

INDEX

1. GENERAL
2. ACCOUNTING & AUDIT (INTERNAL & EXTERNAL)
3. RISK MANAGEMENT
4. ANNUAL ESTIMATES (BUDGET & FORWARD PLANNING)
5. CONTROL & AUTHORITY TO SPEND
6. BANKING ARRANGEMENTS & AUTHORISATION OF PAYMENTS
7. INSTRUCTIONS FOR THE MAKING OF PAYMENTS
8. PAYMENT OF SALARIES
9. LOANS & INVESTMENTS
10. INCOME
11. ORDERS FOR WORK, GOODS & SERVICES
12. CONTRACTS
13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER
CONSTRUCTION WORKS
14. STORES & EQUIPMENT
15. ASSETS, PROPERTIES & ESTATES
16. INSURANCE
17. CHARITIES
18. SUSPENSION & REVISION OF FINANCIAL REGULATIONS

These `Financial Regulations` compliment the Town Council's Standing Orders & sets out the way that the Town Council conducts its financial affairs.

This version was adopted on 23rd February 2023.

1. GENERAL

1.1 These financial regulations govern the conduct of financial management by the Town Council and may only, be amended or varied by resolution of the Town Council. financial regulations are one of the Town Council's three governing policy documents providing procedural guidance for Members & Officers.

Financial Regulations must be observed in conjunction with the Town Council's Standing Orders & any individual Financial Regulations relating to contracts.

The Financial Regulations are based on the NALC's Model Financial Regulations & Joint Panel on Accountability & Governance, & relevant legal updates.

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

1.3 The Town Council's accounting control systems must include measures:

- For the timely production of accounts;
- That provide for the safe & efficient safeguarding of public money;
- To prevent & detect inaccuracy & fraud; and
- Identifying the duties of Officers.

1.4 These financial regulations demonstrate how the Town Council meets these responsibilities & requirements.

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

- 1.6 Deliberate or willful breach of these regulations by an employee may give rise to disciplinary proceedings.
- 1.7 Members of the Town Council are expected to follow the instructions within these regulations & 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 Finance Officer (RFO) holds a statutory office to be appointed by the Town Council (s.151 Local Government Act 1972). The Town Clerk has been appointed as RFO for Shanklin Town Council & these regulations will apply accordingly.
- 1.9 The RFO;
- Acts under the policy direction of the Town Council;
 - Administers the Town Council's financial affairs in accordance with all Acts, Regulations & Proper Practices;
 - Determines on behalf of the Town Council its accounting records & accounting control systems;
 - Ensures the accounting control systems are observed;
 - Maintains the accounting records of the Town Council up to date in accordance with proper practices;
 - Assists the Town Council to secure economy, efficiency & effectiveness in the use of its resources; and
 - Produces financial management information as required by the Town Council.
- 1.10 The accounting records determined by the RFO shall be sufficient to show & explain the Town Council's transactions & to enable the RFO to ensure that any income & expenditure account & statement of balances, or record of receipts & payments & additional information, as the case may be, or management information prepared for the Town Council from time to time comply with the Accounts & 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 & expended by the Town Council & the matters to which the income & expenditure or receipts & payments account relate;
- A record of the assets & liabilities of the Town Council; & Wherever relevant, a record of the Town Council's income & 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 Town Council are recorded as soon as reasonably practicable & as accurately & reasonably as possible;
- Procedures to enable the prevention & detections of inaccuracies fraud & the ability to reconstruct any lost records;
- Identification of the duties of Officers dealing with financial transactions & division of responsibilities of those officers in relation to significant transactions;
- Procedures for uncollectable amounts; including bad debts, not be written off except with the approval of members, or under delegated authority, to the RFO, and for the approval to be shown in the accounting records.
- Measures to ensure that risk is properly managed.

In addition

- The Town Council must identify & protect income & expenditure & the money represented by each. They must ensure controls over money are embedded in Standing Orders & Financial Regulations.
- The Town Council must approve the setting up of & any changes to accounts with banks or other financial institutions.
- The Town Council must approve bank mandates, the list of authorized signatories & any amendments to mandates.

1.13 The Town Council cannot delegate the following they shall be a matter for the full Town Council only:

- Setting the final budget or the precept (Council Tax Requirement)

- Approving accounting statements;
- Approving an annual governance statement;
- Borrowing.
- Addressing recommendations in any report from the internal or external auditor;

In addition, the Town Council must:

- Approve any grant of a single commitment in excess of £5000
- In respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committees.

