



# **YATE TOWN COUNCIL**

# **FINANCIAL REGULATIONS**

These Financial Regulations were adopted at the Full Council meeting held  
on 20 February 2024

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Financial Regulations shall be reviewed regularly, as necessary. (Once in a 4-year cycle prior to election or in light of new NALC model (Minor amendments made using delegated powers to the Clerk)

Amendments made by the Clerk according to delegated powers since the council last approved the full Financial Regulations.

<b>Date</b>	<b>Financial Regulation</b>	<b>Amendments</b>

Amendments made by Council by resolution, since the council last approved the full Financial Regulations.

<b>Date</b>	<b>Financial Regulation</b>	<b>Amendments</b>

## FINANCIAL REGULATIONS

### 1. GENERAL

- 1.1 These Financial Regulations govern the conduct of the financial management by Yate Town Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the council's 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 risk management.
- 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 on internal control which shall be in accordance with proper practices.
- 1.6 Members of the 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 Councilor into disrepute.
- 1.7 The Responsible Finance Officer (RFO) holds a statutory office to be appointed by the council.
- 1.8 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 system;
  - 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.
- 1.9 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 statements of balances, or records 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.
- 1.10 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 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, subsidy.
- 1.11 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 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 that have been written off without council approval are shown in the accounting records (see item 9.4);
  - measures to ensure that financial risk is properly managed.
- 1.12 The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding;

- setting final budget or precept (council tax requirement);
- approving accounting statements;
- approving annual governance statement;
- borrowing;
- writing off bad debts over £25;
- 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 Full Council only.

1.13 In addition, the council must:

- determine and keep under regular review the bank mandate of all council bank accounts; and
- approve any grant or a single commitment in excess of £250,000; and
- In respect of annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with the terms of reference.

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

In these 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 website of NALC and the Society for Local Council Clerks (SLCC).

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

- 21 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the current Accounts and Audit Regulations, appropriate Guidance and proper practices.
- 22 On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chair and other than a signatory on the accounts shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The members shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance and Governance Committee.
- 23 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 to and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.

- 24 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.
- 25 The internal auditor shall be appointed by Full Council and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 26 The internal auditor shall:
- be competent and independent of the financial operations of the council;
  - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
  - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - have no involvement in the financial decision making, management or control of the council.
- 2.7 Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
  - initiate or approve accounting transactions; or
  - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of

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

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

### **3 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1 The Environment & Community Committee and the Finance and Governance Committee shall review its three year forecast of revenue and capital receipts and payments. Having due regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than mid December each year including any proposals for revising the forecast.
- 3.2 The RFO must each year, by no later than the end of December, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Full Council in January.
- 3.3 The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4 The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5 The approved annual budget shall form the basis of financial control for the ensuing year.

### **4 BUDGETARY CONTROL AND AUTHORITY TO SPEND**

- 4.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget. Virement within individual budget headings shall be delegated to the Town Clerk having been prepared by the RFO. Virement between one cost center and another shall be determined by the Town Council.
- 4.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget without reference to Full Council other than that



incurred under items 4.3 & 4.4 below.

- 4.3 The Town Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is a budgetary provision for the expenditure, subject to a limit of £10,000 . Such decisions will be reported to the Town Council at the earliest opportunity.
- 4.4 The Town Clerk, in consultation with the Chair of the Council, the Vice Chair of the Council and Chairman of the Finance and Governance Committee, shall be authorised under extreme urgency to incur such expenditure up to the sum of £20,000. Such decision will be reported to the Town Council at the earliest opportunity.

Where expenditure is incurred above (items 4.3 & 4.4) and the sum required cannot be met from savings made elsewhere within that committee's approved budget, it shall be met from the contingency budget heading.

