

Financial Regulations

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NEWBURY TOWN COUNCIL – FINANCIAL REGULATIONS

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	Appendix 1 - Tender process	Error! Bookmark not defined.

1 General

- 1.1. These Financial Regulations govern the financial management of the Council and shall only be amended or varied by resolution of the Council. They are one of the Council's governing documents and shall be observed in conjunction with the Council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of Councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
 - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
 - "Approve" refers to an online action, allowing an electronic transaction to take place.
 - "Authorise" refers to a decision by the Council, or a committee or an officer, to allow something to happen.
 - 'Proper practices' means those set out in *The Practitioners' Guide*
 - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
 - 'Must' and **bold text** refer to a statutory obligation the Council cannot change.
 - 'Shall' refers to a non-statutory instruction by the Council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Council. 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 control systems;
 - ensures the accounting control systems are observed;

- ensures the accounting records are kept up to date;
 - seeks economy, efficiency and effectiveness in the use of Council resources; and
 - produces financial management information as required by the Council.
- 1.6. **The Council must not delegate any decision regarding:**
- **setting the final budget or the precept (Council tax requirement);**
 - **the outcome of a review of the effectiveness of its internal controls**
 - **approving accounting statements;**
 - **approving an annual governance statement;**
 - **borrowing;**
 - **declaring eligibility for the General Power of Competence; and**
 - **addressing recommendations from the internal or external auditors**
- 1.7. In addition:
- 1.7.1. the Policy & Resources Committee, on behalf of the Council shall determine and regularly review the bank mandate for all Council bank accounts
- 1.7.2. the Policy & Resources Committee, with the Grants Sub-committee shall authorise all grants on behalf of the Council.

2 Risk management and internal control

- 2.1. **The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- 2.2. The CEO, with the RFO, shall prepare, for discussion with the Audit Working Group and approval by the Policy & Resources Committee, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Policy & Resources Committee at least annually.
- 2.3. When considering any new activity, the Lead Manager, with the CEO, shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Policy & Resources Committee.
- 2.4. **At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.5. **The accounting control systems determined by the RFO must include measures to:**

- **ensure that risk is appropriately managed**
 - **ensure the prompt, accurate recording of financial transactions**
 - **that provide for the safe and efficient safeguarding of public money**
 - **prevent and detect inaccuracy or fraud, and**
 - **allow the reconstitution of any lost records**
 - **identify the duties of officers dealing with transactions, and**
 - **ensure division of responsibilities.**
- 2.6. On a monthly basis, and at each financial year end, a member of the Audit Working Group other than the Chair of Council, the Chair of the Policy & Resources Committee, or a bank signatory shall, on a rotational basis, verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to the Policy & Resources Committee, which shall approve the bank reconciliations on a quarterly basis and at year-end.
- 2.7. Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location from the computer. The Council shall put measures in place to ensure that the ability to access any Council computer is not lost if an employee leaves or is incapacitated for any reason.

3 Accounts and audit

3.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

3.2. **The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**

- **day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate;**
- **a record of the assets and liabilities of the Council;**

- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.4. The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the Policy & Resources Committee, for recommendation to Full Council for approval, within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The Council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.6. **Any officer or member of the Council must make available such documents and records as the internal or external auditor consider 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.
- 3.7. The internal auditor shall be appointed by the Policy & Resources Committee and shall carry out their work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The Policy & Resources Committee shall ensure that the internal auditor:
 - 3.8.1. is competent and independent of the financial operations of the Council;
 - 3.8.2. reports to Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
 - 3.8.3. can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - 3.8.4. has no involvement in the management or control of the Council
- 3.9. Internal or external auditors shall not under any circumstances:
 - 3.9.1. perform any operational duties for the Council;
 - 3.9.2. initiate or approve accounting transactions;

- 3.9.3. provide financial, legal or other advice including in relation to any future transactions; or
- 3.9.4. direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 3.10. For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as described in The Practitioners Guide.
- 3.11. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO and CEO shall, without undue delay, bring to the attention of all Councillors via the Policy & Resources and full Council meetings respectively, any report from the internal or external auditors.
- 3.13. Further to receipt of the internal and external auditor’s reports, the RFO shall, if considered helpful, make arrangements to discuss matters raised with the Audit Working Group, prior to taking recommendations to the Policy & Resources Committee.