1.14 In these financial regulations, references to the Accounts & Audit Regulations or `the regulations` shall mean the regulations issued under the provisions of Local Audit & Accountability Act 2014 & Audit & Accountability Regulations 2015, or any superseding legislation then in force.

1.15 In these financial regulations the term `proper practice` or `proper practices` shall refer to guidance issued in Governance & Accountably for Local Council - a Practitioners Guide (England) issued by the JPAG as well as any practice set out in Procurement Policy Notes issued by the Cabinet Office or Crown Commercial Service.

2. ACCOUNTING & AUDIT (INTERNAL & EXTERNAL)

2.1 All accounting procedures & financial records of the Town Council shall be determined by the RFO in accordance with the Accounts & Audit regulations, appropriate guidance, & proper practices.

2.2 On a regular basis, at least once in each quarter, & at each financial year end, in our case monthly on completion of the monthly bank reconciliation produced & completed by the RFO, the Town Mayor will sign the bank reconciliation & initial any accompanying documents as evidence of verification, this activity on conclusion be reported to & noted by the Town Council.

2.3 The RFO shall complete the annual statement of accounts, annual report & any related documents of the Town Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the

financial year & having certified the accounts shall submit them & report thereon to the Town Council

- 2.4 The Council shall ensure there is an adequate & effective system of internal audit of its accounting records, & of its system of internal control in accordance with proper practices. The RFO or any member of the Town Council shall make available such documents & records as appear to the Council to be necessary for the purpose of the audit & shall, supply the internal auditor or external auditor with such information & explanation as the Council considers necessary for that purpose.
- 2.5 The internal auditor shall be appointed & 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 & independent of the financial operations of the Council;
 - Report to the Council in writing on a regular basis with a minimum of one written report during each financial year;
 - To demonstrate competence, objectivity & independence, be free from any actual or perceived conflicts of interest;
 - Have no involvement in the financial decision making, management or control of the Council
- 2.7 For the avoidance of doubt in relation to internal audit, the terms `independent` & `independence` shall have the same meaning as is described in proper practices.
- 2.8 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books & vouchers & display or publish any notices & statements of account required by the Local Audit & Accountability Act 2014, or any superseding legislation, the Local Government Transparency Code, & the Accounts & Audit Regulations.

3. RISK MANAGEMENT

3.1 Risk management is central to local council's strategic management.

3.2 The Town Council generally & members individually are responsible for risk management because risks threaten the achievement of policy objectives.

As a minimum, at least once each year members must:

- Take steps to identify & update their record of key risks facing the Town Council;
- Evaluate the potential consequences to the Town Council if an event identified as a risk takes place;
- Decide upon appropriate measures to avoid, reduce or control the risk or its consequences; and
- Record any conclusions or decisions reached.
- The Town Council uses Local Council Risk Systems & has a Risk Assessment in place. The library has a separate risk assessment, and the toilets have a risk assessment and any contractors working for the Town Council produce a risk assessment.

4. ANNUAL ESTIMATES (BUDGET) & FORWARD PLANNING

4.1 The RFO must each year, no later than (mid-February), prepare detailed estimates of all receipts & payments including the use of reserves & all sources of funding for the following financial year in the form of a budget to be considered by the Finance Committee with recommendations to Full Town Council no later than the end of February.

4.2 The Town Council shall consider annual budget proposals in relation to the Town Council's three-year forecast of revenue & capital reserves & payments including recommendations for the use of reserves & sources of funding & update the forecast accordingly.

4.3 The budget is reviewed against actual expenditure quarterly which gives early warning about the likelihood of a shortfall (or surplus) & helps to decide what responsive action to take.

4.4 The important statutory stage of the budget process is confirming the precept that is to be raised on the IW Council. The law requires that precepts be issued by the 1st March.

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

5. BUDGETARY CONTROL & AUTHORITY TO SPEND

5.1 Expenditure on revenue items may be authorized 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 £10000
- The Town Clerk RFO in conjunction with the Town Mayor up to £10000
- The Town Clerk RFO for any item up to and including £5000
Such authority to be evidenced by a Minute or by suitable alternative form of Communication (e.g., email) duly `signed` by the Town Clerk RFO & where necessary the Town Mayor.

5.2 No expenditure may be authorized 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 authority to the Town Clerk RFO. During the budget year and with the approval of the 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 budget (other than ear-marked reserves) shall not be carried forward to a subsequent year.

