

PEACEHAVEN TOWN COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were amended in July 2015 and approved by Policy & Finance Committee on 15 September 2015 and ratified and adopted by Council on 27 October 2015.

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. 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 financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.
- 1.2 The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the Council. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practices.
- 1.3 The Town Manager, under the direction of the Policy & Finance Committee, shall regulate and control the finances and accounts of the Town Council and supervise and co-ordinate financial and accounting methods.
- 1.4 The RFO, under the general direction of the Town Manager, shall produce financial management information as required by the Council and shall be responsible for the proper administration of the Council's financial affairs and the production of financial management administration, all in accordance with approved policy.
- 1.5 At least once a year, prior to approving the Annual Return, the RFO, Town Manager and the Chair and Vice Chair of the Policy & Finance shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under the provisions of Section 27 of the Audit Commission Act 1998 and then in force.
- 1.7 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability in Local Councils in England and Wales – a Practitioners' Guide which is published jointly by National Association of Local Councils (NALC) and Society for Local Council Clerks (SLCC) and updated from time to time.

2. ANNUAL ESTIMATES (BUDGET)

- 2.1 The RFO together with the Town Manager and/or the appropriate Assistant Town Clerk shall, each year, prepare a three year programme of estimates and budget forecasts for consideration by each main service committee. The programme shall include adequate time for discussions between the Chairs of the main service committees and the Policy & Finance Committee. This forecast will form the basis for the following financial year's budget and precept to be submitted to full Council not later than January each year. The Council therefore will consider the next financial year budget in relation to this three year forecast of net revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding.
- 2.2 Detailed estimates of income and expenditure including the use of reserves for the following year in respect of revenue, earmarked and general reserve budgets and related projects shall be prepared each year by the RFO together with the Town Manager, and then submitted to the committees responsible for the services not later than December and forwarded to the Policy & Finance Committee.
- 2.3 The Policy & Finance Committee shall review all the estimates received and submit them to the Town Council not later than the end of January in each year, together with such summaries, statements, reports and recommendations as are considered desirable in order to enable Council to determine the precept to be levied for the ensuing year.
- 2.4 Concurrently with the report to the Council and the proposed precept to be levied for the ensuing year, the Town Manager shall report as to the funding of the capital projects and earmarked reserve budgets in order to enable a definite programme to be determined for the ensuing year, together with a list of capital projects for detailed design in the next year and for commencement in that next ensuing year. All earmarked reserve projects will detail a lead officer and lead councillor(s) who will be responsible for ensuring that the project is progressed and to budget. Any major deviations to the budget for the project will be reported to the appropriate service committee.
- 2.5 The Town Manager shall supply each member with a copy of the approved budget for the coming year before the end of March, and in an election year to all new Councillors on their acceptance to office.
- 2.6 The annual approved budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

- 3.1 The RFO shall submit to all main service committee's a quarterly budget monitoring report with supporting schedules of receipts and payments and committed expenditure to date under each budget heading comparing actual/committed expenditure against the approved budget with a year-end forecast. A monthly budget monitoring report will also be provided to the lead committee officers and the Chairs of the main service committees.