4 Budget and precept

- 4.1. **Before setting a precept, the Council must calculate its Council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 4.2. The RFO shall write to members, beginning October, inviting suggestions for the budget in line with the Strategy, for consideration by the Committees. To be received by the end of October, the RFO to include in the draft budget.
- 4.3. The RFO shall meet with Officers in October to discuss the demands on the budget for ‘lights-on’, asset management and capital expenditure for planned projects. The RFO to include in the draft budget.
- 4.4. Budgets for salaries and wages, including employer contributions and the salary reallocation hours by cost centre, shall be reviewed by the Staff Sub-Committee at least annually; in October/beginning November, further to the annual appraisals. The schedule agreed by committee shall inform the budget for the following financial year. The RFO shall inform committees of the

- implications of any salary commitments and associated officer allocated hours, before they consider their draft their budgets.
- 4.5. No later than middle November each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year, along with a forecast for the following four financial years, taking account of the lifespan of assets and cost implications of repair or replacement.
 - 4.6. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects shall only be carried forward (by placing them in an earmarked reserve) with the formal approval of the full Council.
 - 4.7. Each committee shall review its draft budget and submit any proposed amendments for Council consideration to the RFO, no later than the end of November each year.
 - 4.8. The Strategy Working Group shall consider committee proposals beginning December and make recommendations. The RFO to incorporate in the draft budget.
 - 4.9. The RFO by end December shall update the draft budget, with the recommendations of the Strategy Working Group, to include a four-year forecast, and any recommendations for the use or accumulation of reserves, for consideration by the Policy & Resources Committee in January.
 - 4.10. The Council shall consider annual budget proposals in relation to the Council's four-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.
 - 4.11. Having considered the proposed budget and four-year forecast, the Council shall determine its Council tax requirement by setting a budget. The Council shall set a precept for this amount no later than the end of January for the ensuing financial year.
 - 4.12. **Any member with Council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
 - 4.13. The RFO shall **issue the precept to the billing authority no later than the end of February**, or the date requested by the billing authority, whichever is

- earliest, and supply each member and officer with a copy of the agreed annual budget.
- 4.14. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
 - 4.15. Any addition to, or withdrawal from, any earmarked reserve during the financial year, other than expenditure for the purpose agreed, shall be approved by the Policy & Resources Committee. This to support the management of the budget and the material direction of the Council's Strategy.
 - 4.16. The RFO shall coordinate the annual budget & precept information leaflet to residents.
 - 4.17. The sum total of the general reserves shall always be a minimum of three months' annual net revenue expenditure. Ear-marked Reserves, set aside to support specific areas of Council work, shall not be taken into consideration when calculating the General Reserves. The Council's general reserves shall be held with a financial institution other than the Council's day to day bankers with understood minimum risk. They shall not be committed or used to cover any expenditure unless an emergency and all other financial avenues have been explored.

5 Procurement

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works shall ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2. Where an officer is aware they have or may have a personal or prejudicial interest with a current or potential supplier, they must declare it to their line manager and the CEO at the earliest opportunity. Appropriate arrangements shall be agreed to ensure these interests do not affect procurement decisions. A register shall be kept to record the interests and steps taken.
- 5.3. Every contract shall comply with the Council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.
- 5.4. **For a contract for the supply of goods, services or works where the estimated value exceeds the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**

