

## **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;
  - 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 Council into disrepute and may represent a breach in the Councillor's Code of Conduct
- 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.
- 1.9. 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;
- Ensures that all payments are made in a timely manner, in particular the payment of salaries and payments to small businesses which must follow best practice as defined by the Government's Prompt Payment Policy guidelines as far as is practicable.
- 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, comply with the Accounts and Audit (Wales) Regulations and to prepare additional or management information, as the case may be, to be prepared for the Council from time to time.

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 or members dealing with financial transactions and division of responsibilities of those officers or members 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;
- 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 in excess of £2,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committees or recognised national bodies in accordance with its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit (Wales) Regulations 2018 or 'the regulations' shall mean the regulations issued under the provisions of section 39 of the Public Audit (Wales) Act 2013, 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 in Wales - A Practitioners' Guide* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

## **2. FINANCE COMMITTEE**

2.1. PCC has a Finance Committee which will meet at least monthly , ordinarily with a maximum of 6 members and being quorate with 3 members present.

2.2. The Finance Committee will make recommendations to Full Council on:

2.2.1. Monthly bank reconciliations

2.2.2. Twice yearly Internal Audit Reports

2.2.3. Investments of Council funds

2.2.4. Expenditure and income against budget

2.2.5. Budget preparation and virements

2.2.6. Approval of budgeted expenditure over £2,000 as previously agreed by Full Council.

2.2.7. Overtime for staff (excluding changes to permanent worked hours)

2.3. The Finance Committee has delegated powers to:

2.3.1. Approve expenditure for budgeted items over £500 and up to £2,000 in an annual budget previously approved by Full Council.

2.3.2. Set pre-paid debit card expenditure limits (up to £500) and approve top ups not to exceed the agreed limits.

2.3.3. To instruct the Clerk to transfer fund between the CCLA and Co-Operative Bank accounts.

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

- 3.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit (Wales) Regulations, appropriate guidance and proper practices.
- 3.2. At the end of each quarter and at each financial year end, the Finance Committee shall be provided with the bank reconciliations for all accounts & the matching bank & investment statements and these will be verified & evidenced in the minutes.
- 3.3. 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 Full Council within the timescales set by the Accounts and Audit (Wales) Regulations.
- 3.4. 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.
- 3.5. 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.
- 3.6. The internal auditor shall:
  - be competent and independent of the financial operations of the Council;
  - report to Council in writing, or in person, every six months with an annual written report during each financial year;
  - 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.
- 3.7. 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.
- 3.8. 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.

- 3.9. 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 Public Audit (Wales) Act 2013, or any superseding legislation, and the Accounts and Audit (Wales) Regulations.
- 3.10. 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. Each committee (if any) 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 November each year including any proposals for revising the forecast.
- 4.2. The RFO must each year, by no later than November, 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 Finance committee in November and the Council, in a confidential session if necessary, in November.
- 4.3. The Council shall consider annual budget proposals in relation to the Council's forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly during each financial year.
- 4.4. 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 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.
- 4.5. The approved annual budget shall form the basis of financial control for the ensuing year.

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

- 5.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
  - The Council for all single items over £2,000;
  - The duly delegated Finance Committee of the Council for items over £500 and up to £2,000; or
  - The Clerk, for any items below £500.
  - The Clerk for all budgeted utility payments, waste collection and council tax payments
  - The Clerk for all budgeted salary, tax, NI and pension payments.Such authority is to be evidenced by the minutes of that meeting .

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

- 5.2. 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').
- 5.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year. For clarity this does not apply to fixed reserves set aside over a period of time to cover such items as election costs or new vehicles or equipment. The RFO will roll these forward as part of the budget preparation process.

5.4 The salary budgets are to be reviewed at least annually in November for the following financial year .

Decisions on the award of increments will be made prior to the start of each financial year .