- 4.5 The salary budgets are to be reviewed at least annually in November for the following financial year. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.6 The RFO shall provide the Finance and Governance Committee and the Council with a quarterly statement of Income and Expenditure under each head of the budgets, comparing actual expenditure against the budget set. 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 £1,000.
- 4.7 Unspent provisions in the Revenue budget shall not be carried forward to a subsequent year unless approved by the Council. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.
- 4.8 No expenditure shall be incurred in relation to any Capital project and no contract entered into tender accepted involving Capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 4.9 All works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

## **5 BANKING ARRANGEMENT AND AUTHORISATION OF PAYMENTS**

- 5.1 The Council's banking arrangements, including the bank mandate shall be made under the direction of 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 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The Bank Mandate, approved by the council, shall identify a number of councilors who will be authorised to approve transactions on those accounts. A limit of funds that can be authorised in any one payment submission will be set with the bank and shall be renewed by resolution of the council annually. For large projects administration, the limit of funds may be exceeded, if necessary up to a tier 2 limit set, using alternative authorisation (see 5.10 and 6.4 (b)).
- 5.3 Tier 1 payments will set in the sum of up to £150,000 and Tier 2 payments will be anything over £150,000.
- 5.4 All invoices for payment shall be examined, verified and certified by the relevant Officer who placed the order to confirm that the work, goods or services to which each invoice relates have been received, carried out, examined and is representative of the expenditure as contained within the order.
- 5.5 Under the direction of the RFO all invoices shall be examined for arithmetical accuracy and analysed to the appropriate expenditure heading.
- 5.6 Any changes in the recorded details of suppliers, such as bank account records, shall be approved by the RFO.
- 5.7 Two Members of the council, the Clerk and RFO shall have delegated authority to authorise the payment of items in line with clauses 6.3, 6.4 and 6.5 in the following circumstances:
  - a) where it is certified that there is no dispute or other reason to delay payment, the RFO/designated Officer shall take all possible steps to arrange for the settlement of all invoices submitted, which are in order, within 30 days of their receipt or as agreed with the supplier in accordance with the Late Payment of Commercial Debts (Interest) Act 1998 provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
  - b) an expenditure item authorised under 5.8 below (continuing contracts and obligations) provided that a list of such payments has been received and agreed at a meeting of the Full Council or Finance and Governance Committee.
  - c) Automatic bank transfers between the Instant Access Saver account and the current account will be undertaken daily to cover the cost of the council's expenditure and to retain the balance on the current account at £3,000 at the end of each day. Other fund transfers within the council's

banking arrangements up to the sum of £500,000 provided that a list of such transfers shall be listed on the payments list and submitted to the next appropriate meeting of Council or the Finance and Governance Committee;

- 5.8 For each financial year as directed by the RFO a list shall be drawn up listing payments made by either direct debit or standing order, which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, regular maintenance contracts, rates and the like for which council or the Finance and Governance Committee may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to. See clause 6.6 under Payment of Accounts. This list to be renewed by resolution of the council annually. (Additional Direct Debit and Standing Orders to be reported and resolved by council as and when set up throughout the year).
- 5.9 Cheques/payments drawn on the bank (current) account in accordance with the schedule in paragraph 5.2 or in accordance with paragraph 6.4 shall be signed/electronically signed by two members of the Council and countersigned/electronically countersigned by either the Clerk or the RFO. The list of payments made shall also require each payment to be initialed and the full document signed by the two members and counter signature authorising the payments.
- 5.10 Cheques/payments drawn on the bank (current) account in accordance with the schedule in paragraph 5.2 which exceed the tier 1 payment limit set by the council shall be made in accordance with paragraph 6.4 (b) shall be signed/electronically signed by three members of the Council and countersigned/electronically countersigned by either the Clerk or the RFO. The list of payments made shall also require each payment to be initialed and the full document signed by the three members and counter signature authorising the payments.
- 5.11 Cheques drawn on the Imprest account in accordance with the schedule in paragraph 5.2 or in accordance with paragraph 6.4 (b) shall be signed by a combination of two officers from the Clerk, RFO, Service Support Manager or Deputy RFO. The total sum of these cheques may not exceed £2,500 in any one month. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil, the signatories shall each also initial the cheque counterfoil.
- 5.12 Dispersal Credits used for the payments of salaries are to be authorised by two signatures from the Clerk, RFO or Deputy RFO and shall not exceed the limit imposed as agreed by the Council (currently set at £95,000) and shall be recorded on the payment list presented to the council.