- 5.5. Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed in paragraph 5.7) obtain prices as follows:
- 5.5.1. Where the value is between £100 and £999 excluding VAT, the Lead Officer shall strive to obtain 3 estimates, which might include evidence of online prices, or recent prices from regular suppliers, unless a specialist or single source supply is necessary. For smaller purchases, the Lead Officer shall seek to achieve value for money.
- 5.5.2. For contracts between £1,000 and £25,000 excluding VAT the Lead Officer shall obtain 3 written quotations detailing priced descriptions of the proposed supply unless a specialist or single source support is necessary. If it is not possible to obtain 3 quotes, approval may be given by the RFO.
- 5.5.3. **For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- 5.5.3.1. Tenders shall be invited in accordance with the Council's procurement policy.
- 5.5.4. **For contracts estimated to be over the following thresholds, the Council must comply with the procurement procedures as specified within the Public Contracts Regulations 2015**
- 5.5.4.1. **Public Works Contracts: £5,372,609 including VAT**
- 5.5.4.2. **Public Service Contracts: £ 214,904 including VAT**
- 5.5.4.3. **Public Supply Contracts: £ 214,904 including VAT**
- 5.6. **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.7. Quotations and Estimates received, together with the evidence of those sought, are to be filed centrally for audit and follow-up purposes.
- 5.8. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:
- 5.8.1. specialist services, such as legal professionals acting in disputes;

¹ The Regulations require Councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

- 5.8.2. repairs to, or parts for, existing machinery or equipment;
 - 5.8.3. works, goods or services that constitute an extension of an existing contract;
 - 5.8.4. goods or services that are only available from one supplier or are sold at a fixed price.
- 5.9. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason shall be set out in a recommendation to the relevant committee. Avoidance of competition is not a valid reason.
- 5.10. The Council, its committees or delegated officers, as appropriate, shall not be obliged to accept the lowest of any tender, quote or estimate, but must have a valid reason for not doing so.
- 5.11. The Council supports and commits to consider social value in its procurement procedures. Preference will be given to local suppliers, preferably independent, provided value for money, quality, time efficient goods and services are offered.
- 5.12. The Council may contract with preferred suppliers. These opportunities shall be advertised in consideration of the legislation, depending on value.
- 5.12.1. A contract shall usually be agreed for two years, with the opportunity to extend for one further year.
 - 5.12.2. The agreement of an hourly rate, day rate or job rate must be a condition of contract, which may be increased by CPI as from 1st April; the year to be specified dependent on start date.
 - 5.12.3. A break clause must be agreed in consideration of both the Council and the contractor.
- 5.13. The Council may open business trade accounts to support the purchase of routine everyday items e.g. materials, tools and stationery.
- 5.13.1. Any trade card account opened by the Council shall be restricted to named officers, recommended by the manager and agreed by the CEO in discussion with the RFO. Any balance shall be paid in full each month.
- 5.14. **Authorisation of Expenditure – Revenue expenditure agreed by Council at its annual budget meeting, usually January, or by the Policy & Resources committee within the financial year.**

5.14.1. Other than in an emergency, expenditure shall only be authorised by the 'Lead Officer' with responsibility for the budget line (nominal code), under delegated authority, subject to:

5.14.1.1. The level of their spending authority.

- Expenditure above a Lead Officer's spending authority must additionally be agreed by their line manager and/or the CEO and RFO, with the appropriate spending authority. Delegated spending authority levels are as follows:
 - Officers authorised by their manager – spending authority up to £500 (ex VAT) as agreed on an individual basis.
 - Line manager to recommend, CEO, in discussion with RFO, to agree.
 - A manager of the Council – spending authority up to £1,500 (ex VAT)
 - The CEO and RFO together – spending authority up to £25,000 (ex VAT)
 - The RFO to confirm sufficiency of funds.
 - The CEO to confirm the expenditure is within the Council Strategy.
 - Full Council for expenditure over £25,000 (ex VAT).
 - The usual process is via the appropriate (lead) committee and the Policy & Resources committee, who require an overview of the financial situation. In exceptional circumstances, once a project is established and funding agreed, full Council may resolve that the lead committee shall make their recommendation direct. If this is agreed, the financial overview must be made available to the Policy & Resources Committee for their quarterly meeting.

