

**NAILSEA TOWN COUNCIL  
FINANCIAL REGULATIONS - FEBRUARY 2016**

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**REGULATIONS REQUIRING REGULAR REVIEW**

- 2.5 The RFO's role will be confirmed at the Annual Council meeting.
- 3.6 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman of Finance and General Purposes Committee shall be appointed to verify bank reconciliations (for all accounts). The Chairman 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 Finance and General Purposes Committee.
- 3.8 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return 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.

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- 3.11 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;
- 4.1. The RFO must each year, by no later than December, 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 relevant committee and the Council.
- 4.2. The Council shall fix the precept to be levied for the ensuing financial year not later than the end of January each year but in exceptional circumstances this may be delayed to permit further information or guidance to be obtained from the government or the billing authority. The RFO shall issue the precept request to the billing authority and shall supply each member with a copy of the approved annual budget.
- 5.3 The RFO shall at each meeting provide the Council with a statement of income and expenditure to date under each head of the budgets, comparing actual expenditure against that planned.
- 6.2 A schedule of the payments made, forming part of the agenda for the meeting, shall be prepared by the RFO and be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council.
- 14.5 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.
- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.

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## 1. GENERAL

- 1.1 These Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council.
- 1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective and that it 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 may delegate responsibility for expenditure to a Committee provided it is within the budget allocated by the Council.
- 1.4 The delegated powers of the Finance and General Purposes Committee are "to incur expenditure within the delegated budget; to consider and make decisions on financial matters referred to it by the Town Council or its Committees; to manage the financial procedures including those required by legislation and regulations; to manage public communications and to make decisions on matters requiring urgent attention; to manage the Tithe Barn together with any premises in which the Town Council has a legal interest."
- 1.5 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.
- 1.6 These Regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.7 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.
- 1.8 A breach of these Regulations by an employee may constitute gross misconduct.
- 1.9 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.
- 1.10 In these Regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force

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

### **2. ROLE OF THE RESPONSIBLE FINANCE OFFICER**

- 2.1 The Responsible Financial Officer (RFO) holds a statutory office appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
- 2.2 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 2.3 The RFO, under the policy direction of the Council, shall be responsible for the proper administration of the Council's financial affairs. Where the RFO is responsible for specific actions within this policy, they may delegate the action to another member of staff, whilst retaining full responsibility for accuracy and completeness.
- 2.4 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.
- 2.5 The RFO's role will be confirmed at the Annual Town Council meeting.

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**3. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)**

3.1 The accounting records shall be sufficient to show and explain the Council's transactions and to enable the RFO and Council 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<sup>1</sup>.

3.2 The accounting records 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.

3.3 The accounting control systems 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.

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

- the appointment of the RFO;
- setting the final budget or the precept;

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<sup>1</sup> Accounts and Audit (England) Regulations 2011/817

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- approval of any grant;
- a single commitment in excess of £5,000;
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors,

shall be a matter for the full Council only.

3.5 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.

3.6 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman of Finance and General Purposes Committee shall be appointed to verify bank reconciliations (for all accounts). The Chairman 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 Finance and General Purposes Committee.

3.7 For the purpose of providing checks and balances the Chairman of the Finance and General Purposes Committee will not be a cheque signatory.

3.8 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return 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.

3.9 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

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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.

3.10 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.

3.11 The internal auditor shall:

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

3.11 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.

3.12 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.

3.13 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 Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

3.14 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 The RFO must each year, by no later than December, 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 relevant committee and the Council.

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- 4.2 The Council shall fix the precept to be levied for the ensuing financial year not later than the end of January each year but in exceptional circumstances this may be delayed to permit further information or guidance to be obtained from the government or the billing authority. The RFO shall issue the precept request to the billing authority and shall supply each member with a copy of the approved annual budget.
- 4.3 The approved annual budget shall form the basis of financial control for the ensuing year.

