



NEWHAVEN TOWN COUNCIL

Financial Regulations

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1. General

- 1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective, and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. A breach of these Regulations by an employee is gross misconduct.
- 1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council.
- 1.9. The RFO;
 - acts under the policy direction of the council;
 - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the council up to date in accordance with proper practices;
 - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the council.

- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the council; and
 - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (council tax requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the General Power of Competence; and
 - addressing recommendations in any report from the internal or external auditors,
- shall be a matter for the full council only.
- 1.14. Additionally, the council must:
- determine and keep under regular review the bank mandate for all council bank accounts;

- approve any grant or a single commitment in excess of £5,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the Personnel committee in accordance with its terms of reference.

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

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

2. Accounting and audit (internal and external)

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

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a member cheque/account signatory, shall verify bank reconciliations and credit card statements (for all accounts) produced by the RFO. The member shall sign the reconciliations, the original bank statements and the month-end Trial Balance as evidence of verification and additionally physically check and verify the Petty Cash held at that time. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

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

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

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

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the council;

- report to council 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.

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

- perform any operational duties for the council;
- initiate or approve accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

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

3. Annual estimates (budget) and forward planning

3.1. Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of November each year including any proposals for revising the forecast.

3.2. 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 Promotion Partnership & Finance Committee and the council.

3.3. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.4. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.5. 3.5 Any councillor/member of the council with Council Tax unpaid for more than 2 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. The approved annual budget shall form the basis of financial control for the ensuing year.

4. Budgetary control and authority to spend.

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

- the council for all items over £7,500 NET;
- a duly delegated committee of the council for items over £2,000 NET; or
- the Town Clerk, for any items valued at £2,000 NET and below.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk. Contracts may not be disaggregated to avoid controls imposed by these regulations.

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

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year unless requested by committee and approved by the council.

4.4. The salary budgets are to be reviewed by the Personnel Committee at least annually for the following financial year and such review shall be evidenced by the minutes. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. In cases of extreme risk to the delivery of council services, the Town Clerk may authorise revenue expenditure on behalf of the council which in the Town Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3500. The Town Clerk (or Executive Officer in the absence of the Town Clerk), shall in the first instance advise the Chairman and/or the relevant Committee Chair of such an action and subsequently report this to the council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.

4.7. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget.

- 4.9. 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.
- 4.10. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council {or a duly delegated committee acting within its Terms of Reference} except in an emergency.
- 4.11. 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.
- 4.12. An official order or letter shall be issued for all work, goods and services {above [£1000] 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.
- 4.13. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking arrangements and authorisation of payments

- 5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. Bank signatories shall be the following officers, the Town Clerk, the Executive Officer and the RFO.
- 5.2. Each calendar month, the RFO will produce, with a covering summary sheet, a 'financial package' of Bank Account Reconciliations including Company Credit Card Payments, Petty Cash and all payments made which is to be checked and verified as correct by a Town Councillor. Each of these 'finance packages' will form part of the agenda for the next scheduled council meeting.
- 5.3. The council shall review those financial package(s) for compliance and, having satisfied itself shall approve them by a resolution of the council. The approved 'financial packages' shall be signed 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.
- 5.4. The RFO will collate all invoices for payment into a 'payment schedule' which shall be examined, verified and certified by the Town Clerk or Executive Officer to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.5. The RFO shall also examine all invoices within each 'payment schedule' for arithmetical accuracy and analyse them to the appropriate expenditure heading within the council's financial software package. The RFO shall take all steps to pay all invoices submitted, and which are in order, and in good time.
- 5.6. Following the checks detailed at 5.4 and 5.5 above, all invoices in each 'payment schedule' will be checked and verified correct for payment by no less than two councillors who will each initial every invoice in a signature 'box' stamped thereon. Alternatively, this process may include electronic copies of each invoice, also summarised in an invoice list and sent in an email from the RFO to those councillors for approval/authorisation or rejection.
- 5.7. Using the councils Internet Banking facilities, the RFO shall enter that 'payment schedule' of verified invoices and their individual amounts, which will then be checked and then authorised for payment by the Town Clerk or Executive Officer.
- 5.8. In the context of Paras., 5.2 – 5.7, the roles of the Town Clerk, Executive Officer and RFO are interchangeable in order to retain operational efficiency, continuity and transparency. Records of all BAC's or other electronic payments, their schedules and process receipts are to be retained in electronic and/or hard copy formats.

