

STANDING ORDERS - PART 2: FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council on 19th May 2020 and 18th May 2021

Green indicates Standing Orders to which minor drafting, wording and numbering changes have been made.
Blue indicates Standing Order to which significant drafting and wording changes have taken place or which have been added in their entirety.

BI. GENERAL

- BI.1 These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. 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 financial control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the council meets these responsibilities.
- BI.2 The Responsible Finance Officer (RFO) is a statutory office and shall be appointed by the council. The Town Clerk is the appointed RFO for this council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the council are maintained and kept up to date in accordance with proper practices.
- BI.3 The RFO assists the council to secure economy, efficiency and effectiveness in the use of its resources; and shall be responsible for ensuring the production of quarterly financial and management information reports.
- BI.4 At least once a year, prior to approving the Annual Governance Statement, the council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.
- BI.5 Deliberate or wilful breach of these regulations by an employee may give rise to disciplinary proceedings.
- BI.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 councillor into disrepute.
- BI.7 The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.
- BI.8 The accounting records determined by the RFO shall in particular contain:
- BI.8.1 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 account relate;
 - BI.8.2 a record of the assets and liabilities of the council; and
 - BI.8.3 wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- BI.9 The accounting control systems determined by the RFO shall include:
- BI.9.1 procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - BI.9.2 procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - BI.9.3 identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - BI.9.4 procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - BI.9.5 measures to ensure that risk is properly managed.
- BI.10 The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular, any decision regarding:
- BI.10.1 setting the final budget or the precept (council tax requirement);
 - BI.10.2 approving accounting statements;
 - BI.10.3 approving an annual governance statement;
 - BI.10.4 borrowing;
 - BI.10.5 declaring eligibility for the General Power of Competence; and
 - BI.10.6 addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

- B1.1.1 In addition the council must:
- B1.1.1.1 determine and keep under regular review the bank mandate for all council bank accounts;
 - B1.1.1.2 approve any grant or a single commitment in excess of £5,000; and
 - B1.1.1.3 in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.
- B1.1.2 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified. In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of the National Association of Local Councils (NALC) and the Society for Local Council Clerks (SLCC).

B2. ANNUAL ESTIMATES & BUDGET

B2.1 Annual Estimates

- B2.1.1 Detailed estimates of all income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared by 31st December each year under the supervision of the RFO.
- B2.1.2 Each committee shall formulate and submit proposals to the Policy & Resources Committee in respect of revenue services and capital projects for inclusion in the capital programme to enable them to be considered at the January meeting of the Policy & Resources Committee.
- B2.1.3 The Policy & Resources Committee shall review the estimates, submit them to the Council during January in each year and shall recommend the precept to be levied for the ensuing financial year.
- B2.1.4 The Council shall, at its January meeting, decide the Precept and Council Tax Charge to be levied for the ensuing financial year and the percentage increase in the Council Tax Charge relative to the current year.
- B2.1.5 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year, the RFO will supply members with copies of approved budgets and precept, the approval and distribution of which shall be recorded in the minutes of the Council.

B2.2 Budgetary Control

- B2.2.1 Expenditure on the revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget.
- B2.2.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the Policy & Resources Committee or the Council.
- B2.2.3 The RFO shall provide the Policy & Resources Committee on a quarterly basis with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets, comparing actual with budgeted expenditure.
- B2.2.4 The RFO in consultation with the Chair of the relevant committee, 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 any budgetary provision for the expenditure, subject to a limit of £5,000. The RFO shall report the action to the appropriate committee as soon as practicable thereafter.
- B2.2.5 Where expenditure is incurred in accordance with regulation B2.2.4 above and the sum required cannot be met from savings made elsewhere within that committee's approved budget, it shall be funded from the General or Earmarked Reserve Fund subject to Council approval on the recommendation of the Policy & Resources Committee.
- B2.2.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve, with the approval of the Council.
- B2.2.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on the capital account unless the committee concerned is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available or the requisite borrowing approval can be obtained.
- B2.2.8 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- B2.2.9 Upon the approval by the Council of a programme of capital expenditure the RFO shall be authorised to submit a scheme to the appropriate spending committee and shall incorporate a statement showing the estimated cost and the probable initial and ultimate revenue charge arising as well as the method of financing recommended, and to take steps to enable land required for the purposes of the programme to be acquired in due time.

