

# CYNGOR CYMUNED LLANSTEFFAN A LLANYBRI LLANSTEFFAN AND LLANYBRI COMMUNITY COUNCIL

## FINANCIAL REGULATIONS

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These Financial Regulations were adopted by Llansteffan and Llanybri Community Council  
at its Meeting held on .....

CHAIR: .....

RFO: .....

## 1. GENERAL

1. These financial regulations govern the conduct of financial management by Llansteffan and Llanybri Community Council (hereinafter referred to as the Council) and may only be amended or varied by resolution of the Council. Financial Regulations represent 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.
2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
3. The Council's accounting control systems must include measures:
  - to ensure the timely production of accounts;
  - to provide for the efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - to identify the duties of officers.
4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper audit practices.
6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
7. Members of Council are expected to follow the instructions within these Regulations and not entice employees to breach them. Failure to follow instructions within these Regulations may bring the office of Councillor into disrepute and may constitute a breach in the Councillor's Code of Conduct.
8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
9. The Clerk/RFO:
  - acts under the policy direction of the Council;
  - administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Council its accounting records and accounting control systems;
  - ensures the accounting control systems are observed;

- maintains the accounting records of the Council up to date in accordance with proper practices;
  - 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.
10. The accounting records determined by the Clerk/RFO shall be sufficient to show and explain the Council's transactions and to enable the Clerk/RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments comply with the Accounts and Audit (Wales) Regulations and additional or management information, as the case may be, to be prepared for the Council from time to time.
11. The accounting records determined by the Clerk/RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Council; and
  - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
12. The accounting control systems determined by the RFO and approved by Council 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, at least once a month.
  - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of officers 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, are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records: and
  - measures to ensure that risk is properly managed.
13. **The full Council** is responsible for:
- setting the final budget or the precept (Council Tax Requirement);
  - approving accounting statements;
  - approving an annual governance statement;
  - borrowing;

- writing off bad debts;
- addressing recommendations in any report from the internal or external auditors.

14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £5000; and
- 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. (Recommendations on salaries and expenses established by the National Joint Council for Local Government Services where appropriate).

15. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations shall mean the regulations issued under the provisions of the Public Audit (Wales) Act 2004, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils in Wales - A Practitioners' Guide*, issued by the Joint Practitioners Advisory Group (JPAG) available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

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

1. All accounting procedures and financial records of the Council shall be determined by the Clerk/RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
2. **On a regular basis, at least once in each quarter, and at each financial year end**, a member other than the Chairman (or a cheque signatory) shall be appointed to verify bank reconciliations (for all accounts) produced by the Clerk/RFO. The member 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 Finance Committee.
3. The Clerk/RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit (Wales) Regulations.
4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available

such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.

5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
6. 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.
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 the Clerk/RFO, except where required to assist the auditor in question.
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.
9. The Clerk/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 the Public Audit (Wales) Act 2004, or any superseding legislation, and the Accounts and Audit (Wales) Regulations.
10. The Clerk/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**

1. By January of each year, the Clerk/RFO must 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 Council.
2. 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. The Council shall fix the precept (Council tax requirement) for the ensuing financial year not later than by the end of January each year. The Clerk/RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
4. The approved annual budget shall form the basis of financial control for the ensuing year.

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

1. The Council must approve all expenditure, with the sole exception that delegated authority may be awarded to the Chair and Clerk/RFO to undertake specific and minuted expenditure where necessary.  
  
Contracts may not be disaggregated to avoid controls imposed by these regulations.
2. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
4. The salary budgets are to be reviewed annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Chair and Clerk/RFO.
5. In the event of an emergency, the Chair together with the Clerk/RFO may authorise revenue expenditure on behalf of the Council, which in their judgement is necessary to protect public health and safety. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk/RFO shall report such action to the next meeting of the Council.
6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
7. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
8. The Clerk/RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 10% of the budget.
9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

## 5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

1. The Clerk/RFO is responsible for the Council's banking arrangements, including the bank mandate, which must be approved by the Council; banking arrangements may not be delegated to a committee, they shall be regularly reviewed for safety and efficiency. Members who act as signatories to Council cheques will be reviewed at the Annual Meeting in May.
2. The Clerk/RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council. The approved schedule as listed in the minutes shall be initialled by the Chair of the meeting. A detailed list of all payments shall be disclosed within, or as an attachment to, the minutes of the meeting at which payment was authorised. 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.
3. All invoices for payment shall be examined, verified and certified by the Clerk/RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
4. The Clerk/RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Clerk/RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.
5. The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council [or finance committee];
  - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council; or
  - c) fund transfers within the Councils banking arrangements up to the sum of £5,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
6. For each financial year the Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or

obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council.

7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
8. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council.
9. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a Dispensation has been granted.

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

1. The Council will make safe and efficient arrangements for the making of its payments.
2. All payments shall be effected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.
3. Cheques or orders for payment drawn on the bank account shall be signed by two members, in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders and the Code of Conduct, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question. In most cases, the Councillor should not act as a signatory to such transactions.
4. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
5. Cheques or orders for payment shall be presented for signature at a Council Meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council at the next convenient meeting.
6. If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable Direct Debit provided that the instructions are 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**.

7. 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**.
8. 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**.
9. 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.
10. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chair of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
11. No employee or councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee.
12. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
13. 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.
14. Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the Council shall identify a number of councillors who will be authorised to approve transactions on those accounts.
15. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious

matter and appropriate action will be taken including the use of the Council's disciplinary procedure in the case of employees.