5.4 Salaries are renewed annually in line with the National agreed pay claim & scale increments as per individual contracts. All employees if eligible are invited to join the Local Government Pension Scheme.

5.5 In case of extreme risk to the delivery of Council services, the Town Clerk RFO may authorize revenue expenditure on behalf of the Town Council, which in the Town Clerk RFO'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 £5000. The Town Clerk RFO shall report such

action to the Town Mayor as soon as possible and to the Town Council as soon as practicable thereafter.

- 5.6 No expenditure shall be authorized in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Town Council is satisfied that the necessary funds are available and if necessary, the requisite borrowing approval has been obtained.
- 5.7 All capital works shall be administered in accordance with the Town Council's standing orders & financial regulations relating to contracts.
- 5.8 The Town Clerk RFO shall provide the Town Council regularly with a statement of payments & receipts under each head of the budget, comparing actual expenditure with that planned as shown in the budget at least quarterly.
- 5.9 Changes in earmarked reserves shall be approved by Town Council as part of the budgetary control process.

6. BANKING ARRANGEMENTS & AUTHORISATION OF PAYMENTS

- 6.1 The Town Council's banking arrangements, including bank mandate, shall be made by the Town Clerk RFO & approved by Town Council; banking arrangements may not be delegated to a committee. They shall be reviewed for safety & efficiency. The Town Council may seek credit references in respect of members or employees who act as signatories.
- 6.2 The Town Clerk RFO shall prepare a schedule of payments requiring authorization/approving, forming part of the agenda of the meeting and together with the relevant invoices, present the schedule to Town Council. The Town Council shall review the schedule for compliance and, having satisfied itself shall authorize/approve payment by a resolution of the Town Council. The schedule shall be signed & accompanying invoices initialed by the Town Mayor or Chair of the meeting. Town Clerk RFO will sign the bottom of the schedule. The schedule will form part of the attached papers to the filed minutes of the meeting. Personal payments, (including salaries, wages, expenses & any payments made in relation to the termination of a contract of employment) may be summarized to remove public access to any personal information.

- 6.3 All invoices for payment shall be examined, verified, and certified by the Town Clerk RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined & represents expenditure previously approved by the Town Council,
- 6.4 The Town Clerk RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Town Clerk RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Town Council meeting.
- 6.5 The Town Clerk RFO shall have delegated authority to authorize payment of items in the following circumstance:
- If the payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (interest) Act 1998, and the due date for the payment is before the next scheduled meeting of the Council, where the Town Clerk RFO certify that there is no dispute or other reason to delay payment. An expenditure item budgeted for such as salaries, PAYE & NI, Superannuation fund and regular maintenance contracts and the like provided that the requirements of 5.1 (budgetary controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- 6.6 The Town Clerk RFO has delegated authority along with one other authorized signatory to make payments out of meetings, either, cheque, electronic, & transfers, provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- 6.7 Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code when a decision to authorize 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.

7. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 7.1 The Town Council will make safe and efficient arrangements for the making of its payments.
- 7.2 Following authorization under Financial Regulation 6 above, the Town Council, a duly delegated committee or, if so, delegated the Town Clerk RFO shall give instruction that a payment shall be made.

- 7.3 All payments effected by cheque, or other instructions to the Town Council's bankers, (transfer, DD, electronic payment etc.,) or otherwise, in accordance with a resolution of the Town Council.
- 7.4 Cheques or other forms of payment including electronic payments in accordance with the schedule of payments presented to the Town Council shall be signed by two signatories, Town Clerk RFO & one other. If a Member who is a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to determine whether it is appropriate and/or permissible to be a signatory to that transaction.
- 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, a member signatory shall initial the cheque counterfoil or authorisation box.
- 7.6 Any signatures obtained away from Town Council meetings shall be presented as a payments schedule at the next convenient meeting.
- 7.7 Payment for utility supplies, energy, telephone, water, rates etc. may be made by variable direct debit / standing order provided that the instructions are authorized by the Town Clerk RFO & Operations Manager Assistant to the Town Clerk, and payment shown on the monthly payments schedule.
- 7.8 Payment for certain items (principally salaries) may be made by bankers standing order provided the instructions are signed or otherwise evidenced by Town Clerk RFO & Operations Manager Assistant to the Town Clerk, and payment shown on the monthly payments schedule in respect of salaries, pensions, expenses etc. this may be shown on the payments schedule omitting any personal details.
- 7.9 Payment for certain items may be made by BACS or CHAPS methods provided the instructions are signed or otherwise evidenced by Town Clerk RFO & Operations Manager Assistant to the Town Clerk, and payment shown on the monthly payments schedule.
- 7.10 Payment for certain items may be made by internet banking transfer provided the instructions are signed or otherwise evidenced by Town Clerk RFO & Operations Manager Assistant to the Town Clerk, and payment shown on the monthly payments schedule, this includes transfer of the precept from one account to another twice annually.

