

FINANCIAL REGULATIONS

Swanton Morley Parish Council

August 2023

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SWANTON MORLEY PARISH COUNCIL MODEL FINANCIAL REGULATIONS 2024 FOR ENGLAND

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These Financial Regulations were adopted by the council at its meeting held on 8th July 2024 and apply to Swanton Morley Parish Council and Swanton Morley Parish Council in its role of sole managing trustee to Swanton Morley Village Hall Trust

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 orders¹ and any individual financial regulations relating to contracts.

1.2. The council is responsible in law for ensuring that its financial management is adequate and effective, and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

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

- for the timely production of accounts;
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- identifying the duties of officers.

1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

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

¹ Model Standing Orders for Councils (2018 Edition) is available from NALC (©NALC 2018)

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. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment with the exception of emergency expenditure dealt with under financial regulation 4.5 and in respect of the annual salary for any employee have regard to the pay scale recommendations made jointly by the National Association of Local Councils and the Society of Local Council Clerks1.15. 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 practice to include maintaining Scribe Accountancy and completing the year-end receipts and payments as soon as possible after the year-end.

2.2. On a regular basis, at least once in each quarter, and at each financial year end, two members other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The appointed members shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council

2.3. 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.

These accounts should be presented showing a comparative previous year for both receipts and payments. The totals in the accounts are then transferred to the relevant sections of the AGAR Accounting statement. A year-end reconciliation must be undertaken, and the Chairman should sign this and the year-end bank statements.

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.2.6. The internal auditor shall be appointed by the council by February of each year and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

2.7. The internal auditor shall:

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

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

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

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

2.10. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display

or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

2.11 The completed AGAR and accompanying papers must be sent to the External Auditor by 1 July. Any comments raised by the External Auditor must be answered by the RFO as soon as possible. The completion of the External Audit must be published by 30 September.

2.12 There is no requirement to publish specified financial information (other than the Annual Governance Statement, Accounting Statements and Electors' Rights notice and supporting statement), but is best practice to follow the Transparency Regulations applicable for councils under £25,000. All information could be requested either during the Electors' Rights period or under Freedom of Information Regulations.

2.13 Regular back-up copies should be made of all the records on any council computer and stored either online or a separate location. The RFO must ensure that any computer used for the council's financial business has adequate security.

2.14. 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. The Council shall review its annual 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 January each year including any proposals for revising the forecast.

3.2. The RFO must each year, by no later than the end of January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Council.

3.3. The Council shall consider annual budget proposals in relation to the Council's annual 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 February each year. Approval of the budget and precept must be minuted.

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. The approved annual budget shall form the basis of financial control for the ensuing year.

3.6 The RFO must report to Council monthly on actual spending against budget highlighting and explaining any significant variances. Significant is 20% over/under budget. The budget monitoring should be minuted (under "Financial Matters") and the reasons for variations detailed either in the minutes or on a supporting schedule

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;
- the Clerk, subject to financial regulation 4.5, for any items of emergency expenditure up to a limit of £1000 plus the prevailing rate of VAT
- In Swanton Morley Parish Council's role as sole managing trustee of Swanton Morley Village Hall Trust, the office staff are authorised to make financial decisions as follows
 - Up to £100, relating to and individual customer refund. Any individual refund exceeding £100 must be approved by Swanton Morley Village Hall Trust..
 - Expenditure for the Village Hall bar as defined in financial regulations 5.5 (e) and 11.1 (vii)

Such authority is to be evidenced by a minute authorised by the council.

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

4.2. The Clerk, Chair and Vice Chair have delegated authority to agree an urgent withdrawal from the Hardship fund subject to eligibility checks carried out by Breckland Council. Any such withdrawal from this fund will be ratified at the next meeting for the purpose of the minutes

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. 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.

4.4. The salary budgets are to be reviewed at least annually in January by the Parish Council.

4.5. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1000 plus the prevailing

rate of VAT. The Clerk shall report such action to the chairman as soon as possible and 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. These statements are to be prepared monthly and shall show variances.

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

5. Banking arrangements and authorisation of payments

5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency

5.2. The Council must have a suitable item on every agenda for financial reporting. The RFO shall prepare a schedule of payments requiring authorisation, for the Meeting and, together with the relevant invoices, and monthly monitor and reconciliation present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. 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.

5.3. 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.

5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.

5.5. The 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 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) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council; or
- c) Fund transfers within the council's banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- d) Subject to financial regulation 4.5 for any items of emergency expenditure up to a limit of £1000 plus the prevailing rate of VAT.
- e) Expenditure relating to stock and consumables required for the effective operation of Swanton Morley Village Hall bar

5.6. For each financial year the Clerk and RFO shall draw 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 and regular maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

5.7. A record of regular payments made under 5.6 above shall be drawn up by the RFO monthly and authorised by the council and noted in the minutes of the meeting - thus controlling the risk of duplicated payments being authorised and / or made.

5.8. 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.

5.9. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

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

6. Instructions for the making of payments

6.1. The council will make safe and efficient arrangements for the making of its payments.

6.2. Following authorisation under Financial Regulation 5 above, the council, or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.

6.3. All payments shall be affected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.

6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council shall be signed or electronically authorised by two authorised signatories in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

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

6.6. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained, or orders for payment made away from such meetings shall be reported and minuted at the next council meeting, or the next meeting of the Village Hall Trust

6.7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two authorised members and any payments are reported to council as made.

