

# HOPTON-ON-SEA PARISH COUNCIL

## FINANCIAL REGULATIONS

Revision	Date	Description
0	08/10/2012	Agreed by Council
1	09/09/2013	Reviewed with no changes
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3	14/03/2017	Reviewed and amended in line with NALC 2016 recommendation
4	21/03/2017	Comments of Responsible Financial Officer and Policies & Finance Committee incorporated
5	21/06/2018	Revised Public Works and Services thresholds in footnote to 11.1c. Revised outstanding VHMT PWLB balance in 18.7. Revised GYBC loan balance in 19.4
6	06/08/2019	Revised outstanding VHMT PWLB balance in 18.7. Revised GYBC loan balance in 19.4
7	12/10/2020	Revised outstanding VHMT PWLB balance in 18.7 Revised GYBC loan balance in 19.4
8	08/11/2021	Revised outstanding VHMT PWLB balance in 18.7 Revised GYBC loan balance in 19.4
9	12/12/2022	Reviewed by full Council. Revised outstanding VHMT PWLB balance in 18.7 Revised GYBC loan balance in 19.4

These Financial Regulations were adopted by the Hopton-on-Sea Parish Council at its Meeting held on 9 July 2018.

## INDEX

1.	GENERAL.....	4
2.	ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL) .....	5
3.	ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING.....	6
4.	BUDGETARY CONTROL AND AUTHORITY TO SPEND .....	7
5.	BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS .....	8
6.	INSTRUCTIONS FOR THE MAKING OF PAYMENTS .....	9
7.	PAYMENT OF SALARIES .....	11
8.	LOANS AND INVESTMENTS .....	11
9.	INCOME .....	12
10.	ORDERS FOR WORK, GOODS AND SERVICES .....	13
11.	CONTRACTS.....	13
12.	PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS) .....	14
13.	STATIONERY AND EQUIPMENT.....	15
14.	ASSETS, PROPERTIES AND ESTATES .....	15
15.	INSURANCE.....	16
16.	RISK MANAGEMENT .....	16
17.	SUSPENSION AND REVISION OF FINANCIAL REGULATIONS.....	16
18.	VILLAGE HALL BUILD LOAN .....	16
19.	LOAN FROM GREAT YARMOUTH BOUROUGH COUNCIL.....	17

## 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 governing policy documents providing procedural guidance for members and Officers. Financial Regulations must be observed in conjunction with the Council's Standing Orders, Risk Assessment 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 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
  - that identify 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 identified within the Standing Orders.
- 1.6. The Responsible Financial Officer holds a statutory office and is appointed by the Council. The Clerk has been appointed as Responsible Financial Officer for this Council and these regulations will apply accordingly.
- 1.7. The Responsible Financial Officer;
  - 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.

- 1.8. The accounting records determined by the Responsible Financial Officer shall be sufficient to show and explain the Council's transactions and to enable the Responsible Financial Officer 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 current Accounts and Audit Regulations.
- 1.9. The accounting records determined by the Responsible Financial Officer 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.
- 1.10. The Council is not empowered by these Financial Regulations or otherwise to delegate decisions. These remain a matter for the full Council only.
- 1.11. In addition the Council must:
- determine and keep under regular review the bank mandate for all Council bank accounts;
  - approve any grant or a single commitment in excess of £150; 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.
- 1.12. 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(s)' 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).

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

- 2.1. All accounting procedures and financial records of the Council shall be determined by the Responsible Financial Officer in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. The Responsible Financial Officer 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 documents shall submit them for approval to the Council within the timescales set by the Accounts and Audit Regulations.

- 2.3. The Responsible Financial Officer shall ensure that there is an adequate and effective system of internal audit of the Council's 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 Responsible Financial Officer, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.4. 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.
- 2.5. The internal auditor shall:
- be competent and independent of the financial operations of the Council;
  - report to Council in writing, or in person, with a minimum of one annual written report in respect of 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.
- 2.6. 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.
- 2.7. 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.
- 2.8. The Responsible Financial Officer 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.
- 2.9. The Responsible Financial Officer shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors, unless the correspondence is of a purely administrative matter.

### **3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

- 3.1. Each committee shall review its forecast of revenue and capital, including the use of reserves and sources of funding, for the following financial year to the Responsible Financial Officer not later than the end of October each year including any proposals for revising the forecast.