- 7.11 No employee of the Town Council shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorized in writing by the Council.
- 7.12 Regular back-up copies of records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site (Town Clerk RFO backs-up weekly & when away from the office on leave take back-up copies home.)
- 7.13 The Town Clerk RFO using computers for the Council's financial business shall ensure that anti-virus anti-spyware and firewall; software with automatic updates, together with a high level of security is used.
- 7.14 Access to any internet banking accounts will directly to the access page (which may be saved under "favourites" and not through a search engine or e-mail link remembered or saved password facilities must not be used on any computer used for Council banking work.
- 7.15 Any debit card issued for use will be specifically restricted to the Town Clerk RFO and will also be restricted to a single transaction maximum value £1000 unless authorized by Council or Finance Committee in writing before any order is placed. (No debit cards currently exist.)
- 7.16 A pre-paid debit card may be issued to the Town Clerk RFO with varying limits. These limits will be set by the Town Council. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Council. (No pre-paid debit card currently exists).
- 7.17 Any trade account opened by the Council will be restricted in use and subject to payment in full every month or when statement issued.
- 7.18 All cash received must be banked intact. Any payment made in cash by the Town Clerk RFO & other staff members shall be evidenced by a receipt. Disbursements shall be refunded on a regular basis at least quarterly. Members' refund of disbursements on production of a receipt will be paid at the next appropriate Council meeting.
- 7.19 Library maintains a £40 float for the purposes of giving change for payment of services.

8. PAYMENT OF SALARIES

- 8.1 As an employer, the Town Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating.
- 8.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance, pensions contributions, or similar statutory or discretionary deductions must be made in accordance with 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 employees pay, emoluments, or terms & conditions of employment without prior consent of the Council or under delegation to the Town Clerk RFO.
- 8.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act or otherwise) other than:
- by any Councilor who can demonstrate a need to know;
 - by the internal auditor;
 - by the external auditor;
 - by any person authorised under Local Audit & Accountability Act 2014 or any superseding legislation.
- 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 Town Council. Termination payments shall only be authorised by the Council.

- 8.8 Before employing interim staff the Council must consider a full business case.

9. LOANS AND INVESTMENTS

- 9.1 All loans and investments shall be negotiated by the Town Clerk RFO in the name of the Council and shall be for a set period in accordance with Council policy.
- 9.2 All investments of money under the control of the Council shall be in the name of the Council.
- 9.3 All borrowings and application for borrowing approval shall be approved and be affected in the name of the Council. The terms and conditions of borrowings shall be reviewed at least annually.
- 9.4 All investment certificates and other documents relating thereto shall be retained in the custody of the Town Clerk RFO.

10. INCOME

- 10.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Town Clerk RFO. Library monies are collected by the library co-ordinator checked and passed to the Town Clerk RFO for checking and banking.
- Toilet income is collected by the Operations Manager Assistant to Town Clerk and counted with the Town Clerk and reconciled with usage totals, Town Clerk then prepares monies for banking.
- 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 Town Clerk RFO and the Town Clerk RFO shall be responsible for the collection of accounts due to the Council.
- 10.3 The Council will review all fees and charges annually at the Finance budget meeting.
- 10.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Town 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 Town Clerk RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Town Clerk RFO considers necessary.

- 10.6 The origin of each receipt shall be entered onto the paying-in slip.
- 10.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 10.8 The Town Clerk 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.

11. ORDER FOR WORK, GOODS AND SERVICES

- 11.1 An official order, letter, or email 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.
- 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.
- 11.3 A member may not issue an official order or make any contract on behalf of the Council.

12. CONTRACTS

- 12.1 Procedures as to contracts are laid down as follows:
- Every contract shall comply with these 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, telephone & broadband services, Network rail, Highways England;
 - ii for specialist services such as are provided by solicitors, accountants, surveyors, planning consultants;
 - iii for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;

- iv for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Town Council;
- v for additional audit work of the external Auditor up to an estimated value of £800;
- vi for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- vii for legal services declared exempt from the Public Contracts Regulations 2015.

