



# Wolverton and Greenleys Town Council

## Financial Regulations

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## 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

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three governing policy documents providing procedural guidance for members and officers. Financial Regulations must be observed in conjunction with the council's Standing Orders...

- 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 accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of public money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. A breach of these Regulations by an employee is gross misconduct.
- 1.7. Members of 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.
- 1.8. 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.
- 1.9. The RFO;
  - acts under the policy direction of the council;
  - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the council its accounting records and accounting control 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.
- 1.10. 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<sup>1</sup>.

1.11. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure 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. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of 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 submitted to the Full 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.

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (Council Tax Requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing.
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors,

shall be a matter for the full council only.

1.14. In addition, Full Council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant

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<sup>1</sup> Accounts and Audit (England) Regulations 2011/817

- 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.

1.15. 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 Panel on Accountability and Governance (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC)

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

- 1.16. 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.
- 1.17. On a regular basis, at least once in each quarter, and at each financial year end, a member from the Finance Committee shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. 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 exceptions, to and noted by the council.
- 1.18. 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.
- 1.19. 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.
- 1.20. 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.
- 1.21. 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.
- 1.22. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;

- initiate or approve accounting transactions; or
  - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 1.23. 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.
- 1.24. 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 receipts 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.
- 1.25. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors unless that correspondence is purely an administrative matter (e.g. confirms receipt of information)
- 1.26. The RFO may authorise **additional** work from the external auditor up to £250, in consultation with the Chair and Vice Chair.

## ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 1.27. Full Council shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of November each year including any proposals for revising the forecast.
- 1.28. The RFO must each year, by no later than January, 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.
- 1.29. 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.
- 1.30. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 1.31. The approved annual budget shall form the basis of financial control for the ensuing year.

## BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 1.32. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined:
- As detailed in the committee delegated powers
  - As detailed in the Financial Regulations

Such authority is to be evidenced by a Minute reference an authorisation slip duly signed by the Clerk or recorded in the officer decisions log.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 1.33. 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').
- 1.34. The RFO shall have the power to Vire monies from one budget heading to another provided that the virement does not exceed the lesser of 20% of the receiving or giving budget and provided that the exercise of any such powers is recorded and notified to the next meeting of the Full Council.
- 1.35. Unspent provisions in the revenue or capital budgets for completed projects shall either be carried forward to a subsequent year or added to reserves (general or earmarked) unless there is an agreement otherwise such as S106
- 1.36. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chair of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 1.37. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether there is any budgetary provision for the expenditure, subject to a limit of £4,000-£5,000. The Clerk shall report such action to the chair as soon as possible and to the council as soon as practicable thereafter.
- 1.38. 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.
- 1.39. All capital works shall be administered in accordance with the council's Standing Orders and Financial Regulations relating to contracts.
- 1.40. 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, "material" shall be in excess of 15% of the budget.
- 1.41. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

## **BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS**

- 1.42. 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.
- 1.43. The RFO shall prepare a schedule of payments requiring authorisation by two signatories, by way of a signature. Both the invoice and form of payment will be signed confirming their approval.
- 1.44. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.
- 1.45. The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

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a) If a payment is necessary either to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) act 1998 or because of the terms on which a transaction has been agreed and the due date for payment is before the next scheduled meeting of council, where the Clerk/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

b) Fund transfers within the councils banking arrangements up to the sum of £100,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.

- 1.46. For each financial year the Clerk and RFO shall draw up a list of due Direct Debit and Standing Order payments which arise on a regular basis .
- 1.47. A record of regular payments made under 5.5 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.
- 1.48. In respect of grants, these may only be authorised by the council.
- 1.49. 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.
- 1.50. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 1.51. Any changes in the recorded details of suppliers, such as bank account records, shall be approved by way of signature by two authorised signatories.