- 5.13 Transfer of money between bank accounts within the same bank, to maximise interest, are to be authorised by the RFO or in the absence of the RFO, the Town Clerk in accordance with 5.7 (c) above.
- 5.14 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.
- 5.15 Under the direction of the RFO a detailed list of all payments made shall be disclosed within or as an attachment to the minutes. 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. The list of payments made will be presented to the next available Full Council or Finance and Governance Committee meeting for noting.
- 5.16 Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted

## **6 PAYMENT OF ACCOUNTS**

- 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, a duly delegated committee 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 electronic payments, cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council or Finance and Governance Committee.
- 6.4 (a) Cheques or orders for payment drawn on the bank current account valued within the Tier 1 payment limit shall be authorised and signed by two members of council and countersigned by the Clerk/RFO The payments shall be reported via the payments list referred to in item 5.15.
- (b) Cheques or orders for payment drawn on the bank current account valued in the Tier 2 payment limit shall be authorised and signed by three members of council and countersigned by the Clerk/RFO The payments shall be reported via the payments list referred to in item 5.15.
- (c) Cheques or orders drawn on the Imprest bank account shall be authorised and signed by two officers as identified in 5.11.

(d) If a member who is also a bank signatory has declared a disclosable pecuniary interest or has any other interest, in the matter for which the payment is being made, that councilor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and/or permissible to be a signatory to the transaction in question. 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.

e) Any Credit Card issued for use will be specifically restricted to the Clerk, RFO or Deputy RFO with the limit of the Credit Card set at £6,000. Payment for certain items may be made by Credit Card provided evidence is retained showing which member of staff approved the payment. Payments will then be entered on the schedule referred to in 5.15 above. The Credit Card is to be monitored by the RFO/designated officer and shall be subject to automatic payment in full via direct debit.

- 6.5 All duly certified invoices for payment will then be entered on the schedule referred to in 5.9 above and to indicate agreement of the details shown on the cheque or order for payment, the signatories shall each also initial the payment schedule.
- 6.6 Payments may be made by Direct Debit, Standing Orders or BACS provided that the instructions are signed by two members and one Officer. The approval of the use of Direct Debits, Standing Orders and BACS shall be renewed by resolution of the council annually (see 5. 8).
- 6.7 Payment for certain items may be made by debit card via the Imprest account provided evidence is retained showing which member of staff approved the payment. Payments will then be entered on the schedule referred to in 5.15 above.
- 6.8 Arrangements must be put in place to ensure that the PIN numbers will not be disclosed but a secure system is put in place. With each individual holding their own pin number and not disclosing to anyone to prevent unauthorised access and reduce risk.
- 6.9 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person.
- 6.10 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.

- 6.11 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.
- 6.12 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.13 Any Debit Card issued for general use will be specifically restricted to the Clerk, RFO or Deputy RFO and will also be restricted to a single transaction maximum value of £1,000 unless authorised by council or finance committee in writing before any order is placed. Debit Cards will also be issued to the Venue Operations Officer, Venue Operations Assistant and Armadillo Youth Officer for petty cash arrangements, and will be monitored by the RFO/Deputy RFO
- 6.14 Any corporate trade card account opened by the council will be monitored by the RFO/designated officer 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, with the exception of
- a) payment for approved expenses incurred when on council business within allowances as set in the Members' Allowance Policy and the Staffing Time Off In Lieu (TOIL), Overtime, Call Out, Travel and Expenses Policy;
  - b) payment for expenses in line with 6.15, where petty cash is unavailable due to urgent circumstances, such as out of office hours. Reimbursement for personal expenses incurred will be authorised on production of receipts.
- 6.15 The RFO, may provide petty cash to staff for the purpose of defraying operational and other expenses. Vouchers shall be forwarded to the member of staff identified by the RFO with a claim for reimbursement.
- (a) The RFO shall arrange for the maintenance of a petty cash float up to a limit of £500 (per operation) for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept with vat receipts attached to substantiate the payment.
  - (b) Income received must not be paid into the petty cash float but must

be separately banked, as provided elsewhere in these regulations.