- 3.2 Expenditure on the revenue and capital accounts may be incurred up to the amounts included for that class of expenditure in the approved budget.
- 3.3 No expenditure may be incurred by a Committee that will exceed the amount provided in the approved budget for that class of business. During the budget year and in accordance with Committee terms of reference, having considered fully the implications for public services, unspent and available amounts, may be moved to other budget headings or to an earmarked or general reserve as appropriate.
- 3.4 Expenditure may not be incurred which cannot be met from the amount provided within the net revenue budget (i.e. expenditure less income) or when this is likely to result in an overspend in the year unless a request for a supplementary estimate has been submitted to the Policy & Finance Committee (see 3.3 above). This regulation shall apply where such an event would result in an increase in net cost within the financial year.
- 3.5 Except as provided in standing orders, all proposals involving expenditure from the earmarked reserves budget shall be the subject of an annual report to the appropriate committee and the report shall include the full financial implications of the proposals (see 2.4 above).
- 3.6 Budget spend should always be allocated to the correct budget cost centre and account code so as to enable the RFO to monitor budget spend correctly throughout the year and to assist in budget setting for the following year.
- 3.7 The salary budgets are to be reviewed annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Manager and Chairman of each of the relevant committees. The RFO will inform committees of any changes impacting on their budget requirements for the coming year.
- 3.8 The RFO shall regularly provide the council with a statement of receipts and payments to date under each budget caption, comparing actual expenditure/income at the appropriate date to the planned budget at that date. These statements are to be prepared at least quarterly but preferably monthly. An explanation of any material variances will also be produced.
- 3.9 All capital works shall be administered in accordance the Council's standing orders and financial regulations relating to contracts. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the spending Committee is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.10 The Town Manager may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budget provision for the expenditure, subject to a limit of £3,000. Before doing so the Town Manager will agree the expenditure with the Chair or Vice Chair of the appropriate Committee and shall report the action taken and costs incurred to the appropriate main service committee as soon as practicable thereafter.

- 3.11 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year and will be placed in the Council's general reserve budget unless placed in an earmarked reserve by resolution of both the spending committee and the Policy & Finance Committee.
- 3.12 Changes in earmarked reserves shall be approved by Policy and Finance Committee and subsequently by full Council as part of the budgetary control process.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003 as amended from time to time.
- 4.2 The RFO shall complete the annual financial statements of the Council, including the Council's Annual Return, as soon as practicable after the end of the financial year and report it either to the Policy & Finance Committee or direct to the Council whichever is the sooner, but in any event no later than the 30th June or date prescribed by the external auditor.
- 4.3 The RFO shall complete the accounts of the Council contained in the annual return and (as supplied by the external auditor appointed from time to time by the Audit Commission) and shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 2003 as amended.
- 4.4 The RFO shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO, Town Manager or Internal Auditor requires, make available such documents of the Council which appear to the RFO, Town Manager or Internal Auditor, to be necessary for the purpose of the internal audit and shall supply such information and explanation as the RFO, Town Manager or Internal Auditor consider necessary for that purpose.
- 4.5 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person, on a regular basis with a minimum of one annual report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
- 4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers and for the display or publication of any notices and statements of account required by the Audit Commission Act 1998 Section 15 and the Accounts and Audit Regulations 2003 as amended.

- 4.7 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.
- 4.8 Once a quarter and at each financial year end, a member other than the Chairman (or a cheque signatory) shall be appointed to verify bank reconciliations produced by the RFO. The member shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Policy and Finance Committee.

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.
- 5.2 A schedule of all payments required since the last meeting (Council or Policy & Finance Committee), forming part of the agenda for the meeting, shall be prepared by the RFO. If the schedule is in order it shall be authorised by a resolution by Council or the Policy & Finance Committee and be initialled by the Chairman of the Meeting. If more appropriate the detail may be shown in the minutes of the meeting.
- 5.3 All invoices for payment shall be examined, verified and certified by the Town Manager and/or appropriate Assistant Town Clerk. The Town Manager and/or Assistant Town Clerk shall satisfy themselves that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 5.4 Before payment of accounts is made the originator of the purchase order (where applicable) shall be satisfied that the goods/service have been received, are in accordance with the specification. The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Town Manager shall take all steps to process and settle all invoices submitted in a timely fashion, and which are in order, at the next available Policy & Finance Committee or Council Meeting.
- 5.5 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 appropriate meeting, where the Town Manager and RFO certify that there is no dispute or other reason to delay payment, the Town Manager may (notwithstanding para 5.4) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy & Finance Committee.
- 5.6 In respect of grants a duly authorised committee shall approve expenditure within the total amount allocated in the budget and in accordance with the Grants policy statement
- 5.7 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.