5.14.1.2. There being sufficient remaining in the budget line (nominal code) for all planned expenditure over the remainder of the financial year.

5.14.1.3. That the spend does not cause the budget for the nominal code to be exceeded.

- If funds within a nominal code are insufficient, at the request of the Lead Officer, the RFO may vire funds from another nominal code,

subject to the agreement of the Lead Officer for both nominal codes, their managers, the CEO and RFO.

5.14.1.4. Where **capital** expenditure has been approved by Council for general improvements / projects e.g. play areas, the expenditure is in line with the committee's recorded priorities, previously resolved by the appropriate committee and recorded in the minutes.

5.15. Requested expenditure that has arisen **since** the agreement of the budget by Council, for which there is no allocated budget, must be approved by the Policy & Resources Committee.

5.15.1. Any such agreement of the Policy & Resources committee must be in consideration of from where the funding is to be vired. Such authorisation must be supported by a minute.

5.16. No individual member, or informal group of members shall issue an official order unless instructed to do so in advance by a resolution of the Council, or make any contract on behalf of the Council

5.17. No expenditure shall be authorised that shall exceed the budget for that type of expenditure other than by resolution of the Council, or by the Policy & Resources Committee, except in an emergency.

5.18. The RFO shall provide the Policy & Resources committee with a statement of receipts and payments to date under each budget line (nominal code), comparing actual expenditure to that expected for the time of year. These statements are to be prepared at least at the end of each financial quarter and show explanations of material variances, both over and under, for both income and expenditure. For this purpose, "material" shall be over or under £1,000 or 15%.

5.19. No committee, individual councillor or officer, shall request, encourage or pressurise any officer of the Council to spend, where there are no pre-agreed funds.

5.20. In cases of serious risk to the delivery of Council services or to public safety on Council premises, the CEO may authorise expenditure of up to £25,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The CEO shall report such action to the Chair of the Policy & Resources Committee as soon as possible and to Policy & Resources Committee as soon as practicable thereafter.

- 5.21. No expenditure shall be authorised, no contract entered into, or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 5.22. A Purchase Order shall be issued for all work, goods and services unless a formal contract is to be prepared for which a Standing Order or Direct Debit is required, or where expenditure falls within one of the categories for which an Officer's debit card may be used. See section 12 entitled "Payments requiring a payment card".
- 5.23. Whilst recognising that most deliveries are left on the doorstep, with the driver often taking a photograph, when asked to sign that the goods have been received, officers shall sign "unchecked" alongside their signature. This shall usually be on an electronic handheld device. On the rare occasion this is on carbonated slip, a copy to be kept until the goods have been checked and the delivery confirmed correct.
- 5.24. Copies of orders shall be retained until checked against the delivery note by the appropriate officer and confirmed correct.
- 5.25. Any ordering system can be misused and access to them shall be controlled by the RFO.

6 Grants

- 6.1. A budget for grants is agreed at the annual budget meeting, usually January. Grants shall be released during the financial year, as follows, in accordance with the Council's policy statement:
- 6.1.1. Grants to mitigate against the Climate Emergency:
- 6.1.1.1. These shall be considered by the Climate Emergency Working Group and referred to the Grants Sub-Committee for agreement.
- 6.1.2. Grants for Specific Organisations and Purposes:
- 6.1.2.1. These shall be named and included as part of the annual budget with an indicative budget and released by the Policy & Resources committee throughout the year.
- 6.1.3. Small Grants to individual organisations.
- 6.1.3.1. These shall be allocated by the Grants Sub-Committee, to organisations with a project listed with "The Good Exchange".