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

- 1.52. The council will make safe and efficient arrangements for the making of its payments.
- 1.53. Following authorisation under Financial Regulation 5 above, the council, RFO shall give instruction that a payment shall be made.
- 1.54. All payments shall be affected by bank transfer or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council.
- 1.55. Cheques and electronic payments drawn on the bank account in accordance with the schedule shall be signed or otherwise authorised by two signatories
- 1.56. 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 electronically or by cheque, that Councillor shall not authorise that payment and request another signatory approves the payment, unless a dispensation has been granted by the Clerk.
- 1.57. 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 signatories 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 the Annual Town Council Meeting.
- 1.58. 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 signatories 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 the Annual Town Council Meeting.

- 1.59. 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
- 1.60. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which signatories approved the payment.
- 1.61. Where internet banking arrangements are made with any bank, the RFO and Finance Officer shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify four councillors who will be authorised to approve transactions on those accounts, with two authorised signatories required to process payments.
- 1.62. When the Finance Officer adds new Beneficiaries, or enters payments, a listing is sent to the Clerk for their review. The Clerk should sign the listing as evidence of review and approval. The Clerk should email a pdf of the signed listing to the payment authorisers for their review prior to payment. The original signed listing should be kept on file in the Council offices
- 1.63. 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.
- 1.64. 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.
- 1.65. 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.
- 1.66. Access to any internet banking accounts will be directly to the access page (which may be saved under "Bookmarks"), 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.
- 1.67. A credit card may be issued to employees. A maximum of £3000.00 at any one time may be available on each credit card for the calendar month. This credit card may be used for the purchase of small supplies for the council such as, but not limited to; stationery and sundry items. Transactions and purchases made will be reported to the council on a monthly basis. The Credit Card will be stored in the petty cash box. Key's to this box will be limited to the Finance Officer and Clerk and Assistant Clerk. Purchases made for personal expenses will be treated as misuse of the card.
  - a. Any corporate credit card or trade card account opened by the council and shall be subject to automatic payment in full at each month-end. This credit card may be used for the purchase of small supplies for the council Transactions and purchases made will be reported to the council on a monthly basis. The caretakers are authorised to buy items on supplier credit accounts to a maximum of £600 in any one month but not to exceed the annual Caretaking Costs budget.
- 1.68. Personal credit or debit cards of members or staff shall not be used under any circumstances.

## **PAYMENT OF SALARIES**

- 1.69. 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

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in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

- 1.70. 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 these regulations above.
- 1.71. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council. Before letters advising pay scales and rates are sent out to staff, they must be subject to review by the chair of council as an independent check that they are correct. The Council is responsible for ensuring that hourly rates paid correspond with contractual rates. The Council should contact the payroll provider and ensure that they are aware of the approved NJC rates of pay.
- 1.72. 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:  
by any councillor who can demonstrate a need to know;
  - a) by the internal auditor;
  - b) by the external auditor; or
  - c) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 1.73. An effective system of personal performance management should be maintained for all officers.
- 1.74. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 1.75. Before employing interim staff, the council must consider a full business case and take into consideration the budget for this proposed expenditure.

## **LOANS AND INVESTMENTS**

- 1.76. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 1.77. Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 1.78. Statements from investment accounts will be reported to the Council at the next available meeting.
- 1.79. All loans and investments shall be negotiated in the name of the Council
- 1.80. All investments of money under the control of the council shall be in the name of the council.

