

AXMINSTER TOWN COUNCIL
FINANCIAL REGULATIONS
Revised December 2022

THESE FINANCIAL REGULATIONS WERE REVIEWED AND REVISED BY THE STRATEGY & FINANCE COMMITTEE ON 19/12/2022 AND APPROVED BY THE FULL TOWN COUNCIL ON 16/01/2023.

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Financial Regulations

1	General.
1.1	These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
1.2	The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
1.3	The council's auditing & accounting control systems must include measures: <ul style="list-style-type: none">• for the timely production of accounts;• that provide for the safe and efficient safeguarding of public money;• to prevent and detect inaccuracy and fraud; and• identifying the duties of officers.
1.4	These financial regulations demonstrate how the council meets these responsibilities and requirements.
1.5	At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices; this process is undertaken by way of the review of the Internal Financial Control Review Policy.
1.6	A breach of these Financial Regulations by an employee may be considered as gross misconduct and a breach of these Financial Regulations by a member of the Council may be considered a breach of the Council's adopted Code of Conduct (Policy).
1.7	Members of Council are expected to follow the instructions within these Financial Regulations and must not entice, or exert influence on, employees to breach them. Failure to follow instructions within these Financial Regulations may bring the office of Councillor, and the Council itself, into disrepute.

1.8	The Responsible Financial Officer (RFO) holds a statutory office and is to be (re)appointed annually by the Council. In the absence of the appointed RFO, the Council must appoint another person to fulfil and perform the RFO role.
1.9	The RFO;
1.9.1	acts under the policy direction of the Council.
1.9.2	administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
1.9.3	determines, on behalf of the Council, its accounting records and accounting control systems;
1.9.4	ensures the accounting control systems are observed;
1.9.5	maintains the accounting records of the council up to date in accordance with proper practices;
1.9.6	assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
1.9.7	produces financial management information as required by the Council.
1.10	The accounting records determined and maintained by the RFO shall be sufficient to show and explain the Council's financial transactions and to enable the RFO to ensure that any income and expenditure accounts, statement of balances and management information reports prepared for the Council from time to time comply with the Accounts and Audit Regulations.
1.11	The accounting records determined and maintained by the RFO shall, in particular, contain: <ul style="list-style-type: none"> • 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.

1.12	<p>The accounting control systems determined and maintained by the RFO shall include:</p> <ul style="list-style-type: none"> • procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible; • procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records; • identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions; • measures to ensure that risk is properly managed.
1.13	<p>The Council is not empowered by these Financial Regulations, or otherwise, to delegate certain specified decisions. In particular, any decision regarding:</p> <ul style="list-style-type: none"> • setting the final budget or the precept (Council Tax Requirement); • approving accounting statements; • approving an Annual Governance (AGAR) statement; • borrowing (decision to borrow or repay); • writing off bad debts; • declaring eligibility for the power of well-being; and • addressing recommendations in any report from the internal or external auditors, <p>shall be a matter for the Full Council only.</p>
1.14	<p>In addition, the Full Council must:</p> <ul style="list-style-type: none"> • determine, and keep under regular review, the bank mandate for all Council bank accounts; • approve all grants to be disbursed (either with, or without, a prior recommendation from a Committee).
1.15	<p>In these Financial Regulations, references to the Accounts and Audit 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.</p>

1.15 (Cont.)	<p>In these Financial Regulations, the term '<i>proper practice</i>' or '<i>proper practices</i>' 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 NALC and the Society for Local Council Clerks (SLCC).</p>
2	Accounting and Audit (Internal and external).
2.1	<p>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.</p>
2.2	<p>On a regular basis, at least once in each quarter, and at each financial year end, a member of the Full Council (including the Chair of the Council) shall be appointed to verify bank reconciliations for all accounts produced by the RFO; no member may verify two consecutive quarters. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any variances or queries, to the Strategy & Finance Committee.</p>
2.3	<p>The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.</p>
2.4	<p>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 financial 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.</p>

2.5	The internal auditor shall be appointed by the Full Council and shall carry out the work in relation to the Council's internal financial controls in accordance with proper practices.
2.6	<p>The internal auditor shall:</p> <ul style="list-style-type: none"> • 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; • demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and • have no involvement in the financial decision making, management or control of the Council.
2.7	<p>Internal, or external, auditors may not, under any circumstances:</p> <ul style="list-style-type: none"> • perform any operational duties for the Council; • initiate or approve accounting transactions; or • direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
2.8	For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
2.9	The RFO shall make arrangements for the Exercise of Electors' Rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
2.10	The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.
2.11	The Council shall, in accordance with good practice, review its Internal Audit provision every 36-48 months and consider the appointment of a new Internal Auditor within that period if Council believes that this will improve the provision of Internal Auditing services to the Council.