- 6.2. The Grants Sub-Committee shall resolve grants up to £10,000 and shall make recommendation to the Policy & Resources committee for grants over £10,000. The Policy & Resources committee shall resolve grants up to £25,000. Any grant over £25,000 must only be agreed by full Council.
- 6.3. A copy of the Grants Policy and eligibility criteria shall be available on the website.
- 6.4. 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 grants are discussed and voted on in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 6.5. Once authorised, grants shall be paid by BACS within the next supplier payments run.
- 6.6. Any collections organised by the Council for charitable purposes, are to be authorised and managed by the appropriate committee.

7 Payment of salaries and allowances

- 7.1. **As an employer, the Council must make arrangements to comply with the statutory requirements of PAYE legislation.**
- 7.2. **Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 7.3. Salary rates shall be agreed by the Council, or the Staff Sub-Committee, dependent on post, in consideration of National Joint Council (NJC) for Local Government Services agreed salary framework. The Staff Sub-Committee shall review these annually, further to the annual appraisals and publication of the annual Local Government Services Pay Agreement.
- 7.4. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Council or Staff Sub-Committee.
- 7.5. Agreed overtime payments, mileage and any other agreed staff expenses shall, on a monthly basis, be authorised by the officer's line manager, coordinated for payroll by the Senior Accounts Officer (or the RFO) and checked by the RFO (or the CEO), thus ensuring no break in the payment of salaries through sickness or annual leave.
- 7.6. Payment of salaries by BACS shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.

- 7.7. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 7.8. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook.
- 7.9. Any termination payments shall be supported by a report to the Council, setting out a clear business case. Termination payments shall only be authorised by the full Council.
- 7.10. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) shall be summarised to avoid disclosing any personal information.
- 7.11. Engaging interim staff, whether employed, contracted or agency, shall be agreed by the CEO or appropriate manager, under delegated authority, subject to the completion of a business case (prepared prior to the engagement for committee) and providing sufficiency within the budget line for the time period likely required.
- 7.11.1. If contracted, further to confirmation from the RFO regarding funding sufficiency, a purchase order, with the agreed budget line, shall be completed
- 7.11.2. If employed, confirmation in writing from the RFO regarding funding sufficiency, with the agreed budget line, is required.
- 7.11.3. If funds within a nominal code are insufficient, with the agreement of the CEO, the RFO shall via funds from another nominal code, subject to the agreement of the Manager for both nominal codes, the CEO and RFO.
- 7.11.4. If any of the above parties has concerns, the Business Case must be taken to the Policy & Resources committee for consideration.
- 7.11.5. If no concerns, the CEO shall advise the chair of the Staff Sub-committee at the earliest opportunity and provide the RFO with a copy of the Business Case for the information of the Policy & Resources committee at their next meeting.

8 Banking Arrangements

- 8.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the Policy & Resources Committee. The

RFO is the Council's Service Administrator. The bank mandate shall include member and officer signatories as agreed by Council. The arrangements shall be reviewed annually for security and efficiency.

- 8.2. The Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error.
- 8.3. The Council shall endeavour to use electronic payments for all transactions. The Council has no petty-cash facility for payments. Cheques shall be used if the only payment method available. The Policy & Resources Committee shall review these arrangements annually.
- 8.4. The annual review of these Financial Regulations is to be considered as a resolution of Council for the continuance of electronic banking, e.g. BACS, CHAPS, direct debits, standing orders and faster payments.

9 Banking Security

- 9.1. No employee or member shall disclose any PIN or password, relevant to the Council or its banking, to anyone not authorised in writing by the Council or a duly delegated committee.
- 9.2. Members and officers shall ensure that any computer used for the Council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.
- 9.3. Remembered password facilities shall not be used on any computer used for Council banking.
- 9.4. Account details for suppliers shall only be changed upon written notification by the supplier verified by the Senior Accounts Officer and the RFO. This is a potential area for fraud and the individuals involved shall ensure that any change is genuine. Data held must be checked with suppliers a minimum of every two years.