6.8. If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two authorised members and any payments are reported to council as made

6.9. If authorised by the council, payment for certain items may be made by BACS, 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

6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the

payment. - No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts,

6.11. 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.

6.12. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.13. Where internet banking arrangements are made with any bank, the bank mandate approved by the council shall identify the RFO and the councillors who are authorised to approve transactions on those accounts.

6.14. 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.

6.15. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the RFO and a member authorised by the council. A programme of regular checks of standing data with suppliers will be followed.

6.16. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO] and shall be subject to automatic payment in full at each month-end. No cash may be withdrawn on the card and the limit of the card will be £1000 plus the prevailing rate of VAT. The statement of the account must be presented to councillors at the earliest possible meeting. Personal credit or debit cards of members or staff shall not be used under any circumstances.

6.17. With the exception of the bar at Swanton Morley Village Hall, the council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least monthly.

6.18. The cash float at the bar must be kept at the minimum level required to service the next event. The level of cash kept at the village hall at any one time must never exceed £5000.

6.19. For bar events initial cash counting and reconciliation of cash and card transactions shall be carried out by two persons. Any cash reconciliations must be carried out in good time to ensure cash can be moved from the bar to the bank, to allow for the payment of any expenses relating to that event

7. Payment of salaries

7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council.

7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

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

7.5. Payroll reports must be reviewed by the Internal Control Officer to ensure correct payments have been made

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7.6. An effective system of personal performance management should be maintained for the RFO.

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 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 affected 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. 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 Chairman of the council at the same time as one is issued to the Clerk or RFO.

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

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

8.6. 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).

8.7 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

8.8 All investments of money under the control of the council shall be in the name of the council

8.9 End of year balances must identify the working balance and reserves held and their purpose. Reserves, wherever possible should be held in a higher interest paying account

9. Income

9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO. The RFO must issue invoices promptly and the Council must have collection arrangements, issuing a statement after 30 days for unpaid invoices. Copies of invoices must be retained and referenced to the Scribe entries

9.2. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.

9.3. The council will review all fees and charges at least annually, following a report of the RFO.

9.4. Any sums found to be irrecoverable, and any bad debts shall be reported to the council for consideration in line with the council's Bad Debt Policy.

9.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.

9.6. The origin of each receipt shall be entered on the paying-in slip and on the Scribe accountancy software as a schedule.

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 the VAT Act 1994 section 33, shall be made at least annually, coinciding with the financial year end. In accordance with the national guidelines for reclaiming VAT, a claim may be submitted within 3 years after the end of the month in which the service or item was received.

9.9. 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 sole Managing Trustee of the charity meeting separately from any council meeting (see also Regulation 16 below).

10. Orders for work, goods and services

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 books shall be controlled by the RFO.

10.3. All members and the RFO are responsible for obtaining value for money at all times. The RFO 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.

10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that

the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

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 (vi) below:

i. for the supply of gas, electricity, water, heating oil, 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 maintenance, repairs and servicing of existing machinery, equipment, plant or fixtures and fittings.

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; and

vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

vii. for stock and consumables in relation to Swanton Morley Village Hall bar

b) Where it is intended to enter into a contract exceeding £10,000 in value for the supply of goods or materials or from 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.

c) If less than three tenders are received for contracts above £10,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

d) 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.

e) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in

appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

f) 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. g) Any invitation to tender issued under this regulation shall be subject to Standing Order 18,² and shall refer to the terms of the Bribery Act 2010.

g) When it is to enter into a contract of less than £10,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £2,500 and above £1000, the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

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

j) Should it occur that the council, 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) Under the Public Bodies Admissions to Meeting Act 1960, the Council or delegated committee may close the meeting to press and public for consideration of quotations or tenders. If they choose not to do this and the quote or tender is not accepted no person shall be permitted to submit a later tender, estimate or quote who was present at the original decision-making process.

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

² Based on NALC's Model Standing Order 18d ©NALC 2018

report shall be submitted to the council and any resulting variation authorised by the council in writing to the contractor.

13. S137 Payments – Councils without the GPC

The RFO should check that the council has the necessary power to incur the expenditure

Councils with the GPC

There must be a minute to confirm adoption of GPC at a full Council meeting, the minute recording that the Council meets the two requirements for GPC. GPC must be reaffirmed at the Annual Meeting of the Parish Council following an ordinary election.

14. Stores and equipment

13.1. The Clerk shall be responsible for the care and custody of stores and equipment which are the property of the council. Members of the council must support the Clerk in this role.

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.

15. Assets, properties and estates

15.1. 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.

15.2. 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 £1000 plus the prevailing rate of VAT.

15.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a

report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case

15.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business

15.5. 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.

15.6 Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.

15.7 Assets should be maintained through earmarked funds which must be detailed in the annual budget and reported at year-end.

16. Insurance

16.1. The Council has an insurance policy which is reviewed annually, and which must include Employers Liability and Fidelity Guarantee. Public Liability Insurance, while not mandatory, must be included in any policy document. Other appropriate insurances should be in place.

16.2 Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.

16.3 The RFO shall ensure that all new assets are appropriately insured.

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

16.5. 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.

16.6. 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.

17. Charities

17.1. Where the council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document. **These financial regulations apply to the council's role as sole managing trustee of Swanton Morley Village Hall.**

18. Risk management

18.1. 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.

18.2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

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 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.

Chairmans signature

Date

Footnote 1: Any councillor with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.

Footnote 2: Local Government Act 1972 s135