3	Annual estimates (Budgeting) and forward financial planning.
3.1	The RFO must each year, by no later than the end of November, prepare detailed estimates of all income and expenditure (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's Strategy & Finance Committee (in the first instance) and subsequently by Full Council.
3.2	The Full Council shall fix the precept (Council Tax requirement) and relevant basic amount of Council tax to be levied for the ensuing financial year by no later than the 15 th of January each year. The RFO shall issue the precept demand to the billing authority within the timeframes specified by the billing authority, subject to an approved resolution of the Full Council, and shall supply each member with a copy of the approved annual budget to support that precept demand.
3.2.1	The approval of the precept demand must be resolved by the Full Council; this decision can not be delegated to a Committee under any circumstances.
3.3	The approved annual budget (and precept) shall form the basis of the Council's financial control for the ensuing financial year.
4	Budgetary control and authority to spend.
4.1	<p>Expenditure may be authorised up to the amounts for that class of expenditure in the approved budget. This delegated authority is to be determined as follows:</p> <p>a) The RFO, on their own recognisance, may incur expenditure on any item up to a maximum of £1000 for which provision is made within an appropriate expenditure budget provided that this action accords with any legislative provisions and the Council's adopted and approved Standing Orders (see also 4.2 below)</p> <p>b) The RFO, in conjunction with the Chair of Council, or Chair of a Committee, may incur expenditure for any items greater than £1000 but less than £2500 subject to the same criteria as 4.1a) above.</p> <p>Both of these expenditure actions (under delegated authority) must be reported to the Full Council at the earliest opportunity so that the approval for that expenditure may be duly minuted.</p>

4.2	<p>Occasions of urgency to prevent financial loss or reputational damage to the Council.</p> <p>The RFO is authorised to act on behalf of the Council in matters of urgency or emergency to approve expenditure up to a maximum level of £5000; any such expenditure to be authorised by the Chair (or, in their absence, the Vice-Chair). If neither can be reached, the RFO will attempt to contact other Councillors. If no Councillors can be reached, the RFO may execute such action and authorise such expenditure within this financial limit in order to minimise financial loss / reputational damage to the Council.</p> <p>In all cases where such delegated authority to spend is executed, the RFO will report to the Full Council the details of such expenditure at the earliest opportunity.</p>
4.3	<p>Delegation to authorise expenditure by Committees.</p> <p>A Committee of the Council may, without prior approval of the Full Council, authorise and commit the Council to expenditure of up to £10,000 (ten thousand pounds) for which provision is made within an appropriate expenditure budget provided that this action accords with any legislative provisions and the Council’s adopted and approved Standing Orders.</p> <p>Any expenditure over £10,000 must be approved by a resolution of the Full Council.</p> <p>Contracts may not be disaggregated to avoid controls imposed by these Financial Regulations</p>
4.4	<p>No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. 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’) or allocated to general reserves.</p>
4.5	<p>The budgets for employee remuneration (and pension contributions) are to be reviewed at least annually, preferably no later than November in line with the RFO preparation of the annual budget estimates for the forthcoming financial year.</p>

4.6	The 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, " <i>material</i> " shall be in excess of [15%] of the budget.
4.7	Changes in earmarked reserves shall be approved by Council as part of the budgetary control process and can be considered and/or approved at any point in the current financial year.
4.8	No expenditure shall be authorised in relation to any capital project, and no contract entered into, or tender accepted, involving capital expenditure unless the Full Council is satisfied that the necessary funds are available within the Council's bank accounts or until requisite borrowing approval has been obtained to approve the loan required to cover such proposed expenditure.
4.9	All capital projects and works shall be administered in accordance with the Council's adopted and approved Standing Orders and Financial Regulations (clauses relating to contracts and works).
5	Banking arrangements and authorisation of payments
5.1	<p>The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.</p> <p>The Council may seek credit references in respect of members who act as bank signatories.</p>
5.2	The 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 shall be ruled off and 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.