- 5.4. 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. The Clerk shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.
- 5.5. 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.
- 5.6. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 5.7. The RFO shall regularly provide the Finance Committee 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 at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £100 or 15% of the budget.
- 5.8. Changes in earmarked reserves shall be approved by Council annually as part of the budgetary setting and 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 safety and efficiency.
- 6.2 At each meeting of the Finance Committee the RFO shall prepare a schedule of payments made since the last meeting of the Finance Committee and present the schedule to the Committee. The minutes will record the total value of payments made & agreed with the bank reconciliation . Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) must be summarised to remove public access to any personal information or simply referenced.
- 6.3. All invoices for payment, but not including Pay, Income tax, Pension Payments or payments made by Direct Debit or Standing Order 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. The RFO will obtain the consent of at least 1 member or properly delegated officer before proceeding with the payment process of any invoice thus verified. For the avoidance of doubt the requirements of section 1.9 must be applied and the further controls applied by section 7 must be taken into consideration. The object of this specific regulation is to provide assurance that a payment is not authorised and then paid without adequate oversight by at least two people (one authorised officer and one member or two authorised officers at minimum).
- 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 pay all invoices submitted, and which are in order promptly as noted in section 1.9. The RFO must be supported in this task as required by members or officers.
- 6.5. The Clerk 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 the current date. It should be noted that the section 7.9 provision still applies so the RFO will have to find an authorised approver for an electronic payment. The Clerk must certify that there is no dispute or other reason to delay payment. A list of such payments shall be submitted to the next appropriate meeting of Full Council or Finance Committee;
  - b) An expenditure item authorised under 6.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council or finance committee (note section 7 restrictions) 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 or Finance Committee.
- 6.6. 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, Pension, utility bills and regular maintenance contracts and the like for which Council or Finance Committee may authorise payment for the full year provided that the requirements of regulation 5.1 (Budgetary Controls) are adhered to, provided also that a list of such payments, which include automatic direct debits, shall be submitted to the next appropriate meeting of Council or Finance Committee for scrutiny.

- 6.7. A record of regular payments made under 6.6 above shall be drawn up and scrutinised at each Finance Committee meeting. If accepted the list will be signed off by the Chair of the meeting. The purpose of this regulation is to allow the Finance Committee to ensure that duplicate payments have not been made and authorise appropriate remedial action if such should be required. Any remedial action must be reported to full council. See also section 7
- 6.8 In respect of grants a duly authorised Finance Committee shall approve expenditure within any limits set by Full Council and in accordance with any policy statement approved by Council.
  - 6.8.1. The Finance Committee will review all grant applications and make recommendations to Full Council for approval by Full Council.
- 6.9. 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 or other interest, unless a dispensation has been granted.
- 6.10. 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.
- 6.11. Any changes in the recorded details of regular suppliers, such as bank account records, shall be approved in writing by at least one member (preferably two). This may be done in parallel with the scrutiny of the first invoice from a new supplier. Any member(s) making such an approval must be aware of the need to check the bona-fides of the new supplier if they have any doubt as to the authenticity of the invoice. This should be further verified by the finance committee under the provision of Section 5.8.

## **7. INSTRUCTIONS FOR THE MAKING OF PAYMENTS**

- 7.1. The Council will make safe and efficient arrangements for the making of its payments.
- 7.2. Taking account of Financial Regulation 5. and 6 above the RFO shall arrange that payment shall be made.
- 7.3 All payments shall be effected by cheque or bank transfer instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council or duly delegated committee

- 7.4 Cheques or bank transfers shall be signed by two members of Council . 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.
- 7.5. 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 and the invoice.
- 7.6. 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 agreed at a Full Council meeting and duly minuted and any payments are reported as noted in section 6. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 7.7. If thought appropriate by the Council, payment for salaries and associated pension and tax obligations may be made by BAC's transfer or by electronic banking transfer provided that the payments are evidenced as required by Section 6.6. The process must be reviewed and approved every 2 years
- 7.8. If thought appropriate by the Council, payment for certain recurring items may be made by BACS or CHAPS or Standing order or Direct Debit methods provided that the process is reviewed every two years or when a change of supplier (e.g H&S supplier) is made.
- 7.9. If thought appropriate by the Council payment for certain items, including those noted above, may be made by internet banking transfer provided evidence is retained showing which member or officers set-up and approved the payment Note that a two-step process for entry and authorisation must be used.
- 7.10 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records or internet banking on that computer it shall be the responsibility of the Councillor or Employee to safeguard the PIN & password and ensure there is no unauthorised usage . The Councillor or Employee is responsible for immediately disposing of the PIN & password should they leave the Council and returning the electronic token to the Clerk.
- 7.11. 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.
- 7.12. 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.
- 7.13. The Council, and any members using computers (including home computers) for the Council's financial business, shall ensure that the operating system, anti-virus, anti-spyware and

firewall, software are all up to date. Additionally any computer including members computer must run any additional security software required by the Councils Bankers.

- 7.14. Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The Debit Card 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.
- 7.15. 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.
- 7.16 Changes to account details for suppliers, which are used for internet banking may only be changed on hard copy notification by the supplier and confirmed by bank verification .
- 7.17 Any Debit / Credit Card issued for use will be specifically restricted to the Clerk/RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by Council or finance committee in writing before any order is placed. Any Debit / Credit Card issued to other Employees will be restricted to a single transaction maximum value of £100 unless authorised by Council or finance committee in writing before any order is placed.
- 7.18. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance Committee. Transactions and purchases made will be reported to the Finance Committee and authority for topping-up shall be at the discretion of the Finance Committee.
- 7.19. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.