16. 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 Chair and a member. A programme of regular checks of standing data with suppliers will be followed.
17. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO (for example for postage or minor stationery items) shall be refunded on regular basis. **at least quarterly.**

## 7. PAYMENT OF SALARIES

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 HR Committee.
2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting as set out in the regulations above.
3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council.
4. The confidential record of any payment of salary and/or expenses to any employee 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,
  - d) by any person authorised under Public Audit (Wales) Act 2004, or any superseding legislation.
5. The total of such payments in each calendar month shall be reported with all other payments as made to the Council to ensure that only payments due for the period have actually been paid.
6. An effective system of personal performance management should be maintained for all senior officers.

7. Any staff termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
8. Before employing interim staff, the Council must consider a full business case.

## **8. LOANS AND INVESTMENTS**

1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full Council.
2. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State/Welsh Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
3. The Council will arrange with the Council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the Council at the same time as one is issued to the Clerk/RFO.
4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
5. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. The Strategy shall be reviewed by the Council at least annually.
6. All investments of money under the control of the Council shall be in the name of the Council.
7. All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.
8. Payments in respect of short-term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## **9. INCOME**

1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk/RFO.
2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the Clerk/RFO and the Clerk/RFO shall be responsible for the collection of all accounts due to the Council.

3. The Council will review all fees and charges at least annually, following a report of the Clerk/RFO.
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.
5. All sums received on behalf of the Council shall be banked intact as directed by the Clerk/RFO. In all cases, all receipts shall be deposited with the Council's bankers with the minimum of delay.
6. The origin of each receipt shall be entered on the paying-in slip.
7. Personal cheques shall not be cashed out of money held on behalf of the Council.
8. The Clerk/RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
9. Where any significant sums of cash are regularly received by the Council, the Clerk/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. Any income arising which is the property of a charitable trust shall be paid into the charitable trust bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Regulation 16 below).

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

1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared. Copies of orders shall be retained.
2. Order books/letters shall be controlled by the Clerk/RFO.
3. All members and the Clerk/RFO are responsible for obtaining value for money at all times. The Clerk/RFO issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11 (I) below.
4. A member may not issue an official order or make any contract on behalf of the Council.
5. The Clerk/RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the Clerk/RFO shall ensure that the statutory authority shall be reported to the Council Meeting at which the order is approved so that the Minutes can record the power being used.

## 11. CONTRACTS

1. Procedures as to contracts are laid down as follows:
  - a. Every contract shall comply with these Financial Regulations, and no exceptions shall be made other than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
    - i. for the supply of gas, electricity, water, sewerage and telephone services;
    - ii. for specialist services such as those provided by solicitors, accountants, surveyors and planning consultants;
    - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
    - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
    - v. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
    - vi. for additional audit work requested of the External Auditor shall be approved by the Council.
  - b. The full requirements of The Public Contracts regulations 2015 (The Regulations) as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
  - c. When applications are made to waive Financial Regulations relating to contracts to enable a price to be negotiated without competition, the reason shall be embodied in a recommendation to the Council.
  - d. Such invitation to tender shall state the general nature of the intended contract and the Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk/RFO. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
  - e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk/RFO in the presence of at least one nominated member of Council.
  - f. Any invitation to tender issued under this regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.

- g. Where it is intended to enter into a contract exceeding £10,000 (Standing Order 17) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a), the Clerk/RFO shall invite tenders from at least three reputable firms.
  - h. When it is intended to enter into a contract of less than £10,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a), the Clerk/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk/RFO shall strive to obtain 3 estimates. Otherwise, the waiver described in 11.1.c. shall apply.
  - i. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
  - j. Should it occur that the Council 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.
2. The Proper Officer shall maintain a register of personal interests, in respect of members.
    - a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.
    - b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.

## **12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

1. Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk/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).
2. Where contracts provide for payment by instalments, the Clerk/RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more, a report shall be submitted to the Council.
3. Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk/RFO to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

### 13. STORES AND EQUIPMENT

1. The Clerk/RFO is responsible for the care and custody of Council-owned computer and printing equipment, filing cabinets, documentation and stores.

### 14. ASSETS, PROPERTIES AND ESTATES

1. The Clerk/RFO shall make appropriate arrangements for the custody of all Title Deeds and Land Registry Certificates of properties held by the Council. The Clerk/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 they are held in accordance with Accounts and Audit (Wales) Regulations.
2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible moveable property does not exceed £250.
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 the valuation and surveyed condition of the property (including planning permissions and covenants), together with a proper business case (including an adequate level of consultation with the electorate).
4. No real property (interests in land) shall be purchased or acquired without the authority of the Council. In each case, a Report in writing shall be provided to the Council in respect of the valuation and surveyed condition of the property (including planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the Council. In each case, a Report in writing shall be provided to Council with a full business case.
6. The Clerk/RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified **at least annually**, possibly in conjunction with a health and safety inspection of assets.

### 15. INSURANCE

1. Following the Annual Risk Assessment (Financial Regulation 17), the Clerk/RFO shall organise all insurances and negotiate all claims on the Council's insurers.
2. The Clerk/RFO shall keep a record of all insurances organised by the Council and the property and risks covered thereby and conduct an annual review for consideration by Council.

3. The Clerk/RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.
4. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council.

## **16. CHARITIES**

1. Where the Council is the sole managing trustee of a charitable body, the Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk/RFO shall arrange any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **17. RISK MANAGEMENT**

1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO shall prepare, for approval by 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 Council **at least annually**.
2. When considering any new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

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

1. It shall be the duty of the Council to review the Financial Regulations of the Council on a regular basis, at least every two years. The Clerk/RFO 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.
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 had been drawn up and presented in advance to all members of Council.