10 Payments to Suppliers – Invoices requiring payment

- 10.1. All invoices for payment shall be:
 - 10.1.1. matched to the Purchase Order (Senior Accounts Officer)
 - 10.1.2. examined for arithmetical accuracy (Senior Accounts Officer and Lead Officer)
 - 10.1.2.1. Invoices shall be accepted up to 15% over their quotation or estimate, with the agreement of the Lead Officer.
 - 10.1.3. checked to ensure logged to the appropriate expenditure heading (Senior Accounts Officer & RFO)

- 10.1.4. added to a schedule of payments requiring authorisation (Senior Accounts Officer)
- 10.1.5. verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the Council (Lead Officer & Manager)
- 10.1.6. approved by the appropriate manager, and if over £1,500, reviewed by the RFO and authorised by the CEO. Then,
- 10.1.7. The invoices and purchase orders are to be forwarded by the Senior Accounts Officer to the Chair and Vice-Chair of Council and of the following committees: Policy & Resources, Community Services, Civic Pride Arts & Culture and Planning & Highways; requesting the authorisation in writing by two members for the release of the online payments.
- 10.1.8. Evidence shall be retained showing which members authorised the online payment.
- 10.2. All invoices for payment require dual online authorisation, or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised, and only authorised payments shall be approved or signed to allow the funds to leave the Council's bank.**
- 10.3. Prior to setting up or authorising any payment, responsible officers, usually the Senior Accounts Officer and RFO, shall ensure sufficiency of funds within the current account to cover authorised payments. The RFO, or the Senior Accounts Officer in their absence shall transfer funds from the Instant Access Account as required, allowing approximately £20,000 to cover direct debits and debit card payments.
- 10.4. The Council's usual practice shall be to arrange two payment runs per month for the supplier payments, which shall be paid by BACS. Faster payments or CHAPS may be made by exception, at the discretion of the RFO (see 10.7 & 10.8).
- 10.5. The Council shall make a payment by cheque only as a last resort. However, if the only method of payment available, in addition to 10.1.1 to 10.1.17, the following regulations apply.
- 10.5.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two signatories.

- 10.5.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under any circumstances, be a signatory to that payment.
- 10.5.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.
- 10.6. The Policy & Resources committee shall, at each quarterly meeting, receive and ratify the list of supplier payments paid against the invoice over the preceding three months, which shall then be appended to the minutes.
- 10.7. Any payment necessary to comply with contractual terms, to enable late invoices to be paid prior to year-end, or to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998, shall, provided there is no dispute or other reason to delay payment, be paid by faster payments. The invoices and purchase orders are to be forwarded by the Senior Accounts Officer to the Chair and Vice-Chair of Council and of the following committees in the usual way: Policy & Resources, Community Services, Civic Pride Arts & Culture and Planning & Highways; requesting the authorisation in writing by two members for the release of the online payments. A list of faster payments shall be submitted to the next appropriate meeting of the Policy & Resources committee.
- 10.8. By exception, if member agreement is not feasible due to the timescale, an invoice may be paid by faster payments at the RFO's discretion, or in the RFO's absence, the CEO. The RFO and/or CEO must satisfy themselves as to the reasons for the exception, and that there are sufficient funds within the budget.

11 Payments to Suppliers – Requiring payment by direct debit or standing order

- 11.1. For each financial year the RFO shall draw up a schedule of regular payments paid by either direct debit or standing order, to include agreed start and finish dates, that are due in relation to a continuing contract or obligation (such rent, rates, utilities, regular maintenance contracts and similar items). The Policy & Resources Committee shall ratify these payments as part of the budget planning process.
- 11.2. New or extended contracts shall be agreed by a manager, under delegated authority, providing sufficiency within the budget line for the remainder of the financial year, and within the new financial year, subject to the budget having already been agreed.
- 11.2.1. If funds within a nominal code are insufficient, at the request of the Manager, the RFO shall via funds from another nominal code, subject

to the agreement of the Lead Officer for both nominal codes, the CEO and RFO.