- 1.81. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 1.82. 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).
- 1.83. It is uncommon for the town council to hold investments other than in the form of easily accessible bank deposits or other short-term savings accounts. Easily accessible accounts are classed as accounts which do not require more than 90 days' notice to access the funds. These are only used to maximise income from cash balances during the financial year. The council has agreed to make a one-off investment in the CCLA Property Fund, investing £137,000 from the earmarked reserves for the Town Hall. The RFO will review quarterly the performance of the fund and report any concerns to the council. The council will review the status of the fund on an annual basis.
- 1.84. The legislation and associated guidance are optional for town councils where investments are not expected to exceed £500,000 and no action is required below £10,000. However, for Wolverton and Greenleys Town Council where the sums involved exceed £500,000, the guidance is mandatory.
- 1.85. Background information regarding the sources of Wolverton and Greenleys Town Council funds for investments can be found at Appendix A under section 9. Treasury
- 1.86. Definition Investments - All investments of more than 12 months in duration.
- 1.87. Wolverton and Greenleys Town Council will not hold funds other than in bank accounts, Building Society accounts or bonds of 12 months or less in duration.
- 1.88. No investments will be made in stocks and shares.
- 1.89. Investments are treated as capital and all sums involved must be used for capital expenditure when the investment period ends.
- 1.90. The total proceeds of disposal of an investment should always be recorded as income in the financial year of the disposal.
- 1.91. Where the proceeds of disposal of investments or other assets purchased as capital expenditure exceed £10,000 and are capital receipts, councils must have regard to and apply the statutory restrictions placed on such receipts.

## **TREASURY**

- 9.1 Definition Treasury – all cash deposits held in bank accounts which includes bonds of up to 12 months in duration.
- 9.2 Wolverton and Greenleys Town Council will hold all its funds as cash deposits in banks accounts or bonds.
- 9.3 A business account will be maintained with sufficient funds for day to day transactions and to receive the precept and business income.
- 9.4 The maximum of the council's cash deposits which may be held with one institution must not exceed 50%. Any exception to this limit must be approved by Full Council.

- 9.5 Cash balances will be reported to the Finance Committee quarterly, with the quarterly accounts, to enable balances to be monitored.
- 9.6 Wolverton and Greenleys Town Council will consider depositing funds with institutions after giving due consideration to their credit ratings and the general financial markets (such as Moodys or S&P). If the credit rating of the bank reduces significantly the council will consider within a six-month period whether to continue holding funds with this bank.
- 9.7 Full Council approval is required if a deposit is with an institution with which the council does not already hold an account. The Responsible Finance Officer has delegated authority to deposit funds with any of the council's existing bankers and report this back to the council.
- 9.8 A procedure for making a deposit can be found in Appendix A

## **APPENDIX A**

### **PROCEDURE FOR DEPOSITS**

- a. RFO/FO to identify an appropriate deposit account or short-term bond with a financial institution that fits with the council's treasury policy. Any bonds should be capital sum guaranteed.
- b. Approval of full council is sought if the deposit is with a financial institution not currently used by the council.
- c. The RFO/FO actions the opening of the account and the setting up of the bank mandate for council members to sign in accordance with the financial regulations.
- d. The RFO/FO actions the deposit/transfer of funds.
- e. The transfer/deposit is reported to the council.
- f. At the end of the fixed term the RFO/FO has delegated authority to move the funds into another bond with the same financial institution or with another of the council's bankers.

### **PROCEDURE FOR BANK TRANSFERS**

- a. Delegated authority is given to the RFO/FO to make transfers between the accounts of the same bank without prior approval of the council.
- b. Transfers between banks will follow normal payment procedure as detailed in the Financial Regulations
- c. Details of all transfers to be provided to the council with the monthly finance report.
- d. 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).

## **INCOME**

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

- 1.94. The Clerk will review all fees and charges at least annually. and make a charge for a service provided by the Council in order to cover the cost to the Council, so long as it is not outside the Council's legal powers. This change will then be reported to the Council to be noted.
- 1.95. Any sums found to be irrecoverable, and any bad debts shall be reported to the council and shall be written off in the year.
- 1.96. 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.
- 1.97. The origin of each receipt shall be entered on the paying-in slip.
- 1.98. Personal cheques shall not be cashed out of money held on behalf of the council.
- 1.99. The FO 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.
- 1.100. Where any significant sums of cash are regularly received by the council, the FO shall take steps 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 receipts and that appropriate care is taken in the security and safety of individuals banking such cash.
- 1.101. Any income arising which is the property of a charitable trust shall be paid into a charitable 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).

## DEBT COLLECTION

The following outlines the Councils procedure for obtaining money owed. All Council invoices will specify a payment period when the invoice will be due for payment. The below policy will come into effect when the specified payment date has been exceeded by 14 days.