- B2.2.10 Where a capital scheme is likely to exceed the approved budget by more than £2,500 it will be the responsibility of the RFO to seek a virement, or if necessary a supplementary estimate from the appropriate committee or from the Council.
- B2.2.11 If, during the progress of the scheme, it becomes apparent that the original tender sum is likely to be materially varied, either up or down, the RFO shall report the facts immediately to the appropriate committee as part of the normal project progress procedure.
- B2.2.12 In order that the Council can react to changed circumstances in a timely manner the Council's Operational Management Team shall monitor progress on capital schemes with a view to recommending the course of action appropriate both in respect of Regulation B2.2.10 and in the event of changes in the timescale during which capital works are likely to be carried out.
- B2.2.13 "Earmarked Reserves" may be included in the annual budgets to build up funds for future projects.
- B2.2.14 Committee Chairs should be advised of any intended expenditure over **£5,000** by the relevant officer.
- B2.2.15 Purchase orders are to be raised for single items over £1,000.

B3. ACCOUNTING AND AUDIT

- B3.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- B3.2 On a regular basis, at least once in each quarter, and at each financial year end, two members shall be appointed to verify bank reconciliations 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 council's Policy & Resources Committee.
- B3.3 The RFO shall be responsible for ensuring completion of the annual statement of accounts, annual report and any related documents of the Council contained in the Annual Return as soon as practicable after the end of the financial year and shall submit them to and report thereon to the Policy & Resources Committee and subsequently to the Council prior to 30th June each year.
- B3.4 The following principles shall be observed as closely as is practicable in connection with accounting duties.
 - B.3.4.1 The duty of providing information, calculating, checking and recording sums due to or from the Council, should be separated as completely as possible from the duty of collecting or dispersing them.
 - B3.4.2 Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- B3.5 The Council shall ensure that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council, shall, if the RFO or Internal Auditor requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO or the Internal Auditor to be necessary for the purpose of the audit and shall supply the RFO or the Internal Auditor with such information and explanation as the RFO or the Internal Auditor considers necessary for that purpose.
- B3.6 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing on a regular basis with a minimum of one annual report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the council.
- B3.7 The RFO shall, as soon as practicable, bring to the attention of the Council any correspondence or report from the Internal or External Auditor, unless correspondence is of a purely administrative nature.
- B3.8 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, the Officer discovering the event (or any Officers or members aware that the following procedures had not been effected) shall immediately report it to the RFO who shall take such steps as he/she considers necessary by way of investigation and report, and shall inform the Mayor and the Chair of the Policy & Resources Committee of the situation.
- B3.9 The RFO shall make arrangements for the exercise of elector's rights in relation to the accounts including the opportunity to inspect the accounts, books and vouchers and shall display or publish any notices and statements of accounts required by the Audit Commission Act 1998, or any superseding legislation, and Accounts and Audit Regulations.

B4. BANKING AND AUTHORISATION OF PAYMENTS

- B4.1 The Council's banking arrangements shall be made by the RFO and approved by the Policy & Resources Committee. They shall be regularly reviewed for safety and efficiency.
- B4.2 Records of payments and receipts shall be monitored and overseen by the RFO and examined by named Councillors prior to each Policy & Resources meeting at which the total payments and receipts recorded to the previous month will be reported. The examination shall be evidenced by signatures of the Councillors and if approved will be countersigned by the Mayor or Chair of the meeting.
- B4.3 Cheques/BACS drawn on the current bank account in accordance with the record of payments referred to in the previous paragraph shall be signed by two members of the Council and countersigned by the Head of Resources or in his/her absence by the Town Clerk.
- B4.4 Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