- (c) Cheque withdrawals to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the Finance & Governance Committee or Full Council (under 5.9 above).

6.16 For all finance administration, where working from home is in practice, authorisation by email is to be accepted.

6.17 All payments to be published on the Town Council ~~website~~.

## **7 PAYMENT OF SALARIES AND WAGES**

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, or duly delegated committee.

7.2 Payment of salaries and payment of deductions from salary such as may 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 provided that each payment is reported to and noted by the next available council meeting, as set out in these regulations ~~above~~.

All overtime sheets shall be certified to their accuracy and authorised for payment by the line manager. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded separately in a confidential area.

7.3 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.

7.4 If the limit of the Dispersal Credits is to be increased it shall first be agreed either by Full Council or the Finance and Governance Committee. The instruction to the bank is to be authorised by two members of the Council

and countersigned by either Clerk or the RFO.

- 7.5 Appraisals will be maintained for all staff.
- 7.6 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.7 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 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.
- 8.4 The council shall consider the need for an Investment Strategy and Policy which, shall be in accordance with relevant regulations, proper practices and guidance. The Annual Investment Strategy shall be reviewed at least annually and agreed by council, immediately before the end of the financial year.
- 8.5 All investments of money under the control of the council shall be in the name of the council.
- 8.6 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

## **9 INCOME**

- 9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered, or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.



- 9.3 The Council will review all fees and charges annually, following a report from the RFO.
- 9.4 The Responsible Finance Officer may write off bad debts up to a total of £25 in any one instance and no more than .0025% of the annual income in total where necessary. Any individual bad debts greater than £25 or more than .0025% of the income in total shall be reported to Full Council for recommendation and action.
- 9.5 All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked by the officer collecting the money 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 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.7 Arrangements shall be made by the RFO for the VAT Return that is required to be promptly completed. Any repayment claims due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.8 Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **10 ORDERS FOR WORK, GOODS AND SERVICES**

- 10.1 A consecutively numbered official order shall be issued by authorised officers only, for all work, goods and services. Orders must also be raised to accompany any formal contracts prepared, however, the order must refer to the contract stating that the order is issued in line with the xyz contract (reference contract e.g. JCT contract) stating 'For avoidance of doubt the terms and conditions as set out in the xyz contract shall prevail; unless an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be retained.
- 10.2 Orders shall be controlled by the RFO.
- 10.3 All members and officers are responsible for having regard to following good practice in relation to obtaining Fair Trade products, environmentally friendly products, and good practices where possible and obtaining value for money at all times. Wherever possible YTC will follow best practice

principles such as those set out in the UN Sustainable Development Goals. An Officer issuing an official order is to 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.

## CONTRACTS

*NB: please see appendix 1 for flow chart in connection action required subject to the amount of the purchase order to be placed.*

### 11. Contracts

11.1. Procedures as to contracts are laid down as follows:

- (a) Every contract shall comply with these Financial Regulations, and no exception shall be made otherwise in an emergency provided that these regulations shall 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 additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of the Council);and
  - (vi) for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- (b) Where it is intended to enter into a contract for the supply of goods, supply of services or the execution of works the Yate Town Council Preferred supplier list to be consulted in the first instance (*NB: when set up and in operation*).
- (c) Where it is intended to enter into a contract for the supply of goods, supply of services or the execution of works with an estimated value between £7,501 and £29,999.99 inclusive of VAT the Clerk may commit expenditure. Three quotes must be sought (see 10.3 above).
- (d) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by

The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £30,000 or more inclusive of VAT, the council shall comply with the relevant requirements (109 – 114) of the Regulations<sup>1</sup>.