5.3	All invoices for payment shall be examined, verified and certified by the 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.
5.4	The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.
5.5	<p>The RFO shall have delegated authority to authorise the payment of items only in the following circumstances:</p> <p>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 RFO certifies 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;</p> <p>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</p> <p>c) Fund transfers within the Councils banking arrangements up to the sum of £85,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Council.</p>
5.6	For each financial year, the 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 limited to] 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.
5.7	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.

5.8	In respect of grants, the Council shall approve expenditure within the class of expenditure limits with the approved budget and in accordance with any relevant Policy statement approved by Council. Any Revenue or Capital Grant shall, before payment, be subject to ratification by resolution of the Full Council.
5.9	The Council will aim to rotate the duties of members in these Financial Regulations so that onerous duties are shared out as evenly as possible over time.
5.10	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.
5.11	Any changes in the recorded details of suppliers, such as bank account records, addresses etc. shall be approved in writing by a Member of the Council upon request by the RFO.
6	Instructions for the making of payments.
6.1	The Council will make safe and efficient arrangements for the making of its payments.
6.2	Following authorisation under Financial Regulation 5 above, the Council, or, if so delegated, the RFO shall give instruction that a payment shall be made (subject to banking mandate rules already in place).
6.3	All payments shall be effected by cheque or other financial instruments (including, but not limited to BACS Transfers, Standing Orders and Direct debits) drawn upon the Council's bankers, or otherwise, in accordance with a resolution of Council.
6.4	Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council shall be signed (or authorised) by two members of Council 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 the adopted 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. Dispensations may be sought by members in this regard.

6.5	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 (or sign the prepared schedule of electronic payments made) and each sign the corroborating invoice at the time the cheque or payment order is signed, both to contain appropriate reference to the other for the purposes of internal financial controls.
6.6	Cheques (or orders for payment) shall not normally be presented for signature other than at a Council or 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.
6.7	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.
6.8	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.
6.9	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.
6.10	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 by way of the signed schedule referred to in 6.5 above.

6.11	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 RFO 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.
6.12	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.
6.13	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 (including, but not limited to, Cloud-based online storage).
6.14	The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
6.15	Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the Council shall identify a number of 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.
6.16	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 Financial Regulation will be treated as a very serious matter.
6.17	Any Debit Card issued for use will be specifically restricted to the RFO and will also be restricted to a single transaction maximum value of £5000 unless authorised by Council in writing before any order is placed.

6.18	The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made/ expenditure incurred by the Clerk and/or employees and members in the business of the Council (e.g. postage, mileage, parking, or stationery items) shall be refunded on a regular basis by way of a signed schedule submitted to Council for approval at the next Council meeting; payment to be made in accordance with the Financial Regulations set out in section 6 above.
7	Payment of salaries
7.1	As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by resolution of the Full Council following a recommendation of the Employment Committee.
7.2	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 Financial Regulations above.
7.3	No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Full Council who will require a resolved recommendation from the Employee Committee beforehand.
7.4	<p>Each, and every, payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be corroborated and supported by 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:</p> <ul style="list-style-type: none"> 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. e) by an authorised representative of HMRC subject to the necessary documentation being provided.

7.5	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 (but for the purposes of publishing Council's Financial Accounts online, any such payments shall be duly redacted to ensure personal data confidentiality for the employees concerned).
7.6	An effective system of personal performance management (appraisals) should be maintained for employees by the Clerk (and for the Clerk by the Chair of the Employment Committee) including, but not necessarily limited to, a formal employee appraisal in each 12 month period. Any increase in employee remuneration is to be linked to this personal performance management appraisal but is also to take into account NALC guidelines and existing national pay level agreements.
7.7	Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments MUST only be authorised by Council.
7.8	Before employing interim staff, the Council must consider a full business case and resolve to proceed with such recruitment at a duly-convened meeting of the Employment Committee and/or Full Council.
8	Loans and investments
8.1	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.
8.2	Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as a Hire Purchase agreement or arrangements for the lease of tangible assets) shall be subject to approval by the Full Council. In each case, a report in writing shall be provided to Council by the RFO in respect of value for money for the proposed transaction.
8.3	The Council will arrange with the Council's Banks and Investment providers for the sending of each statement of account to the RFO at the Council's published business address. All such statements shall be made available to any member of the Council upon request to the RFO.