B5. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- B5.1 The council will make safe and efficient arrangements for the making of its payments.
- B5.2 The normal methods of payment of money due from the Council, apart from Petty Cash and other payments from imprest accounts, shall be by Cheque, Standing Order, Direct Debit, On Line Banking or BACS drawn on the Council's bank account.
- B5.3 All invoices for payment shall be examined, verified and certified by the relevant Officer and the RFO. Before certifying an invoice the RFO shall satisfy himself/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- B5.4 Duly certified invoices shall be passed by the RFO to the Finance Officer who shall examine them in relation to arithmetical accuracy, authorisation and expenditure coding. The RFO will take all possible steps to ensure settlement of all invoices submitted, and which are in order, within 30 days of their receipt, or earlier subject to contract.
- B5.5 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented, shall be signed by two members of council and countersigned by the Head of Resources or Town Clerk in accordance with a resolution instructing that payment. A member who is also 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.
- B5.6 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the payment list and posting slip.
- B5.7 All payments of invoices will be recorded on the record of payments referred to in B4.2 above.
- B5.8 If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.
- B5.9 If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
- B5.10 If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- B5.11 If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- B5.12 The RFO may provide petty cash floats to Officers for the purpose of defraying operational and other expenses. Vouchers for payments properly authorised by line managers shall be forwarded to the Finance Officer with a claim for reimbursement, as appropriate.
 - B5.12.1 The RFO shall redeem petty cash floats by cheque. Vouchers for payments made from petty cash shall be kept to substantiate payment.
 - B5.12.2 Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - B5.12.3 Payments to maintain the petty cash float shall be shown separately on the record of payments reported to the Council meeting, under B4.2 above.
- B5.13 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- B5.14 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

- B5.15 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.
- B5.16 Where internet banking arrangements are made with any bank, the Finance Officer shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- B5.17 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.
- B5.18 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the RFO and a member. A programme of regular checks of standing data with suppliers will be followed.

B6. PAYMENT OF SALARIES

- B6.1 The payment of all salaries shall be made in accordance with payroll records and the rules of Inland Revenue PAYE and National Insurance currently operating, and salaries shall be agreed by the Council as required by Standing Order A6.4.
- B6.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance, pension contributions or similar statutory or discretionary deductions, must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided they are recorded on the record of payments.
- B6.3 All time records and expenses claimed thereon shall be certified by the appropriate Officer as to accuracy and countersigned by the RFO.
- B6.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 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.
- B6.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- B6.6 An effective system of personal performance management should be maintained for the officers.
- B6.7 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- B6.8 Before employing interim staff the council must consider a full business case.

B7. LOANS AND INVESTMENTS

- B7.1 All loans and investments shall be negotiated in the name of the Council, and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Policy & Resources Committee and to the Council at the earliest opportunity.
- B7.2 All investments of money under the control of the Council shall be in the name of the Council.
- B7.3 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.
- B7.4 All investment certificates and other documents relating thereto shall be retained under 'safe custody' arrangements made by the RFO.
- B7.5 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000 and shall be reviewed on a regular basis, at least annually.

B8. INCOME

- B8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- B8.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the Council, at least annually, and notified to the RFO. The RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- B8.3 The Council will review all fees and charges annually, in the light of a report submitted by the RFO.

- B8.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- B8.5 All sums received on behalf of the Council shall either be paid to the Finance Officer, under the supervision of the RFO, for banking or be banked by the Officer receiving the monies 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.
- B8.6 A reference to the related debt, or otherwise indicating the origin of each cheque and/or cash receipt, shall be entered on the paying in slip.
- B8.7 Every transfer of official money from one member of staff to another shall be signed for by the receiving officer.
- B8.8 Personal cheques shall not be cashed out of money held on behalf of the Council.
- B8.9 The Finance Officer, under the supervision of the RFO, shall promptly complete any VAT return that is required. Any repayment claim or payment due in accordance with the VAT Act 1994, section 33 shall be made at least quarterly.
- B8.10 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.

B9. ORDERS FOR WORK, GOODS AND SERVICES

- B9.1 An official order or letter shall be issued for all work, goods and services over £1,000, unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases, energies. Copies of orders issued shall be retained.
- B9.2 Order books shall be controlled by the RFO.
- B9.3 All officers empowered to issue orders are responsible for obtaining value for money at all times. 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. This is usually achieved by obtaining three or more quotations or estimates from appropriate suppliers, subject to any "de minimus" provisions in Regulation B10.
- B9.4 The RFO and any other officer empowered to issue orders shall verify the lawful nature of any proposed purchase before the issue of any order and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the Council so that the minutes can record the power being used.
- B9.5 Certain goods and services shall be ordered centrally including the following list, which is not exhaustive, ICT services and equipment, software, consumables, stationery and utilities.