- (e) Contracts may not be disaggregated to avoid controls imposed by these regulations.
- (f) The full requirements of 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)<sup>2</sup> or similar successor domestic legislation.
- (g) 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.
- (h) Where the supply of such goods, supply of services or the execution of works is to be on a continuing or regular basis, price quotations need not be obtained on every occasion but should be renewed and reviewed at least every 4 years or such longer periods as may be specified by the Council after taking into account the improved terms which may be obtained by entering into a longer contract or agreement.
- (i) Council may, by consideration of tenders or by other means of selection appoint a broker agent to obtain goods and services at the most favorable terms on its behalf.
- (j) Where tenders are to be obtained in accordance with sub-clauses (e) above the following procedures shall apply;
  - (i) If possible, a minimum of four suppliers or contractors shall be advised of the opportunity on Contracts Finder but not until it has been posted online.
  - (ii) Contracts Finder opportunities shall also be placed on the Town Council website after they have been posted on Contracts Finder
  - (iii) In the instance of tenders being required to be returned by Post the following shall apply:
    - Each invitation to tender shall contain a detailed specification of the goods or services to be supplied or

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<sup>1</sup> The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts ([www.gov.uk/contracts-finder](http://www.gov.uk/contracts-finder)):

<sup>2</sup> Thresholds currently applicable are:

a) For public supply and public service contracts £214,904

b) For public works contracts £5,372,609

These new thresholds are applicable from 1st January 2024.

the works to be executed (the necessary technical assistance to prepare a specification in appropriate cases shall be obtained).

- The invitation to tender shall in addition state that tenders must be returned addressed to the Town 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.
- All tenders when received shall be endorsed with date and time of receipt and filed unopened in line with current procedures in readiness for opening on the prescribed date.

(iv) In the instance of tenders being required to be returned by email the following shall apply:

- Each invitation to tender shall contain a detailed specification of the goods or services to be supplied or the works to be executed (the necessary technical assistance to prepare a specification in appropriate cases shall be obtained).
- The invitation to tender shall in addition state that tenders must be returned to the specific email address set up to receive tenders tenders@yatetowncouncil.gov.uk addressed to the Town Clerk.
- Each tendering firm shall be supplied with the prescribed date for opening tenders for that contract and all emails received at the above address will remain unopened until the prescribed date.

(v) Standing Order 17.4 (ii) shall apply to all tenders; a note to this effect shall be included in each invitation to tender and shall refer to the terms of the Bribery Act 2010.

(vi) Each invitation to tender shall contain a request that the Clerk, the RFO, Estates Manager or appointed agent be advised immediately if the invitee is unable or unwilling to tender. If such advice is received from more than one of those invited to tender then further invitation(s) to additional supplier(s) or contractor(s) shall be sent with the aim of obtaining a minimum of two tenders.

(vii) Returned tenders shall be opened together after the return date by the Clerk or the RFO or in the absence of the Clerk & RFO, the Deputy RFO, in the presence of the Chair or Vice-Chair of Council or a member of the committee. Tenders will be listed

on the Return Tender record sheet (used to record the tenders when received) and initialed, the records will be checked and initialed by the person checking the submission names/values recorded. Opening of tenders shall normally be in advance of the meeting at which they will be considered (or circulated if delegated powers have been granted) in order that clarification of any points of detail, which may be necessary, may be obtained from tenderers.

- (vii) Details of tenders and tender amounts shall be recorded in the minutes or report of the meeting at which they were considered or reported (reported if delegated powers have been expressly granted). The tenderers shall be listed alphabetically and tender amounts in ascending value so that with the exception of the successful tenderer the amounts tendered by each tenderer cannot be identified by the public.
- (ix) Errors or Discrepancies in Tenders – Where examination of tenders reveals errors or discrepancies which would affect the tender figure in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and afforded an opportunity of confirming or withdrawing his/her offer. If the tenderer withdraws, the next tenderer in competitive order is to be examined and dealt with in the same way. Any exception to this procedure may be authorised only by the Sub-Committee, Project Steering Group or Committee concerned after consideration of a report.
- (k) If no tenders are received by the return date or if tenders received identical, Council may make such arrangements for placing the contract as it thinks fit.
- (l) Late Tendering – Any tenders received after the specified date shall be returned promptly to the tenderer with a suitable covering letter. The tender may be opened to ascertain the name and address of the tenderer but no details of the tender shall be disclosed.
- (m) Performance Bonds – Where a contract is estimated to exceed £100,000 in value or amount and is for the execution of works (or the supply of goods or materials by a particular date or series of dates) the Council shall consider whether they require security for its due performance and shall either certify that no such security is necessary or, in consultation with appropriate Officers, shall specify in the conditions of tender the nature and amount of security to be given. In the latter event, the Council shall require and take a bond or other sufficient security for the due performance of the contract.
- (n) A financial check must be made against the selected contractor prior to the contract being awarded for contracts exceeding £30,000

inclusive of VAT.