11.3. In cases of serious risk to the delivery of Council services or to public safety on Council premises, the CEO shall authorise a contract requiring direct debit or standing order arrangements, up to a total annual spend of £25,000 excluding VAT, whether or not there is any budget for such expenditure. The CEO shall report such action to the Chair of the Policy & Resources Committee as soon as possible and to Policy & Resources Committee as soon as practicable thereafter.

11.4. Regular and variable direct debits and standing orders shall be checked for reasonableness as part of the reconciliation process, by the Senior Accounts Officer, who shall report any concerns to the RFO. The RFO, further to investigation, shall advise the Policy & Resources Committee of any concerns.

11.5. A member of the Audit Working Group shall confirm the direct debit and standing order payments against the bank statement as part of the reconciliation process.

12 Purchases requiring a payment card

12.1. For the majority of purchases, officers with delegated authority to spend must issue a Purchase Order. To support the day to day running of the Council, where a purchase order is not feasible, expenditure falls within one of the following categories, there is sufficient in the budget and the lead officer for the budget line is in agreement, an officer may use their debit card:

12.1.1. Tools and materials for the purpose of day-to-day repairs and maintenance.

12.1.2. Personal protective equipment and clothing.

12.1.3. Office and staff expenses.

12.1.4. Subscriptions

12.1.5. Other expenditure with the agreement of the CEO and RFO

12.2. The release of any debit card to any individual officer requires:

12.2.1. A recommendation from the line manager

12.2.2. Agreement from the CEO further to discussion with the RFO

12.2.3. A resolution by the Policy & Resources Committee

12.2.4. A bank mandate signed by the Chair of the Policy & Resources committee.

- 12.3. With the resolution of the Policy & Resources Committee and signed bank mandate, the RFO shall process the application.
- 12.4. Delegated spending authority levels for a single transaction are as follows:
- 12.4.1. Any officer of the Council – spending authority between £100 and £500 (ex VAT) as recommended by their line manager and agreed by the CEO in consideration of need.
- 12.4.2. Any senior manager of the Council – spending authority up to £1,000 (ex VAT)
- 12.4.3. The CEO and RFO – spending authority up to £1,500 (ex VAT).
- 12.5. It is anticipated that the need for a debit card payment, rather than purchase order and invoice, over £500 is rare. If required, the manager shall e-mail the details to the CEO and RFO. The RFO shall record the reason to support future reviews.
- 12.6. Council debit cards are not to be used for items that in consideration of Council policy, are to be claimed as personal expenses, e.g. eye tests.
- 12.7. Personal credit or debit cards shall not be used under any circumstances for the purchase of goods and services for the Council.
- 12.8. Any purchase on behalf of the Council by a member, shall be by exception, where it is not practical for an officer to make the purchase. E.g. Flowers for agreed arrangements. Such agreement requires the authorisation of the Policy & Resources Committee.
- 12.9. Any corporate credit card opened by the Council shall be specifically restricted to use by the CEO and RFO and any balance shall be paid in full each month.

13 Contracts with stage payments e.g. payments under contracts for building or other construction works

- 13.1. Where contracts provide for payment by instalments the Services Delivery Manager and RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
- 13.2. Any variation of, addition to or omission from a contract must be authorised by Services Delivery Manager / CEO to the contractor in writing, with the Council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

14 VAT

- 14.1. The RFO shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software by the due date.

15 Loans and investments

- 15.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full Council and recorded in the minutes. All borrowing shall be in the name of the Council, after obtaining any necessary approval.
- 15.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full Council, following a written report on the value for money of the proposed transaction.
- 15.3. The Council shall consider the requirement for an Investment Strategy and Policy in accordance with "Statutory Guidance on Local Government Investments", which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 15.4. All investment of money under the control of the Council shall be in the name of the Council.
- 15.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 15.6. The opening and closing and transfer of funds to fixed term interest accounts in the same bank or branch, to support the Council's investment strategy, shall be made by the RFO after consulting the CEO. The Policy & Resources committee is to be briefed at their next ordinary meeting. Two signatories to the bank are required.