8.4	All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with the Council's Investment and Borrowing Strategy (Policy).
8.5	The Council shall - as part of its Internal Financial Control review - annually review the adopted Investment and Borrowing Strategy (Policy) which shall be in accordance with relevant regulations, proper practices and guidance.
8.6	All investments of money under the control of the Council shall be in the name of the Council.
8.7	All investment certificates and other documents relating thereto shall be retained in the custody of the RFO under lock and key control.
8.8	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	Council Income (Precept and Other)
9.1	The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
9.2	Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
9.3	The Council will review all fees and charges at least annually, including (but not limited to) allotment rents payable, cemetery fees payable and commercial building rents payable, following a report of the RFO to the Strategy and Finance Committee and/or Operations Committee prior to final agreement by the Full Council.
9.4	Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the current financial year or as soon as possible thereafter. Any such bad debts to be reported within the AGAR process if write-off within the current financial year is not possible.
9.5	All sums received on behalf of the Council shall be banked intact 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 and reported to Council within the regular Financial Accounting reports presented to members.

9.6	The origin of each receipt in the Council's financial accounts shall be entered on the paying-in slip or detailed within a unique remittance advice received (in the case of automated online/BACS credits remitted into the Council's accounts).
9.7	Personal cheques shall not be cashed out of money held on behalf of the Council, nor shall debit or credit cards be used to obtain advances of funds from the Council's accounts. No loans or advance payments of salary shall be made to any employee from Council's bank accounts or investment deposits.
9.8	Under no circumstances are non-Council related transactions to be made through the Council's bank accounts or investment deposits. Only those transactions which relate to the Council's business (and which are supported by a relevant legislative power to spend) may be transacted and authorised.
9.9	The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 Section 126 shall be made regularly but at least annually coinciding with the financial year end. Amounts reclaimed by the RFO from HMRC as per the VAT126 claim process shall be reported to members within the regular financial reports provided.
9.10	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.
9.11	Any income arising which is the property of a charitable trust shall be paid into a charitable bank account and may not be processed through any bank account held in the name of the Town Council. 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.
10.1	An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
10.2	Purchase Order books and/or computer records shall be controlled by the RFO and shall be made available for inspection by members of Council upon request.
10.3	All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 below.
10.4	No (elected/co-opted/appointed) member of the Council may issue an official order or make any contract on behalf of the Council nor commit the Council to any financial expenditure, exposure or risk. Any such actions must be referred to the RFO for processing in accordance with a resolution of the Council.
10.5	The 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 RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.
11	Contracts.
11.1	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 (i) to (vi) below: i) for the supply of gas, electricity, water, sewerage and telephone services; ii) for specialist services such as are provided by 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 additional audit work of the External Auditor up to an estimated value of £1000 (for any excess of this sum, the RFO shall act after consultation with the Chair and Vice Chair of Council or Strategy & Finance Committee); vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

11.2	Where it is intended to enter into a contract exceeding £20,000 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 set out in 11.1 above), the RFO shall invite tenders from at least three firms whose details to be taken from the appropriate approved list or who have selected for inclusion in the tender process after research by the RFO and/or other Council employees.
11.3	When proposals 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 and supported by a report from the RFO in that regard for members consideration and review.
11.4	Such invitation to tender shall state the general nature of the intended contract and the 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 RFO 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.
11.5	All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one member of Council.
11.6	If less than three tenders are received for contracts above £20,000 , or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
11.7	Any invitation to tender issued under this regulation shall be subject to Axminster Town Council's Standing Orders (relevant sections) and shall make reference to the terms of the Bribery Act 2010.
11.8	When it is to enter into a contract of less than £20,000 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 11.1 above) the RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 but above £1000 , the RFO shall endeavour to obtain 3 estimates where possible; Otherwise, Financial Regulation 10 (3) above shall apply.
11.9	The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