- 5.9. The Town Clerk (or the Executive Officer in the absence of 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 council, 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 council;
 - b) 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, regular maintenance contracts and the like), provided that a list of such payments shall be submitted to the next appropriate meeting of council.
 - c) Fund transfers within the council's banking arrangements, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
 - d) Items of equipment and the like required for the day-to-day operation of the council's business up to a limit of £2000, provided that a list of such payments shall be submitted to the next appropriate meeting of the council.
- 5.10. 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 £7,500 shall before payment, be subject to ratification by resolution of the council.
- 5.11. 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.

6. Instructions for the making of payments

- 6.1. The council will make safe and efficient arrangements for the making of its payments.
- 6.2. The Town Clerk, or Executive Officer or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by BAC's, cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council or duly delegated committee or in accordance with financial regulation 5.9 above.
- 6.4. Following those checks detailed at 5.3-5.6, cheques or orders for payment drawn on the bank account in accordance with a verified 'payment schedule' shall be signed and authorised by two of the following officers, the Town Clerk, or Executive Officer or RFO.
- 6.5. Payment for certain items such as 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 of the current Promotion, Partnership & Finance Committee and countersigned by the Chairman/Mayor and one of the following officers, the Town Clerk, or Executive Officer or RFO,

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 four years.

- 6.6. Payment for certain items may be made by banker's standing order provided that the instructions are verified by two members of the current Promotion, Partnership & Finance Committee and signed by the Town Clerk or Executive Officer or RFO, all payment documentation is to be retained and the payments 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 four years.
- 6.7. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.8. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.9. The council shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.10. A corporate credit card account will be opened by the council and will be specifically restricted to use by the Town Clerk, Executive Officer and RFO and shall be subject to automatic payment in full at each month-end. Any expenditure using the Credit Card shall be subject to those provisos at 4.1 and 4.5 above. Purchases made using the credit card account will be included in the list of payments submitted to the next appropriate meeting of the council. Receipts for purchases made with the credit card will be retained and reconciled with the monthly statement received from the bank. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.11. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
 - a) The RFO shall maintain a petty cash float of up to £100 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.
- 6.12. The RFO shall procure an individual Debit Cards for the Town Clerk, Executive Officer and the RFO from the council Bankers for use in connection with the councils primary operating Bank Account under the following provisos;
 - a) The Debit Cards shall be 'chip & pin' technology with a maximum daily spend limit of £100 and for the primary use of withdrawing cash from an ATM to rebalance the councils Petty Cash float (£100) or other sundry minor expenses.

- b) All Debit Card usage/transaction receipts are to be retained and accounted for in every monthly 'financial package' (as per paras 5.2 – 5.3 above).

7. Payment of salaries

- 7.1. As an employer, the council must 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 the Personnel Committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the approval of the Personnel Committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. 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.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by Full Council.
- 7.8. Before employing interim staff, the council must consider a full business case.

8. Loans and investments

- 8.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by Full council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as hire purchase or leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 8.4. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.5. All investments of money under the control of the council shall be in the name of the council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short-term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. Income

- 9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council will review all fees and charges at least annually, following a report by the Town Clerk and/or RFO.
- 9.4. Any sums found to be irrecoverable, and any bad debts shall be reported to the council and shall be written off in the year.
- 9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on a separate sheet which will accompany the paying in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the council.

- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere within these regulations.
- 9.11. By resolution of the council the RFO may procure an electronic Debit/Credit Card machine provided by the councils chosen Bankers and directly linked to the councils primary operating Bank Account for the purpose of taking payment for council services from a third party either in person or by way of a telephone call.
- 9.12. This Card Machine will use 'chip and pin' as well as 'contactless' technology and have the facility of printing payment receipts for the 3rd party and a copy for the council's financial records. All copy payment receipts are to be retained and accounted for in every monthly 'financial package' (as per paras 5.2 – 5.3 above).
- 9.13. Payments received via the Card Machine may be refunded at the discretion of the Town Clerk, Executive Officer or RFO either by re-presentation of the original payment card or duly authorised BACs payment direct to the cardholder's bank account.

