution of any lost records;
e) identify the duties of officers dealing with transactions and
f) ensure division of responsibilities.

2.6 On a monthly basis, the Councils Finance and Strategy Committee shall verify bank reconciliations for all accounts held by the Council and will record the verification by a minute confirming the review within the minutes of that meeting.

2.7 Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location from the computer. The Council shall put measures in place to ensure that the ability to access any Council computer is not lost if an employee leaves or is incapacitated for any reason.

3. Accounting and Audit (Internal and External)

3.1. 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.

3.2 **The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**

- **a) day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate;**
- **b) a record of the assets and liabilities of the Council.**

3.3 The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

3.4. The RFO shall complete and certify the annual Accounting Statements, annual report, and any related documents of the Council contained in the Annual Governance and Accountability 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.

3.5. **The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and internal control in accordance with proper practices.**

3.6 **Any officer or member of the Council shall make available such documents and records as internal auditor, or external auditor consider 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.

3.7. The internal auditor shall be appointed by the Council and shall carry out their work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide

3.8. The Council shall ensure that the internal auditor:

- a) be competent and independent of the financial operations of the Council;
- b) report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- c) to demonstrate competence, objectivity, and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- d) have no involvement in the financial decision making, management or control of the Council.

3.9. Internal or external auditors may not under any circumstances:

a) perform any operational duties for the Council;
b) initiate or approve accounting transactions;
c) provide financial, legal or other advice including in relation to any future transactions; or
d) direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

3.10. 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.

3.11. 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 documents required by the Local Audit and Accountability Act 2014, , or any superseding legislation, and the Accounts and Audit Regulations.

3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. Annual Estimates (Budget) and Forward Planning

4.1 Before setting a precept, the Council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.

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

4.3. Each committee (if any) shall review its three year forecast of revenue and capital income and expenditure. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Finance and Strategy Committee not later than the end of November each year including any proposals for revising the forecast.

4.4. 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 Finance and Strategy Committee and the Council.

4.5. Unspent provisions in the capital budget for completed projects shall not be carried forward to a subsequent year.

4.6. The Council shall consider annual budget proposals in relation to the Council’s three year forecast of revenue and capital income and expenditure including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

4.7. The Council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year.

4.8. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.

4.9. Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.

4.10. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.

4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Council or relevant committee.

5. Budgetary Control and Authority to Spend

5.1. 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:

a) the Council for all items over £10,000 excluding VAT;
b) a duly delegated committee of the Council for items over £5,000 excluding VAT;
c) the Town Clerk and / or Operations Manager in consultation with Chair of Council or Chair of the appropriate committee, for any items below £5,000 excluding VAT; or
d) the Town Clerk, and / or Operations Manager for items below £1,500 excluding VAT.

Such authority is to be evidenced by a Minute or by an authorisation slip duly signed by the Town Clerk, and where necessary also by verbal authorisation by the appropriate Chair.

5.2. No expenditure may be authorised that will exceed the amount provided in the budget for that type of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

5.3. In cases of serious risk to the delivery of Council services or to public safety on Council premises,, the Town Clerk may authorise expenditure on behalf of the Council which in the Town Clerk's, or Operations Manager in the absence of the Town Clerk, 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 £3,000. The Town Clerk and / or Operations Manager in the absence of the Town Clerk shall report such action to the chair as soon as possible and to the Council as soon as practicable thereafter.

5.4. The RFO shall regularly provide the Council with a statement of income and expenditure 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 of the budget.

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

6. Procurement

6.1. A purchase 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. Copies of orders shall be retained.

6.2. Any ordering system can be misused and access to them shall be controlled by the RFO.

6.3. Members and officers are responsible for obtaining value for money at all times. Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.

6.4. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.

6.5. Every contract shall comply with the Council’s Standing Orders and these Financial Regulations, and no exceptions shall be made, except in an emergency

6.6. For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.

6.7. Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed under Financial Regulation 6.14) obtain prices as follows:

6.8. For contracts estimated to exceed £60,000 including VAT, the Town Clerk shall advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.

6.9. For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation regarding the publication of invitations and notices.

6.10. For contracts greater than £3,000 excluding VAT the Town Clerk or Operations Manager shall seek at least 2 preferably 3 fixed-price quotes;

6.11. Where the value is between £1,000 and £3,000 excluding VAT, the Town Clerk or Operations Manager shall try to obtain at least 2 estimates (which might include evidence of online prices, or recent prices from regular suppliers.)