## **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 (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 or to carry out duties specifically recorded in these regulations;
  - b) by the internal auditor;
  - c) by the external auditor; or
  - d) by any person authorised under Public Audit (Wales) Act 2013, or any superseding legislation.
  - e) It should be noted that since the bank statements of the Council contain personal information their disclosure must be controlled as stated above.
- 8.5. 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.
- 8.6. An effective system of personal performance management should be maintained for the senior officers.
- 8.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 8.8. Before employing interim staff the Council must consider a full business case.
- 8.9. By a decision of the finance committee a one off imprest payment or advance on expenses may be made to staff who, during the course of their work, are required to buy consumable items that they later claim back on presentation of a suitable invoice. Such a payment must be recovered at the end of employment as stipulated in 8.2. The payment to be commensurate with the level of expense likely and within the limits noted in 5.1. Such a payment and the conditions under which it is provided to be notified to staff in a letter.

## **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 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 Welsh Government (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 Clerk will present electronic copies of the the Council's bank and investment statements of account to the Finance Committee and this is recorded in the minutes.
- 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. 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.
- 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 5 (Authorisation of payments) and Regulation 6 (Instructions for 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. The Council will review all fees and charges at least annually, following a report of the Clerk.
- 10.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 10.5. 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.
- 10.6. The origin of each receipt shall be entered on the paying-in slip.
- 10.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.8. 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 quarterly, coinciding with the financial year end.
- 10.9. 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.

- 10.10. 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).

## 11. ORDERS FOR WORK, GOODS AND SERVICES

- 11.1. An official order, email or letter shall be issued for all work, goods and services over £500 in value unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 11.2. 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 12.1 below.
- 11.3. A member may not issue an official order or make any contract on behalf of the Council without the authorisation of the Finance Committee or Full Council or Clerk/RFO.
- 11.4. 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.

## 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 legal professional acting in disputes
    - 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 goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
  - b. The full requirements of The Public Contracts Regulations 2015 (“the Regulations”), as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time). Thresholds currently applicable are: For public supply and public service contracts 209,000 Euros (£181,302). For public works contracts 5,225,000 Euros (£4,551,413)

- 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 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.
- 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. Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
- g. When it is to enter into a contract of less than £25,000 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 written quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £1,000 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 11.4 above shall apply.
- h. The Council shall not be obliged to accept the lowest of any tender, quote or estimate.
- i. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

12.2. The Proper Officer shall maintain a register of personal interests, in respect of both members and senior staff.

- a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.
- b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

### **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).



- 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. STORES AND EQUIPMENT**

- 14.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 14.2. 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.
- 14.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 14.4. 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 (Wales) 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 £250.
- 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 (including an adequate level of consultation with the electorate).
- 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 case (including an adequate level of consultation with the electorate). See also section 19.
- 15.5. Subject only to the limit set in Reg. 15.2 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.

- 15.6. 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.
- 15.7 The Register of Assets and Investments shall include purchases of a value of £100 or more ( para 15.7 was agreed as an addition to the Financial Regulations in June 24 . )

## **16. INSURANCE**

- 16.1. Following the annual risk assessment (per Financial Regulation 18), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 16.2. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it. Buildings will be valued every seven years or if there is an indication in a change in valuation for insurance purposes.
- 16.3. 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.
- 16.4. 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.

## **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, 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.

## **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. SALE OR LEASE OF COUNCIL LAND or BUILDINGS**

- 19.1 In all cases the sale or lease of land or buildings owned by the council will require a decision by the full council. The intended use of the land or building must form part of the councils consideration in reaching its decision. See also section 15.
- 19.2 Unless the disposal is trivial the land or buildings in question will require a full professional valuation prior to disposal. (A trivial disposal would be, for example, a very small area of land that is perhaps adjacent to the property of the person seeking to acquire it. Such small areas abound within the council area.)
- 19.3 In all cases the professional fees of the party seeking to buy or lease council property will be met by that party. The acquiring party will also meet the professional fees of the council. Professional fees will include, but are not limited to, the council's solicitors fees, valuation fees and land registry fees. The acquiring party must be made aware of this at the outset of any negotiation.
- 19.4 The council must not, by its actions, cause the fees mentioned in 19.3 to be inflated beyond what is reasonable for the size of transaction.
- 19.5 The council must not make any promise, actual or implied about the future use of any piece of land or building it disposes of or leases.
- 19.6 The council must obtain full commercial value for any sale or lease except where there is a clear and ongoing community benefit. In this case the council must obtain the required written assurances of the benefit and put in place any indemnities it may feel are necessary.

## **20. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

- 20.1. 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.
- 20.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

Adopted June 18 2018

Amended March 18 2019

Amended October 21 2019

Amended October 18 2020

Amended September 20 2021

Amended November 2021

Amended July 2022

Amended September 2023