10. Orders for work, goods and services

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2. Order forms shall be controlled by the RFO via the Councils Accounts Software Package 'Rialtus'
- 10.3. 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 11.1 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the council.

11. Contracts

- 11.1. Procedures as to contracts are laid down as follows:
- a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (ix) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for specialist services such as are provided by legal professionals acting in disputes
- iii. for work to be executed or goods or materials to be supplied which consist of repairs to or 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;
- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price;
- vii. for professional services in which the personal skill and experience of the person is of primary importance;
- viii. where the council has considered a report and resolved that it is in its best interests, a tender/quotation may be invited for the execution of work, provision of goods or services, from a contractor or supplier selected by it or negotiated with a contractor already engaged by the council; and
- ix. where the council resolves to approach Lewes District Council, East Sussex County Council or another public sector body to obtain goods, materials or services through their contracts with suppliers or contractors in order to take advantage of their expertise and of the competitive terms that the body has been able to negotiate due to economies of scale.

11.2 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.

11.3 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.

11.4 For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds¹ 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.

11.5 Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 11.1 i)-x) obtain prices as follows:

- i) For contracts estimated to exceed £60,000 including VAT, the Town Clerk shall seek formal tenders from at least three suppliers agreed by Full Council. Tenders shall be invited in accordance with Standing Order 19e.
- ii) 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.

¹ Non Central Gov't Authorities Services & supplies £214,904, Any Works £5,372,609, Any Utilities - services & supplies £5,372,609

iii) For contracts greater than [£3,000] excluding VAT the Town Clerk, or Executive Officer, or RFO shall seek at least three fixed-price quotes and/or where the value is between £1000 and £3000 excluding VAT, those same officers shall try to obtain 3 estimates, which might include evidence of online prices, or recent prices from regular suppliers.

iv) For smaller purchases, those same officers shall seek to achieve value for money.

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

11.6 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.

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

11.8 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

11.9 Any variation of, addition to or omission from a contract must be authorised by [the Town Clerk] to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

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

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.

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

13. Stores and equipment

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

13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and

goods must be checked as to order and quality at the time delivery is made.

- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, properties and estates

- 14.1. The Town 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 property shall be 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 £500.
- 14.3. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date.

15. Insurance

- 15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers in consultation with the Town Clerk.
- 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. The RFO shall negotiate all claims on the council's insurers, in consultation with the Town Clerk and/or Executive Officer.
- 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 by the council.

16. Charities

- 16.1. 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.

17. Risk management

- 17.1. The council is responsible for putting in place arrangements for the management of risk. The Town Clerk 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.
- 17.2. When considering any new activity, the Town Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

18. Delegation

- 18.1 In all of these matters, the Town Clerk shall act in the absence of the RFO and the RFO shall act in the absence of the Town Clerk. Where both the Town Clerk and the RFO are absent, then the Executive Officer shall act accordingly.

19. Suspension and revision of financial regulations

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

- 19.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council. Suspension does not disapply any legislation or permit the council to act unlawfully.
- 19.3. 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.

20 Reserves policy

- 20.1. The council shall maintain specific and general reserves as it may from time to time determine. These reserves shall be released to the Town Clerk or a committee or sub-committee of the council by resolution of the council. The resolution will set out the purpose of the intended expenditure and the limits of the delegation to authorise expenditure from the released money.
- 20.2. The RFO shall monitor the reserves and a report on the reserve's amounts shall be presented to council at least twice a year, as part of the budget setting process and when the previous year's outturn is known.
- 20.3. Specific reserves are set aside for projects that council wishes to pursue, and for asset management. There will be a general reserve to allow for adequate cash flow and protect the council against unforeseen circumstances.
- 20.4. Where partnership co-operation would allow a project to proceed more speedily or for it to be enhanced, then partnership funding will be sought. Wherever possible the council will seek external funding to allow reserves expenditure to be maximised or for project enhancement.

Date of policy or procedure: May 13th 2025

Approving committee: N/A

Date of committee meeting: N/A

Supersedes (name of old policy and reference): N/A

Policy version reference: 53 Financial Regulations

Policy adopted by Full Council on: May 13th 2025

Date for next review: May 12th 2026