- (o) Council need not accept the lowest tender and may take into account references, reputation of the tenderer, quality of past service and differences in tender detail with the aim of achieving the best value for money in placing the contract. If, however the lowest tender is not accepted reasons shall be specified in the minutes or report of the meeting at which tenders were considered.
- (p) 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.
- (q) No exception from the provision of these Financial Regulations (other than those expressly provided for) shall be made without resolution of the Council or the Finance and Governance Committee. Every exception made by the Council, Finance and Governance Committee or the Project Steering Group shall be recorded in the minutes of the Council or committee specifying the special circumstances by which the exception was justified.

## **12 PAYMENT 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 payment. In any case when it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the appropriate committee.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk in writing where the final cost is likely to exceed the financial provision as instructed by the appropriate committee, the council being informed.

## **13 CONTRACTS FOR INCOMING TENDERS**

- 13.1 All sales pitch opportunities will be advertised on the Town Council website and be subject to tender regulations 11 (j), 11 (k) & 11 (l)

as set out under the contracts heading.

- 13.2 The sales pitch will not necessarily be awarded to the highest bidder. Consideration will also be given to DBS checks, relevant licenses and in case of food, food hygiene checks, and any other checks deemed necessary.

## **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 must be obtained in respect of all goods received into store and goods must be checked as regard quality and or/quantities at the time delivery is made and signed as received on the delivery note. If the goods have not been checked as regard to quality, this must also be recorded on the delivery note.
- 14.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 14.4 The RFO shall be responsible for arranging an annual check of all stocks and stores and inventory.

## **15 ASSETS PROPERTIES AND ESTATES**

- 15.1 Appropriate arrangements shall be made for the custody of all title deeds and Land Registry Certificates of properties owned 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 (save in the event of an emergency, see item 4.4), 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 moveable property does not exceed £5,000.
- 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).
- 15.5 The register of Assets over £5,000 shall be checked annually with everything else being checked on a five yearly basis in line with the review of insurance provider.
- 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.

## **16 INSURANCE**

- 16.1 The RFO shall affect all insurances and negotiate all claims on the Council's insurers in consultation with the Clerk. Such insurance shall be subject to competitive quotations every 5 years in line with the special discount negotiated for long term agreements.
- 16.2 The responsible Officer shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 16.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and review the scope and extent of the cover annually.
- 16.4 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.
- 16.5** All appropriate employees, Members and volunteers of the Council shall be included in suitable fidelity guarantee insurance, which shall cover the maximum risk exposure as determined by the council, or duly delegated committee.

## **17 RISK MANAGEMENT**

- 17.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk will oversee risk assessments undertaken by:
- the RFO in relation to financial activity of the Council;
  - Estates Manager in relation to risk assessments in respect of all other activities of the Council (e.g. non-financial activities).
- 17.2 A selection of Risk Assessments shall be reviewed and adopted by the

council at least annually.

- 17.3 The Council's Risk Management Policy to be reviewed by the Council during a four-year rolling program.
- 17.4 When considering any new activity, a risk assessment shall be undertaken including risk management proposals.
- 17.5 Risk assessments must be updated when there is a change in circumstances or practices.

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

- 18.1 It shall be the duty of the Staffing and Governance Sub-Committee to review the Financial Regulations of the Council annually and to make such recommendations to the Council as the Sub-Committee considers are required. 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, unless delegated under Terms of Reference any minor adjustments, which can be made and reported back to Council.
- 18.2 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.

CONTRACTS