5.8 Transfers between different bank accounts operated by the Council for the purpose of separating funds for particular purposes or for the purposes of maximising bank interest to the Council shall be authorised to the Bank in writing by the Town Manager (not the RFO) save that the investment of surplus funds shall be authorised by facsimile instruction signed by two Councillor authorised signatories.

6 INSTRUCTIONS FOR MAKING PAYMENTS

6.1 Apart from petty cash, all payments shall be effected by cheque or other order drawn, including BACS, on the Council's bankers.

6.2 Cheques drawn on the bank account in accordance with the schedule referred to in 5.2 above or in accordance with 6.4 below, shall be signed by authorised signatories in accordance with the bank mandate.

6.3 All cheques, standing orders and direct debit mandates shall be prepared by the RFO and shall be signed by two authorised signatories in accordance with the bank mandate (statutory instrument 2014 No 580 removes the requirement for every cheque or other order for the payment of money by a parish or community council to be signed by two members of the council. Signing by a mandated signatory other than a Councillor will only be used in exceptional circumstances).

6.4 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the mandated signatories shall each also initial the cheque counterfoil and the appropriate invoice

6.5 Payment for some items may be made by BACS, CHAPS or internet banking transfer methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and these payments are reported to the Council. The approval of the use of these methods shall be renewed by resolution of the Council every two years.

6.6 Where a computer requires use of 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 Chairman of the Council in a sealed dated envelope. This envelope may only be opened 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 shall be reported to all members immediately and formally to the next meeting of the Council. This will not be required for a member's personal computer used only for authorisation of bank payments.

6.7 No employee or Councillor shall disclose any PIN or password, relevant to the workings of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee.

- 6.8 Where internet banking arrangements are made the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify the number of Councillors (2) who can authorise transactions on those accounts. The bank mandate also states the amounts of payments that can be instructed by the use of the Service Administrator alone (0), or by the Service Administrator with a stated number of approvals (2).
- 6.9 Access to internet banking accounts will be directly to the access page (saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved password facilities must not be used on any computer used for Council banking operations.
- 6.10 Changes to account details for suppliers, which are used for internet banking are only changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Town Manager and a member. The Town Manager and members must regularly (quarterly) check standing data with suppliers.
- 6.11 Any Debit Card issued for use will be restricted to the Town Manager and RFO with a single transaction maximum value of £500 unless authorised by Council or Policy and Finance committee in writing before any order is placed.
- 6.12 A back-up of the computer records is made automatically every evening and is stored offsite at Telscombe Town Council Offices.
- 6.13 The Council officers and 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.

7 PETTY CASH

- 7.1 The RFO shall maintain petty cash of such amount as may, from time to time, be necessary for the payment of small miscellaneous items of expenditure and such urgent payments as may be determined.
- 7.2 Vouchers for payment made from these accounts shall be kept in accordance with instructions laid down from time to time by the RFO.
- 7.3 Income received must not be paid into any petty cash account but must be separately banked in accordance with these financial regulations.
- 7.4 Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

8 PAYMENT OF WAGES AND SALARIES

- 8.1 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 salaries shall be as agreed by Council.
- 8.2 The payment of all salaries, wages and Member Allowances shall be made by the RFO in accordance with instructions from the Town Manager concerning national pay awards and other information likely to have a bearing on individual members of staff conditions of service and Councillors approved Scheme of Allowances.
- 8.3 The RFO shall make payment of net salaries, wages and Members' Allowances by BACS on the appropriate dates stipulated in employment contracts and make payment to HM Revenue & Customs for PAYE/National Insurance and the pension scheme administrator by the 19th of each month.
- 8.4 The monthly payroll before submission should be checked and signed by the Town Manager for accuracy.
- 8.5 No changes shall be made to any employees pay, emoluments, or terms and conditions of employment without the approval of the Employment Sub-Committee.
- 8.6 All payroll records are confidential and are not open to inspection or review (under the Freedom of Information Act 2000) other than:
- By any Councillor who can demonstrate a need to know
 - By the internal auditor
 - By the external auditor
 - By any person authorised under Audit Commission Act 1998, or any superseding legislation

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, who shall make and maintain adequate arrangements for prompt and proper accounting for all cash, including its collection, custody, control and deposit.
- 9.2 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 Town Manager considers necessary.
- 9.3 A receipt must be issued, when practicable, for all cash income received by the appropriate staff. The receipt shall be numbered and given to the RFO for retention. The receipt must be dated, contain a brief description of nature of payment and the signature of the issuing member of staff.