B10. CONTRACTS

- B10.1 Every contract shall comply with these Financial Regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (B10.1.1) to (B10.1.6) below:
- B10.1.1 for the supply of gas, electricity, water, sewerage and telephone services;
- B10.1.2 for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
- B10.1.3 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;
- B10.1.4 for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
- B10.1.5 for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk/RFO shall act after consultation with the Chairman and Vice Chairman of council); and
- B10.1.6 for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- B10.2 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 £25,000 or more, the council shall comply with the relevant requirements of The Regulations¹.
- B10.2.1 The full requirements of The Regulations, as applicable, shall be followed in respect of the award of any 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)².

¹ 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

² Thresholds applicable in 2022 are:

- a. For public supply and public service contracts £213,477
- b. For public works contracts £5,336,937

B10.2.2 Contracts for which the anticipated value is as indicated below will follow the appropriate method of awarding the contract:

- a. Up to £5,000 – delegated to officers based upon obtaining at least three estimates.
- b. £5,000 to £24,999 shall be awarded without the need for open competition, based upon informal quotes but subject to approval by the appropriate committee.
- c. Above £25,000 as required by The Regulations

B10.2.3 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.

B10.2.4 Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

B10.2.5 All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least two members of council.

B10.2.6 Any invitation to tender issued under this regulation shall be subject to Standing Orders and shall refer to the terms of the Bribery Act 2010.

B10.2.7 The council shall not be obliged to accept the lowest or any tender, quote or estimate.

B10.2.8 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.

B11. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORK

B11.1 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.

B11.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. 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 2.5% or more a report shall be submitted to the appropriate committee and the Council.

B11.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and the RFO to the Contractor in writing, the appropriate committee and the Council being informed where the final cost is likely to exceed the financial provision.

B12. STORES AND EQUIPMENT

B12.1 The officer in charge of each department shall be responsible for the care and custody of stores and equipment in that section.

B12.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as regard to the order and quality and condition at the time delivery is made. The supplier should immediately be informed of any discrepancies in writing.

B12.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

B12.4 The RFO shall be responsible for periodic checks of all stocks and stores, which will be carried out at least annually.

B13. PROPERTIES, ESTATES AND OTHER ASSETS

B13.1 The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned 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.

B13.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other contents required by law, save where the estimated value of any one item of tangible moveable property does not exceed £500.

B13.3 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).

- B13.4 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).
- B13.5 Subject only to the limit set in Reg. 13.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.
- B13.6 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

B14. INSURANCE

- B14.1 Following the annual risk assessment the RFO, shall affect all insurances and negotiate all claims on the Council's insurers, in conjunction with other officers where necessary.
- B14.2 The Facilities Manager 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.
- B14.3 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- B14.4 Officers shall give prompt notification to the RFO of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the Council at the next available meeting. Where appropriate the Police will be informed.
- B14.5 All appropriate members and employees of the Council shall be included in a suitable fidelity guarantee insurance, which shall cover the maximum risk exposure as determined by the Council.
- B14.6 The RFO shall at least annually review all insurances in consultation with other officers.
- B14.7 The RFO shall ensure that all contractors have adequate employers and third party liability insurance before contracts are carried out on behalf of the Council.

B15. CHARITIES

Where the Council is sole trustee of a Charitable body the RFO shall ensure that appropriate 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 RFO shall arrange for any audit or independent examination as may be required by Charity Law or any governing document.

B16. BUSINESS RISK MANAGEMENT

- B16.1 The council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.
- B16.2 When considering any new activity the RFO shall prepare a draft business risk management policy statement for the activity and shall bring a draft addressing the legal and financial liabilities and Business Risk Management issues that arise to the appropriate committee, the Policy & Resources Committee and then to the Council, for consideration and, if considered appropriate for adoption.

B17. REVISION OF FINANCIAL REGULATIONS

- B17.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The RFO shall make arrangements to monitor changes in legislation or proper practices and advise the council of any requirement for a consequential amendment to these financial regulations.
- B17.2 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.