11.10	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.
11.11	The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.
12	Payments under contracts for building or other construction works.
12.1	Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
12.2	Where contracts provide for payment by instalments, the RFO shall maintain a record of all such 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 by the RFO for members consideration and review.
12.3	Any variation to a contract or addition to or omission from a contract must be approved by the Council and RFO to the contractor in writing; the Council being informed where the final cost is likely to exceed the prior approved financial provision.
13	Stores, consumables and equipment.
13.1	The RFO shall be responsible for the care and custody of stores, consumables and equipment held by the Council.
13.2	Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
13.3	Stocks shall be kept at the minimum levels consistent with operational requirements to ensure that Council's funds are not tied up in stock without reasonable necessity.
13.4	The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14	Assets, Property and Estates.
14.1	The RFO shall make appropriate arrangements for the custody of all Title Deeds and Land Registry Certificates of properties held by the Council if applicable/available. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
14.2	The RFO shall also maintain a separate Register of Town Council Assets including (but not limited to) office equipment, plant and equipment, tools and IT assets owned by the Council, any such register to include details of purchase date, description and purchase cost. A copy of this asset register is to be regularly provided, but at least annually, to Council as part of the Annual Internal Financial Control Review and preparation of the Annual Return (AGAR) and in conjunction with the annual health and safety inspection of assets and an inspection/survey to verify the continued existence and functionality of those tangible assets.
14.3	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 movable property does not exceed £2000 excl. VAT. {to be agreed upon}
14.4	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).
14.5	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).

14.6	Subject only to the limit set in Reg. 14.3 above, no tangible moveable property (over the value of £2000) 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 by the RFO.
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15	Insurance and indemnity arrangements.
15.1	Following the preparation, consideration and approval of the Annual Risk Assessment by the Council (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
15.2	The RFO shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations or matters of material significance affecting existing insurance policies and indemnity cover.
15.3	The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
15.4	The RFO must 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 of the Council or duly-convened Committee meeting.
15.5	The Council is permitted to enter into "Fixed Term Agreements" (FTA) with insurance providers over a period to be agreed by the Council if this is likely to prove advantageous, administratively effective and economically beneficial to the Council and its business. Any such proposal in this regard will require approval of the Full Council subject to the prior report from the RFO as to the reasoning and business case behind such a proposal.
15.6	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, or duly delegated committee.
15.7	Subject to the prevailing cover conditions of the Council's extant Insurance/Indemnity/Liability Policy/Cover, those persons acting as volunteers for the Council will be covered under the Council's Public Liability, Employers Liability and Fidelity cover when acting in that volunteering capacity subject to their names being recorded prior to any event and made available to the insurance provider upon request; such a list to be maintained by the RFO.

16	Charitable activities.
16.1	Where the Council is the sole managing trustee of a charitable body, the 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 (see 9.8 above). The RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17	Risk Management / Internal Financial Controls
17.1	The Council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the Council, a Risk Management Policy in respect of all activities of the Council. Risk Management and assessment statements and consequential risk management arrangements shall be reviewed by the Council at least annually in conjunction with a report from the RFO to the Strategy and Finance Committee.
17.2	The Council is responsible for putting in place arrangements for the review of internal financial controls. The RFO shall prepare, maintain and submit (for approval by the Council) an Internal Financial Control Review (Policy) in respect of all activities of the Council relating to internal financial controls. This policy shall be reviewed by the Council at least annually in conjunction with a report from the RFO to the Strategy and Finance Committee in line with the preparation of the Annual Return and/or Risk Management Assessment.
17.3	When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and subsequent adoption by the Council; the RFO will also outline if any such activity might necessitate a revision to the Internal Financial Control Review (Policy).
18	Suspension of Financial Regulations by the Town Council.
18.1	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 shall advise the Council of any requirement for a consequential amendment to these Financial Regulations.
18.2	The Council may, by resolution of the Council duly notified at least 72 hours 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 by the RFO to enable a proper and thorough consideration of business to be transacted.