1. **Day 14 – Day debt becomes overdue.** A courtesy call is made to establish why payment has not been made. The object of the call is to obtain a date when payment will be received and resolve any issues.
2. **Day 21 - First Reminder letter**
3. **Day 35 – Second Reminder letter.** At this point to safeguard the Council for any further debt the customer account is placed on stop. Daily Interest of 3%\* will now be applied to the overdue invoice.
4. **Day 49 - Final Notice** Letter will advise if payment is not within 7 days Legal Action will be taken. Proof of posting to be obtained. Inform the Full Town Council of outstanding debts by means of Agenda item and agree who to be used to pursue debt legally.
5. **Day 56 - Notice of Legal Proceedings** To be sent once the Full Town Council approval has been obtained. Letter will advise the customer that the case has been handed over to a legal team who will pursue the debt. Proof of posting to be obtained.

\* The Clerk has been given delegated powers to decide the daily interest charges that will apply to the bad

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debt.

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## **FIRST REMINDER**

### **REMINDER - UNPAID INVOICE No...**

**INV .... Dated.....**

#### **Amount Outstanding £....**

We note from our records that the enclosed invoice does not appear to have been paid and has been outstanding for some time.

If you have overlooked payment of the enclosed, I would be grateful if you would give this matter your prompt attention. Your attention is drawn to our terms and conditions that payment is due on receipt of invoice.

Please contact me if there is any query concerning the above.

I look forward to hearing from you in the near future.

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## **SECOND REMINDER - UNPAID INVOICE No ....**

**INV ... Dated ....**

#### **Amount Outstanding £...**

Further to my letter dated.... the above invoice is still outstanding on your account.

Please contact immediately on the above number to advise when we can expect to receive payment for this overdue invoice. As per our payment terms 3% interest has now been applied to your outstanding invoice.

Your account with us has also been placed on stop until payment is received to clear this outstanding debt.

Yours sincerely

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## **FINAL NOTICE - UNPAID INVOICE No .....**

**INV .... Dated .....**

#### **Amount Outstanding £.....**

Despite having sent reminders we are unable to trace payment of the above invoice.

Please give this your urgent attention.

Unless payment is received within seven days we will have no option but to refer your debt for legal recovery. This will involve you in additional costs and may adversely affect your credit rating.

Yours sincerely

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## NOTICE OF LEGAL PROCEEDINGS

**UNPAID INVOICE No... INV.... Dated .....**

**TAKE NOTICE** that according to our records that no payments have been made to towards the outstanding debt on your account of ... for invoice .....

Wolverton & Greenleys Town Council has made a resolution <insert number> of <date> that Legal Action is to be taken against you, and has instructed its officers to proceed. Only by paying the above sum can this action be stopped.

You are reminded that legal action will result in additional costs for you, and may adversely affect your credit rating.

Yours sincerely

## ORDERS FOR WORK, GOODS AND SERVICES

- 1.102. 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.
- 1.103. Order books shall be controlled by the RFO.
- 1.104. 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 13 (h) below.
- 1.105. A member may not issue an official order or make any contract on behalf of the council.
- 1.106. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order and record the power being used.
- 1.107. If the decision is taken to award a contract or incur expenditure, which in either case materially effects the Council's financial position then a written record will be made detailing the decision taken and the date of the decision, the reason for the decision, any alternative options considered and rejected. This decision will be recorded in the Officer Decisions Log.
- 1.108. The Clerk has the authority to spend up to £1,500 on items within the parish which require urgent attention.
- 1.109. The Clerk has the authority to spend money on emergency remedial works to Council owned property of up to £2000.
- 1.110. The Clerk shall have the authority to spend up to £2,000 on vehicle repairs/maintenance on the Town Council van or hiring of a van, in any one month, which should be notified to the Council at the next available meeting. If the works to the council vehicle exceed the value of the vehicle then the Clerk will report this to the council for remedial action.
- 1.111. The Clerk can spend up to the budgeted amount on planting for the parish.
- 1.112. The Clerk is authorised to spend up to the budgeted amount on Twinning and Britain in Bloom.
- 1.113. The Clerk is delegated to procure office equipment, utilities, office consumables and all sundry matters, within the restrictions of the Finance Regulations.
- 1.114. The Projects Officer is delegated to spend up to the budgeted S106 funds on siting the Bloomer

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and the Town Trail.