12.2 Where it is intended to enter into a contract at or exceeding £25000 in value for the supply of goods or materials or the execution of works or specialist services other than such goods, materials, works or specialist services as are expected as set out in vi above the Town Clerk RFO shall invite tenders from at least three capable firms in accordance with any other regulations.

12.3 The Town Council shall not be obliged to accept the lowest or any tender, quote or estimate.

12.4 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. Waivers should only be used where at least one of the following applies:

- With an organization already engaged or previously engaged by the Council for a similar and related procurement and where there is benefit to extending contracts without exposing the Council to unacceptable risk;
- Cases of genuine unforeseen urgency where it is not possible to operate a competitive procedure;
- Where relevant legislation not otherwise referred to in these regulations prevents the usual procurement process from being followed;
- If the proposed procurement is less than £10,000 then the Town Clerk RFO need not but may seek two written quotations or tenders but regard to best value must be observed.

- 12.5 Invitations to tender shall state the general nature of the intended contract and the Town Clerk RFO 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 Town Clerk RFO in the ordinary course of post (or via email if the Town Clerk RFO requests). If the tenders are to be returned by 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. On receipt Town Clerk RFO will initial & date the envelope.
- 12.6 Invitations to tender shall make clear that tenders are to be assessed on the basis of price and quality and that the Council is not obliged to accept the lowest or any tender.
- 12.7 All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk RFO in the presence of one other Councillor.
- 12.8 If no tenders are received, or if all of the tenders received are non-compliant, the Council may, at its discretion, make such arrangements as it seems fit, with a competent supplier, to meet the requirement of the contract.
- 12.9 Any invitation to tender shall refer to the terms of the Bribery Act 2010.
- 12.10 The Public Contract Regulations 2015 shall apply and the including thresholds shall be followed. Procurement over £25000 unless a local authority's financial regulations state a higher figure – then the higher value applies. Contract below the threshold will be advertised on CF & a record published as part of our own transparency obligations.
- 12.11 Procurement Thresholds from 1st January 2022:
The levels of expenditure above which the Public Contracts Regulations apply based on aggregate contract value, are as follows:
- | TYPE OF CONTRACT | THRESHOLD |
|------------------|------------|
| Goods | £213,477 |
| Services | £213,477 |
| Works | £5,336,937 |

From the 1st January 2022 these figures are inclusive of VAT (previously they were net of VAT).

- 12.12\ Public Contracts Regulations 2015 is to be replaced in 2023 by a new regulatory framework.

13. PAYMENTS UNDER CONTRACT 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.
- 13.2 Where contracts provide for payment by instalments the Town Clerk 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 Town Council.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the Town Council and Town Clerk RFO to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

14. STORES & EQUIPMENT

- 14.1 The officer in charge of each section, shall be responsible for the care and custody of stores & equipment in that section.
- 14.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and good must be checked as to order and quality at the time delivery is made.
- 14.3 Stocks should be kept to a minimum level consistent with operational requirements unless significant savings are made.
- 14.4 Town Clerk RFO shall be responsible for periodic checks of stocks & stores at least annually.

15. ASSETS, PROPERTIES & ESTATES

- 15.1 The Town Clerk RFO shall make arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the

Town Council. A record shall be maintained of all properties held by the Town 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 & 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 Town 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 £2500.
- 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 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).
- 15.5 Subject to the limit set in Regulation 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 Town Clerk 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.

16. INSURANCE

- 16.1 Following the annual risk assessment the Town Clerk RFO shall affect all insurances and negotiate all claims on the Council's insurers.

- 16.2 The Town Clerk RFO shall notify the insurers of all new risks, properties etc. which require to be insured and of any alterations affecting existing insurances.
- 16.3 The Town Clerk RFO shall keep a record of all insurances effected by the Town Council and the property and risks covered thereby and annually review it.
- 16.4 The Town Clerk RFO will report any likelihood of any loss liability or damage or of any event likely to lead to a claim to the Town Council at an appropriate meeting.
- 16.5 All appropriate members and employees of the Town 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 Town Council, or duly delegate officer.

17. CHARITIES

- 17.1 Where the Town Council is sole managing trustee of a charitable body the Town Clerk 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.

18. SUSPENSION & REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the Town Council to review the Financial Regulations of the Town Council from time to time. The Town Clerk RFO will monitor changes in legislation and proper practices and shall advise the Town Council of any requirements for a consequential amendment to these financial regulations.
- 18.2 The Town Council may by resolution of the Council duly notified prior to the relevant meeting of the 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 the Town Council.