**5. BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 5.1 Committees may incur expenditure on revenue/capital items up to the amounts included in the approved budget.
- 5.2 No expenditure may be incurred by a Committee which will exceed the overall amount of that Committee's annual budget without the permission of the Council.
- 5.3 The RFO shall at each meeting provide the Council with a statement of income and expenditure to date under each head of the budgets, comparing actual expenditure against that planned.
- 5.4 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 5.6 No expenditure shall be incurred 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, or the requisite borrowing approval has been obtained.
- 5.7 All capital works shall be administered in accordance with the Council's standing orders and these Regulations relating to contracts.
- 5.8 Grant applications must be accompanied by the latest financial statements of the applicants, whenever possible. Details of how any loan/grant in excess of £500 is spent must be sent to the Council by the recipient within 6 months of completion of the expenditure. Where an applicant submits a subsequent application they can report on previous expenditure with the new application.
- 5.9 Unspent provisions in the budget may be carried forward into Specified Reserves by resolution of Town Council.



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5.10 Changes in Specified Reserves shall be approved by Council as part of the budgetary control process.

**6. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

6.1. 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 security and efficiency.

6.2 A schedule of the payments made, forming part of the agenda for the meeting, shall be prepared by the RFO and be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council.

6.3 All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.

6.4 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to report all invoices submitted, and which are in order, at the next available Finance and General Purposes Committee Meeting.

6.5 For each financial year the RFO is responsible for drawing up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund, utilities and regular maintenance contracts and the like for which the Finance and General Purposes Committee may authorise payment for the year provided that the requirements of regulation 5. (Budgetary Control and Authority to Spend) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Town Council.

6.6 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.

6.7 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.

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**7. INSTRUCTIONS FOR MAKING PAYMENTS**

- 7.1 The Council will make secure and efficient arrangements for the making of its payments.
- 7.2 Following authorisation under Financial Regulation 6 above, the Council, a duly delegated committee or, if so delegated, the RFO shall give instruction that a payment shall be made.
- 7.3 All payments shall be effected by cheque or other order, including electronic transfer, drawn on the Council's bankers, except as otherwise agreed by the Council.
- 7.4 If thought appropriate by the Finance and General Purposes Committee 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.
- 7.5 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 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.
- 7.6 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, 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.
- 7.7 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to banking software on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council 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 at the next available meeting of the Council.

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- 7.8 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.
- 7.9 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.
- 7.10 The Council shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used. The Council's banking facilities must only be accessed from Council owned and managed computers.
- 7.11 Where internet banking arrangements are made with any bank, the Clerk 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.
- 7.12 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 under these Regulations.
- 7.13 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 signed by the Clerk and the Chairman of the Finance and General Purposes Committee.
- 7.14 Any Debit Card issued for use will be specifically restricted to the Clerk, the Assistant Clerk and Finance Officer and will also be restricted to a single transaction maximum value of £500 unless authorised by Council or Finance and General Purposes Committee in writing before any order is placed.
- 7.15 The RFO may provide petty cash to officers and members 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.

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- b) Income received must not be paid into the petty cash float but must be separately banked, as provided for elsewhere in these regulations.
- c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council as provided for elsewhere in these regulations.

**8. PAYMENT OF 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 salary rates shall be as agreed by Council, or duly delegated committee.
- 8.2 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.
- 8.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council.
- 8.4 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. 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.
- 8.5 An effective system of personal performance management should be maintained for the senior officers.
- 8.6 Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 8.7 Before employing temporary staff the Council must consider a full business case.

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**9. LOANS AND INVESTMENTS**

- 9.1 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 the Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full Council.
- 9.2 Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 9.3 The Council will arrange with the Council's Banks and Investment providers for the sending of a copy of each statement of account to the RFO.
- 9.4 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.
- 9.5 All banking and investment arrangements shall be reviewed by the Council at least annually.
- 9.6 All investments of money under the control of the Council shall be in the name of the Council.
- 9.7 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 9.8 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 6 (Banking Arrangements and Authorisation of Payments) and Regulation 7 (Instructions for Making Payments).