16 Income

- 16.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 16.2. The Policy & Resources Committee shall approve all fees and charges for work undertaken, services provided, or goods sold at least annually as part of the budget-setting process, following a review and recommendation of the

- respective committees. The RFO shall be responsible for the collection of all amounts due to the Council, supported by the Lead Officer for the budget area and the Senior Finance Officer.
- 16.3. All payees are to be asked to settle invoices by electronic banking, such as BACS, CHAPS, faster payment, direct debit, standing order or card machine. Cheques shall also be accepted but are discouraged if an alternative payment method available.
- 16.4. The Council shall not maintain any form of cash float.
- 16.5. If there is no other payment method available to the payee e.g. the occasional allotment resident, cash may be accepted, but only alongside an invoice, and a receipt from the receipt book must be given, with the carbon copy kept. The Officer in receipt of the cash is to report the occurrence, and reason, to their line manager and the Senior Accounts Officer, as soon as reasonably possible. Cash must be paid into the Council bank account via the post office. This is a position of last resort.
- 16.6. All late payments shall be followed up by the Senior Accounts Officer in conjunction with the Lead Officer, and late payments over 3 months reported to the Policy & Resources Committee.
- 16.7. Sums found to be irrecoverable and any bad debts shall be reported to the Policy & Resources Committee by the RFO and shall be written off for accounting purposes after exploring all possible avenues. The Committee's approval shall be shown in the accounting records.
- 16.8. The Council may, with the agreement of the Policy & Resources Committee, contract agents to manage its assets and/or collect any associated income. The means of income collection and fees shall be agreed on an individual basis.

17 Stores and equipment

- 17.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 17.2 Goods must be checked as to order and quality at the time delivery is made.
- 17.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 17.4 The Lead Officer shall be responsible for periodic checks of stocks and stores, at least annually.

18. Assets, properties and estates

18.1 The CEO shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Council.

18.2 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Council, their 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.

18.3 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.

18.4 No interest in land 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. In each case a written report 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 where required by law).

18.5 When undertaking land or asset management, disposal or installation, any agreements required from West Berkshire Council and/or the Oxford Diocese shall be obtained prior to the activity being undertaken. Procedures required by both organisations in an emergency shall be included within the risk assessments and followed.

18.6 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the relevant committee or Lead Officer and appropriate manager by delegated authority, together with any other consents required by law, except where the estimated value of any one item does not exceed £500. In each case a written business case shall be provided to the Lead and Policy & Resources committees at their next meetings, with a copy provided to the RFO to enable the adjustment of the asset register.

19. Insurance

19.1 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the Council's review of risk management.

19.2 The CEO 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.

19.3 The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Policy & Resources Committee at the next available meeting. The RFO shall negotiate all claims on the Council's insurers in consultation with the CEO.

19.4 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.

20. Charities

20.1 Where the Council is sole managing trustee of a charitable body and there is no Memorandum of Understanding in place, the CEO and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The CEO and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

20.2 Any income that is the property of a charitable trust shall be paid into a charitable bank account. Subject to a Memorandum of Understanding instructing otherwise, instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) shall be given by the Managing Trustees of the charity meeting separately from any Council meeting.

20.3 Where a Memorandum of Understanding between the Council and a charitable trust is in place the agreements contained within must be followed.

21. Suspension and revision of Financial Regulations

21.1 The Council shall review these Financial Regulations annually. The CEO and RFO shall monitor changes in legislation or proper practices and advise the Council of any need to amend these Financial Regulations.

21.2 The Council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.

21.3 The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.