- 9.4 Where significant sums of cash are received (e.g. Mayor's Appeal events) the RFO shall take such steps to ensure that more than one person is present when the cash is counted in the first instance, that where applicable a reconciliation to some form of control such as tickets sold and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.5 The RFO shall ensure that an analysis of each banking is prepared and retained.
- 9.6 The appropriate main service committee shall review fees and charges for all services and activities on at least an annual basis, following a report by the RFO and approved by Council as part of the annual budget process.
- 9.7 Any sums found to be irrecoverable and any bad debts over £10 shall be reported to the Policy & Finance Committee and, subject to approval, shall be written off.
- 9.8 Personal cheques from any source shall in no circumstances be cashed out of any money held by the Council.

10 VALUE ADDED TAX

- 10.1 The RFO shall promptly complete any VAT Return that is required in accordance with specified statutory timescales.

11 ORDERS FOR WORK, GOODS AND SERVICES

- 11.1 Official purchase orders shall be issued for all work, goods or services unless a formal contract is to be prepared or an official order would be inappropriate. Such orders must be signed by the originating officer and before authorised by the RFO or Town Manager, the expenditure headings/analysis agreed. Copies of purchase orders shall be retained by the RFO.
- 11.2 Purchase order books shall be controlled by the RFO.
- 11.3 All members and officers are responsible for obtaining value for money at all times. An officer issuing a purchase order is to ensure as far as is reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining estimates/quotations from appropriate suppliers, subject to any de minimis provisions in regulation 12 below.
- 11.4 The Town Manager or RFO shall verify the lawful nature of any proposed purchase before issue of any order. On receipt of the regular payments for authorisation schedule the Council or Policy & Finance Committee may require that the statutory power for any individual item be recorded in the minutes.

12 CONTRACT PROCUREMENT AND TENDERING PROCEDURES **(See also Standing Order no. 18)**

- 12.1 Where the estimated cost of services, works, goods and materials **is below £3,000** in value the RFO shall ensure that value for money is obtained by seeking up to three quotations. If having received a quotation that is considered value for money and is

less than £3,000 this quotation can be accepted providing it is agreed by the Chair and Vice Chair of the appropriate committee and the Town Manager and reported to the next meeting of the appropriate committee.

- 12.2 Where the estimated cost of services, works, goods and materials is **in excess of £3,000 in value but below £40,000** the RFO shall ensure that value for money is obtained by seeking at least three quotations. These quotations should accord with the agreed specification of work drafted and sent to the contractor.
- 12.3 Any proposed contract for the supply of services, goods, materials and the execution of works with an estimated value **in excess £40,000** shall be procured on the basis of **a formal tender process** provided that the requisite provision thereof has either been made in the approved budget, or has otherwise been approved by the Council. The arrangements for the **invitation of tenders** shall comprise the following steps:
- (i) An advert of intention to place a contract to be published in the Public Notice section of a local newspaper for any major contract;
 - (ii) An approved specification of goods, materials, services and the execution of works shall be drawn up. The Proper Officer shall obtain the necessary technical assistance to prepare the specification in appropriate cases;
 - (iii) Tenders shall be submitted in a sealed, marked envelope to the Proper Officer by a stated date and time;
 - (iv) The Proper Officer shall record the date and time of receipt of all sealed tenders in a Tenders Register;
 - (v) Tenders submitted are to be opened after the stated closing date and time, by the Proper Officer in the presence of at least one Member and a summary of the tendered documents recorded in a Tenders Register and initialled by the Proper Officer and Member in attendance.
 - (vi) Tenders are then to be assessed by officers and reported to the appropriate Standing Committee or Council.
 - (vii) If less than three tenders are received or if all tenders are identical the appropriate Standing Committee or Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 12.4 Where it is considered that the specialist nature of the works to be undertaken restricts choice of contractor or when the 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 appropriate Standing Committee or Council.
- 12.5 Tender specifications shall, where appropriate, specify that 5% of the contract value shall be retained by the Council against any defects which become apparent within 12 months of satisfactory completion.
- 12.6 Tender specifications shall, where appropriate, stipulate that any cost resulting from any failure to complete the contract to the specification or timetable agreed, shall be deducted from the final payment or withheld until the defect has been rectified or other action taken to the satisfaction of the Council.