**10. INCOME**

- 10.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 10.2 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.
- 10.3 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

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- 10.4 All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 10.5 The origin of each receipt shall be entered on the paying-in slip.
- 10.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.7 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.
- 10.8 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.
- 10.9 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).
- 10.10 The Chairman of the Finance and General Purposes Committee will check petty cash and sign the petty cash book to this effect, at random, on a regular basis.

**11. ORDERS FOR WORK, GOODS AND SERVICES**

- 11.1 An official order or letter shall be issued for all work, goods and services above £250 unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 11.2 Order books shall be controlled by the RFO but orders may be placed by the Clerk, Assistant Clerk and the RFO.
- 11.3 All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 12.
- 11.4 A member may not issue an official order or make any contract on behalf of the Council.

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- 11.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order.
- 11.6 Delivery Notes shall be obtained in respect of all goods received and goods must be checked as to order and quality at the time delivery is made.
- 11.7 Stocks shall be kept at the minimum levels consistent with operational requirements.

**12. CONTRACTS**

- 12.1 Procedures as to contracts are laid down as follows:
- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
    - i. for the supply of gas, electricity, water, sewerage and telephone services;
    - ii. for specialist services such as are provided by 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 of the external Auditor up to an estimated value of £500 (in excess of this sum the RFO shall act after consultation with the Chairman of Council); and
    - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
  - b. Where it is intended to enter into a contract exceeding £15,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.
  - c. 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 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

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addressed to the Clerk. Each tendering firm shall use a specifically marked envelope in which the tender is sealed. On receipt this envelope will 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 one member of Council.
- f. If less than three tenders are received for contracts above £15,000 or if all the tenders are similar the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- g. Any invitation to tender issued under this regulation shall contain such information as is required under the Council's Standing Orders and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £15,000 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 RFO shall obtain 3 quotations (priced descriptions of the proposed supply). Where the value is below £1,500 and above £100 the Clerk or RFO shall strive to obtain 3 estimates.
- i. The Council shall not be obliged to accept the lowest of any tender, quote or estimate.
- j. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.
- k. The European Union Public Contracts Directive 2014/24/EU shall apply and the terms of the Public Contracts Regulations 2015/102 including thresholds and relevant procedures shall be followed.

### **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 withholding as may be agreed in the particular contract).



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- 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 of 5% or more a report shall be submitted to the Council.
- 13.3 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.

**14. ASSETS, PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.
- 14.3 No 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 a level of consultation with the electorate as determined by the Council).
- 14.4 No 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 a level of consultation with the electorate as determined by the Council).
- 14.5 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

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14.6 Any two members of Council, or one member and the Clerk, may sign on behalf of the Council any document required by law to be issued under seal provided authority has been given by the Council.

**15. INSURANCE**

15.1 Following the annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

15.2 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

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

15.4 All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or duly delegated committee.

**16. CHARITIES**

16.1 Where the Council is sole managing trustee of a charitable body the Clerk 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 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 shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk Management policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.

17.2 When considering any new sphere of activity, the Clerk shall prepare a draft risk assessment proportionate to the scale of the activity including risk management proposals for consideration and adoption by the Council.

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

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### **History**

1. The Regulations approved in May 2013 were subject to complete review following the Update to Model Financial Regulations published by the National Association of Local Councils on 8 April 2014 (F05E-14).
2. The initial review was undertaken by a working party comprising Cllr David Packham (Chairman of Finance and General Purposes Committee), Cllr Neil Middleton, Ian Morrell (Town Clerk and RFO) and Liz Fey (Finance Officer). Policy recommended this revised document to Policy Committee Min PC04/15 and approved by Town Council.
3. February 2016. 12.1k) changed in accordance with advice from NALC relating to the Public Contracts Regulations 2015.