- 1.115. Staff can spend up to the budgeted amount on allotments in conjunction with the allotment working group.

## PREFERRED SUPPLIERS LIST

The preferred suppliers list to for recurring items under £8,000

### Information required

For a contractor to be added to the preferred suppliers list they must supply:

1. A copy of your company's insurance certificate (a minimum of £5m Public Liability is required).
2. A copy of your company's complaints procedure.
3. A copy of any relevant Professional Trade Association membership certificates and qualifications held, with a declaration on headed paper that individuals carrying out trades which require such registration have received full training and individual registration as necessary.
4. A signed copy of your company's health and safety policy.  
(It is mandatory for companies with more than five employees to have a health and signed policy. If your company has five employees or less and does not have a written health and safety policy you will be asked to provide further information)
5. An example of current risk assessments and method statements relevant to each category of work applied for.
6. Details of your company's bank account which can accept BACS payments and your CIS details including UTR number, where appropriate.

### Process for selection

It is unusual for our contracts to be awarded on the basis of price alone. We will usually award the contract to the supplier that offers the best overall value for money based on a combination of cost and quality.

For a contractor to be added to the preferred suppliers list the previous work will be evaluated on the below form out 5. The score must reach a minimum of 70% to be added to the preferred suppliers list. If a contractor's score falls below this rating, then they will be removed from the preferred suppliers list after being notified and given the opportunity to rectify the issues affecting their score.

### Scoring sheet for preferred suppliers

Performance monitoring form for preferred suppliers		Total project score	Overall %



Project	Contractor	Time Management	Financial management	Health and safety	Management of sub-contractors	Quality of workmanship	Customer service	Ability to rectify defects or issues	Response time to communications		
Comments to justify scoring											
Form completed by						Date					

Performance Measure	Definition
Time management	How well did the contractor plan and progress the works? Was the contractor proactive in resolving or minimising delays?
Financial management	How well did the contractor manage costs? Was cost reporting timely and accurate?
Health and safety	How well did the contractor manage health and safety and risks? Was documentation provided promptly and include all risks?
Management of sub-contractors	Were sub-contractors appointed at the right time? Was the quality of work assessed by the appointed contractor?
Quality of Workmanship	Did the contractor resolve defects after practical completion?

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<b>Customer services</b>	How were you treated as a customer by the office, contractor and onsite staff?
<b>Ability to rectify defects or issues</b>	How quickly were defects identified and rectified?
<b>Response time to communications</b>	How quick are requests responded to and acted on?

### Example scoring

5 Excellent

4 Good, proactive approach

3 Average, delays or issues neither caused nor min.by contractor

2 Below average. Minor delay or issue caused by contractor

1 Poor, programme issues exacerbated by contractor

0 Unacceptable, major delays and or issues caused by contractor

## CONTRACTS

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

- a. 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 £250 (in excess of this sum the Clerk and RFO shall act after consultation with the Chair and Vice Chair of council); and
  - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where 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 Regulations<sup>2</sup>.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of tendering and award of a public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)<sup>3</sup>.
- d. The Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list. The contract opportunity will be advertised on the "Contract Finder" website within 24 hours of this invitation. The information published on the Contracts Finder website must include a response date for interested parties, how they must respond plus any other requirements for participating in the procurement. Once the contract is awarded the council must publish on the Contracts Finder website the name of the contractor, date in which the contract is entered into, value of the contract, whether the contractor is a Small or Medium enterprise (SME) or a non-