- 12.7 The Council shall not be obliged to accept the lowest of any tender, quotation or estimate. Any decision not to accept the lowest tender, quotation or estimate or to waive the tendering rules to enable a price to be negotiated without competition, shall be recorded in the Minutes together with the reasons for that decision.
- 12.8 Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.
- 12.9 Prior to a contract being awarded the contractor must show that they have employers and public liability insurance cover to a value to be agreed by Council and valid for the duration of the contract. In addition, **with regard to tenders**, prior to the contract being awarded the contractor must produce a risk assessment and method statement for the works.
- 12.10 **Where the value of a contract is likely to exceed £172,514 (or other threshold specified by the Office of Government Commerce from time to time) the Council must consider whether the Public Contracts Regulations 2006 (SI No.5, as amended) and the Utilities Contracts Regulations 2006 (SI No. 6, as amended) apply to the contract and, if either of those Regulations apply, the Council must comply with EU procurement rules.**
- 12.11 **Exceptions** to these procurement procedures are contracts for:
- (i) The supply of gas, electricity, water, sewerage and telephone services;
 - (ii) Specialist services such as are provided by solicitors, accountants, surveyors and planning consultants, or services involving scientific or artistic knowledge;
 - (iii) Work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant;
 - (iv) Work to be executed or goods or materials to be supplied which constitute an extension of an existing contract. Where such extension would increase the cost by more than £1,000, the appropriate main service committee or Council shall approve the procedure to be followed;
 - (v) Goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price
 - (vi) The execution of work or the purchase of goods or materials which are a matter of urgency after prior reference to the appropriate Chairman where the cost would exceed £1,000;
 - (vii) Any goods or services where the main service committee or Council expressly determines that it is in its interests that a tender be negotiated directly with a contractor or supplier.

13 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 13.1 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 retention as may be agreed in the particular contract).

- 13.2 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 by 5% or more, a report shall be submitted to the appropriate main service committee or Council.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the appropriate main service committee or Council and conveyed in writing to the contractor prior to the work being undertaken. The appropriate main service committee or Council must be informed where the final cost is likely to exceed the agreed budget provision.

14 STORES AND EQUIPMENT

- 14.1 All staff shall be responsible for the care and custody of stores and/or equipment used in delivery of their duties.
- 14.2 Delivery notes shall be obtained whenever possible in respect of goods received and checked against the purchase order at the time of delivery as to quantity, quality and type ordered. The delivery note shall be passed to the RFO to match up with other relevant documents.
- 14.3 Stocks shall be kept at minimum levels consistent with operational requirements.
- 14.4 The RFO shall make periodic checks of stocks, stores and equipment.