6.12. For smaller purchases, the Town Clerk shall seek to achieve value for money.

6.13. Contracts must not be split to avoid compliance with these rules.

6.14. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:

i. specialist services, such as legal professionals acting in disputes;
ii. repairs to, or parts for, existing machinery or equipment;
iii. works, goods or services that constitute an extension of an existing contract;
iv. goods or services that are only available from one supplier or are sold at a fixed price.

6.15. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Council or relevant committee. Avoidance of competition is not a valid reason.

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

6.17. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the Council or make any contract on behalf of the Council.

6.18. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

6.19. An official order or letter shall be issued for all work, goods and services above £250 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.

7. Banking and Payments

7.1. 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.

7.2. The Council will make safe and efficient arrangements for the making of its payments to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the Council's bank.

7.3. The authorisation given to the Town Clerk under Financial Regulation 5.1 relates to 'routine expenditure.' Such budget lines will be made clear at the time the budget is set. All expenditure by the Town Clerk will be reported to the next meeting of the Finance and Strategy Committee as part of the normal budget monitoring process.

7.4. 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 the Finance and Strategy Committee. The committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Finance and Strategy Committee. The approved schedule shall be ruled off and initialled by the Chair of the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

7.5. All payments shall be made by online banking, in accordance with a resolution of the Finance and Strategy Committee, unless resolved to use a different payment method.

7.6. 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.

7.7. 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 Finance and Strategy Committee meeting.

7.8. The Town 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 committee, where the Town 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 Finance and Strategy Committee;
b) An expenditure item authorised under Financial Regulations 7.10 (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Finance and Strategy Committee; or
c) Fund transfers within the Councils banking arrangements up to the sum of £50,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Finance and Strategy Committee.

7.9. The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the Finance and Strategy Committee. The Finance and Strategy Committee shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.

7.10. For each financial year the Town Clerk and RFO may draw up a schedules of regular payments due in relation to a continuing contract, statutory duty, or obligation (such as

Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items which Finance and Strategy Committee, may authorise payment for the year provided that the requirements under Financial Regulation 5.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Finance and Strategy Committee.

7.11. A record of regular payments made under Financial Regulation 7.8 shall be drawn up and be signed by two members on each and every occasion when payment is authorised - to control the risk of duplicated payments being authorised and / or made.

7.12. 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 Council.

7.13. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

7.14. 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.

7.15. Following authorisation the Council, a duly delegated committee or, if so delegated, the Town Clerk or RFO shall give instruction that a payment shall be made.

7.16. 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 retained within the Council's safe. In line with Standing Order 16 where the Responsible Finance Officer is absent for a period of time that would seriously harm and damage the Council's financial affairs and electronic payments, Council shall appoint an appropriate staff member to access the required information to undertake the work. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable.

7.17. 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.

8. Electronic Payments

8.1. Where internet banking arrangements are made with any bank, the 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.

8.2. 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.

8.3. In the prolonged absence of the Service Administrator an authorised signatory shall set up any payments due before the return of the Service Administrator.

8.4. Two councillors who are authorised signatories shall check the payment details against the invoices before approving payment using the online banking system.

8.5. Evidence shall be retained showing which members approved the payment and a printout of the transaction confirming that the payment has been made for audit purposes.

8.6. A full list of all payments made in a month shall be provided to the next Finance and Strategy Committee meeting and appended to the minutes.

8.7. With the approval of the Council, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection may be made by variable Direct Debit provided that the instructions are signed/approved by two authorised members. The approval of the use of a variable Direct Debit shall be renewed by resolution of the Council at least every two years.

8.8. Payment may be made by BACS or CHAPS by resolution of Council provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.

8.9. If thought appropriate by the Council, regular payments of fixed sums may be made by Banker’s Standing Order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to Council as made. The approval of the use of a Banker’s Standing Order shall be renewed by resolution of the Council at least every two years.

8.10. Account details for suppliers may only be changed upon written notification by the supplier verified by the Town Clerk. This is a potential area for fraud and the individuals involved should ensure that any change is genuine.

8.11. Members and officers shall ensure that any computer used for the Council’s financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

8.12. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

9. Cheque Payments

9.1. Cheques or orders for payment in accordance with the schedule as presented to Council or committee shall be signed by two members of Council in accordance with a resolution instructing that payment.

9.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

9.3. To indicate agreement of details shown on the cheque with the counterfoil and the invoice or similar documentation, signatories shall also initial the cheque counterfoil.

9.4. Cheques or orders for payment shall not normally be presented for signature other than at a Council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Finance and Strategy Committee at the next convenient meeting.