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governmental organisation which re-invests its surpluses to further social, environmental or cultural activities (VCSE). The regulations require councils to use the Contracts Finder website to advertise contracts opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts. Thresholds currently applicable are: a. For public supply and public service contracts £164,176 b. For public works contracts £4,104,394 Based on NALC's model standing order 18d in Local Councils Explained 2013 National Association of Local Councils

- e. 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.
- f. 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.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders [ref]<sup>4</sup> and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist that the specification does not change, no person shall be permitted to submit a later tender, services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £200 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 12 (3) above shall apply. The Clerk shall have authority to open tenders under £25,000
- i. The Clerk is authorised to make variations to a cost of a contract up to 5%, which should be reported to the next Full Council meeting.
- j. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- k. 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 estimate or quote who was present when the original decision-making process was being undertaken.
- l. The Clerk is delegated to source and agree a contract for washroom supplies, sanitary waste and consumables
- m. The Clerk is delegated to renew existing contracts on behalf of the council ensuring best value for money. A log on the decisions made should be recorded on a decisions list available for inspection on request.

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

- 1.117. 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).
- 1.118. Where contracts provide for payment by instalments the FO 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.
- 1.119. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

## **STORES AND EQUIPMENT**

- 1.120. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 1.121. 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.
- 1.122. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 1.123. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

## **ASSETS, PROPERTIES AND ESTATES**

- 1.124. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 1.125. 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 £300.
- 1.126. 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).
- 1.127. 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).
- 1.128. Subject only to the limit set in Reg. 14.2 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.

- 1.129. 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.
- 1.130. All assets shall be valued every five years.
- 1.131. Fixed assets acquired in any year should be added to the asset register for management purposes. For accounting purposes, acquisitions and disposals of fixed assets should be treated as any other purchase or sale and recorded as part of annual payments or receipts, expenditure or income.
- 1.132. The first registration on the asset register for an asset will be at the acquisition cost. Once recorded in the asset register, the recorded value of the asset will not change from year to year until disposal.

## **INSURANCE**

- 1.133. Following the annual risk assessment (per Financial Regulation 17), the RFO shall affect all insurances and negotiate all claims on the council's insurers.
  - b. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
  - c. The RFO is delegated to vary the council insurance policy to ensure there is appropriate cover for its functions.
- 1.134. The 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.
- 1.135. 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.

## **CHARITIES**

- 1.136. Where the council is 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. The Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

## **RISK MANAGEMENT**

- 1.137. The council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the council, risk assessment 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.
- 1.138. When considering any new activity, the RFO or responsible officer shall prepare a risk assessment.

## SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 1.139. It shall be the duty of the council to review the Financial Regulations of the council every year. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these financial regulations.
- 1.140. 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.

## POLICY ON MEMBERS EXPENSES

Members may claim costs that are necessarily incurred, as a result of:

- 21.1 The attendance at a meeting of the authority or of any committee or sub-committee of authority; or of any other body to which the authority make appointments or nominations, or of any committee or sub-committee of such a body;
- 21.2 The attendance at any other meeting, the holding of which is authorised by the authority, or a joint committee of the authority and at least one other local authority which the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provide that it is a meeting to which at least two members of the authority have been invited.
- 21.3 The attendance at a meeting of any association of authorities of which the authority is a member.

In order for the member to be reimbursed a Members Expenses Form will be completed with receipts attached. Only on completion of this form with the supporting receipts, will a cheque or electronic payment be issued for reimbursement. Legitimate expenses may include the use of transport by taxi if appropriate and employment of a substitute carer if the member has caring responsibilities.

All Members expenses are published annually to the public through the Town Council website and newsletter.

### Rates for mileage expense claims

- £0.45 p per mile
- Members and Councillors are encouraged to share transport wherever possible
- Claims in excess of 50 miles (round trip) must be pre-approved by Council or at the Town Clerks discretion.
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### Printing claims

£50 per member

### Living Wage Rate (will change as new rate is announced each year)

£9.00

## **ADDITIONS SINCE ADOPTION**

11.12.18 Full Council Meeting TC18/182- petty cash