15 ASSETS, PROPERTIES AND ESTATES

- 15.1 The Town Manager shall have the custody of all title deeds of properties owned by the Council and shall ensure a record is maintained by the RFO of all such properties and that all such documents are securely kept and maintained within the Council's deed box. The RFO shall record the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purposes for which held in accordance with the accounts and audit regulations.
- 15.2 All buildings owned by the Council shall be independently valued for insurance purposes at least every three years either by the District Valuation Office or a suitably qualified surveyor.
- 15.3 The Town Manager together with the RFO shall maintain an inventory of all Council owned assets and shall be responsible for periodic checks, at least annually, of items listed. Items with an insurance value or acquisition cost exceeding £500 shall form the Council's Asset Register.
- 15.4 The relevant officers shall be responsible for the care and custody of all items on the inventory which are under their day-to-day control.
- 15.5 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save that where the

estimated value of any one item of tangible moveable property does not exceed £100.

16 LOANS AND INVESTMENTS

- 16.1 All loans and investments shall be negotiated by and authorised in the name of the Council and shall be for a set period in accordance with Council policy.
- 16.2 The Council shall consider the need for an investment policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance and shall be reviewed at least annually by the Policy & Finance Committee.
- 16.3 All investments of money under the control of the Council shall be in the name of the Council.
- 16.4 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 current position with any loans and investments should be reported annually to the Policy & Finance Committee.
- 16.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

17 INSURANCE

- 17.1 The RFO shall effect adequate insurance cover for the necessary values/risks as reviewed annually and negotiate all claims.
- 17.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 17.3 All members of staff with line management responsibilities are responsible for notifying the RFO of all new risks, assets, property, vehicles and goods which require to be insured and of any alterations affecting existing risks or insurances.
- 17.4 All members of staff are responsible for immediately notifying the RFO, in writing, of any loss, liability or damage, or of any event likely to lead to a claim. Such notifications shall be reported to the appropriate main service committee and/or Council.
- 17.5 The RFO shall ensure an adequate level of fidelity guarantee insurance cover as determined by Council from time to time.

18 RISK MANAGEMENT & HEALTH & SAFETY

- 18.1 The RFO together with the Town Manager shall prepare and maintain a risk register of the activities of the Council.

- 18.2 The Town Manager with the support of any responsible officer for Health & Safety appointed by the Council should prepare an annual Health and Safety policy statement that is independently checked and verified by a qualified Health and safety advisory service to as to avoid any self- review threat.
- 18.3 The Town Manager, in consultation with the 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. These should also be independently reviewed.
- 18.4 The Council is responsible for putting in place arrangements for the management of risk. The Town Manager with the RFO shall prepare risk management policy statements in respect of Council activities/services and in the event of new activities/services shall prepare a risk assessment addressing the legal, financial and risk management issues that arise. The above statements and/or assessments shall be presented for approval by the appropriate main service committee or Council.

19 MAYOR'S APPEAL EVENTS

- 19.1 Where the Town Mayor holds events purely for the benefit of his/her chosen charities the RFO shall ensure that the income is accounted for separately and accounts are kept of the funds held on behalf of the beneficiaries and separate financial reports made in such form as shall be appropriate. The RFO shall arrange for the audit or independent examination as may be required.

20 INTERNAL CONTROL

- 20.1 The RFO shall ensure that an appropriate programme of internal control is conducted throughout the year – e.g. petty cash spot checks, sight and signing off of selected bank reconciliations, random testing of systems and processes. The core responsibility rests with the Chairman of the Policy & Finance Committee supported as appropriate, by other nominated members and the Town Manager.

21 REVISION OF FINANCIAL REGULATIONS

- 21.1 It shall be the duty of the Policy & Finance Committee to review the Financial Regulations of the Council from time to time and, after consultation with any other committees concerned, to make such recommendations to the Town Council. The Town Manager shall make arrangements to monitor changes in legislation or proper practices and shall advise the appropriate Standing Committee and/or Council of any requirement for a consequential amendment to these Financial Regulations.
- 21.2 The council may, by resolution of the council duly notified prior to the relevant council meeting, 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.

NOTES

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

The accounting control systems determined by the RFO shall include:

- d. 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
- e. Identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions
- f. 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
- g. Measures to ensure that risk is properly managed.

Based on the NALC Financial Regulations dated October 2014.