10. Payment Cards

10.1. Any Debit Card issued for use will be specifically restricted to the Town Clerk and the Operations Manager and will also be restricted to a single transaction maximum value of £1,000 unless authorised by Finance and Strategy Committee in writing before any order is placed.

10.2. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance and Strategy Committee. Transactions and purchases made will be reported to the Finance and Strategy Committee and authority for topping-up shall be at the discretion of the Finance and Strategy Committee.

10.3. Any corporate credit card opened by the Council will be specifically restricted to use by the Town Clerk and Operations Manager and shall be subject to automatic payment in full at each month-end.

10.4. Any trade card account opened by the Council will be specifically restricted to use by the Town Clerk, Operations Manager and Grounds Maintenance Team Leader and shall be subject to automatic payment in full at each month-end.

11. Petty Cash

11.1. The RFO shall maintain as petty cash float of £100 for the purpose of defraying operational and other expenses.

a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate the payment.
b) Cash 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 for approval.

12. Payment of Salaries

12.1. **As an employer, the Council must make arrangements to comply with the statutory requirements of PAYE legislation.**

12.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**

12.3. 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.

12.4. 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.

12.5. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the relevant committee, unless by virtue of changes of adopted national pay agreements.

12.6. 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. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

a) by any councillor who can demonstrate a need to know;
b) by the internal auditor;
c) by the external auditor; or
d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

12.7. 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.

12.8. An effective system of personal performance management should be maintained for the Senior Officers.

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

12.10. Before employing interim staff the Council must consider a full business case.

13. Loans and Investments

13.1. 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.

13.2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised 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.

13.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.

13.4. The Council shall consider the need for an Investment Strategy and Policy which in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.

13.5. All investments of money under the control of the Council shall be in the name of the Council.

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

13.7. Payments in respect of short term or long term investments, shall be made in accordance with these regulations.

14. Income

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

14.2. The Council will review all fees and charges for work done, services provided or goods sold at least annually following a report of the Town Clerk. The RFO shall be responsible for the collection of all accounts due to the Council.

14.3. Any sums found to be irrecoverable and any bad debts shall be subject to the Councils Debt Recovery Policy.

14.4. All sums received on behalf of the Council shall be deposited intact with the Council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.

14.5. Personal cheques shall not be cashed out of money held on behalf of the Council.

14.6. The RFO shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software by the due date. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

14.7. 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.

14.8. 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 Financial Regulation 19 below).

15. Payments Under Contracts for Building or Other Construction Works

15.1. 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).

15.2. 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.

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

16. Stores and Equipment

16.1. The Officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

16.2. 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.

16.3. Stocks shall be kept at the minimum levels consistent with operational requirements.

16.4. The Operations Manager shall be responsible for periodic checks of stocks and stores at least annually.

17. Assets, Properties and Estates

17.1. The Town Clerk shall make appropriate arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Council.

17.2 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record 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.

17.3. 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.

17.4. No interests in land 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. 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).

17.5. 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.

18. Insurance

18.1. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered. reviewing these annually before the renewal date in conjunction with the Council’s review of risk management.

18.2. The Town 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.

18.3. 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. The RFO shall negotiate all claims on the Council's insurers.

18.4. 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 risk exposure as determined by the Council, or duly delegated committee.

19. Charities

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

20. Suspension and Revision of Financial Regulations

20.1. The Council shall review the Financial Regulations annually and following any change of Town Clerk or RFO. The Town Clerk shall monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.

20.2. 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 presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.

20.3 The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

Appendix 1 - Tender process

1) Any invitation to tender shall state the general nature of the intended contract and the Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.

2) The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post, the Council have also agree to receive tenders by electronic means. These will only be sent to the townclerk@ email account and will not be opened and printed until the close of the tender applications.

3) Where a postal process is used, 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. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council.

4) Where an electronic tendering process is used, the Council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.

5) Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.

6) Where 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, 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.

7) Tenders will be scored by a panel of Officers and Members. For every tender process, the Council will appoint a panel which shall consist of no less than 3 individuals and no more than five individuals at least one of which must be a Council member and one a Council officer. Tenders will be scored in accordance with a scoring matrix which must by resolution have been adopted by the relevant Committee. Scores will be reported to the Full Council who shall make the final award of the contract based on the scores presented to them by the tender scoring panel. The tender scoring panel shall appoint a Chair from within the panel and scores will be determined by majority vote. The Chair shall have a casting vote if required.