- 3.2. The Responsible Financial Officer must each year, 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 Policies and Finance Committee.
- 3.3. The Policies and Finance Committee shall consider the annual budget and make recommendations for the use of reserves and sources of funding, including the Precept, to the full Council.
- 3.4. The Council shall fix the Precept to be levied for the ensuing financial year not later than by the end of November each year. The Responsible Financial Officer shall issue the Precept to the billing authority and shall supply each Council member with a copy of the approved Annual Budget.
- 3.5. The approved Annual Budget shall form the basis of financial control for the ensuing year.

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

- 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. Such authority is to be evidenced by a minute.

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

- 4.2. 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. 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 i.e. virement.
- 4.3. Unspent provisions in the revenue budget may be carried forward to a subsequent year as reserves.
- 4.4. Unspent provisions in capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.5. The salary budgets are to be reviewed at least annually in good time to obtain approval for the following financial year. Such a review shall be evidenced by a hard copy schedule signed by the Responsible Financial Officer and the Chairman of Council. The Responsible Financial Officer shall inform the Council of any changes impacting on their budget requirement for the coming year.
- 4.6. In cases of extreme risk to the delivery of Council services, the Responsible Financial Officer may authorise revenue expenditure on behalf of the Council which in the Responsible Financial Officer's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Responsible Financial Officer shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.
- 4.7. 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.

- 4.8. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 4.9. The Responsible Financial Officer shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £100 or 15% of the budget, whichever is the lower sum.
- 4.10. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

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

- 5.1. The Council's banking arrangements, including the Bank Mandate, shall be made by the Responsible Financial Officer and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The Responsible Financial Officer shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the meeting and 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.
- 5.3. All invoices for payment shall be examined, verified and certified by the Responsible Financial Officer 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 Responsible Financial Officer shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Responsible Financial Officer shall take all steps to pay all invoices submitted, and which are in order, at the next available Council meeting.
- 5.5. The Responsible Financial Officer shall have delegated authority to authorise the payment of items only in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of Council, where the Responsible Financial Officer 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) 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;
  - c) Fund transfers within the Council's banking arrangements up to the sum of £5,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Council.



- 5.6. For each financial year, the Responsible Financial Officer shall submit a list of due payments which arise on a regular basis to the next appropriate meeting of Council. These may be as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts for which Council may authorise payment for the year. The requirements of regulation 4.1 (Budgetary Controls) must be adhered to.
- 5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two authorised signatories of the Council on each occasion when payment is authorised.
- 5.8. Any Revenue or Capital Grant in excess of £1,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.10. The Council will aim to rotate the duties of members in these Financial Regulations so that duties are shared out as evenly as possible over time.

## **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 shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to 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 by two authorised signatories of the Council in accordance with a resolution instructing that payment. Any member having a connection by virtue of family or business relationships with the beneficiary of a payment, should not be a signatory to the payment in question.
- 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.
- 6.6. Cheques or orders for payment shall be presented for signature at a Council meeting. Any signatures obtained away from such meetings shall be reported to the Council at the next meeting.
- 6.7. Payment for utility supplies (energy, telephone and water) may be made by variable direct debit provided that the instructions are signed by two authorised signatories of Council 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.
- 6.8. Payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed by two authorised signatories of Council 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.

- 6.9. Payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed by two authorised signatories of Council 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.
- 6.10. If thought appropriate by the Council, payment for certain items may be made by internet banking transfer provided evidence is retained showing that the Responsible Financial Officer approved the payment.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records, the PIN and password(s) shall be retained by the Chairman of Council in a sealed dated envelope. This envelope may only be opened in the presence of two other Councillors. Once the envelope has been opened, regardless of circumstances, this fact must be reported to all Councillors immediately and at the next meeting of the Council. The PIN and password(s) must then be changed as soon as practicable.
- 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.
- 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.
- 6.14. The Responsible Financial Officer shall ensure that computers used for the Council's financial business have up to date anti-virus and firewall software enabled.
- 6.15. Where internet banking arrangements are made with any bank, the Responsible Financial Officer is the Service Administrator. The bank mandate approved by the Council shall identify any Councillors authorised to approve transactions on those accounts. The bank mandate shall clearly state the maximum payment that can be instructed by the Service Administrator alone, or by the Service Administrator and a stated number of approvals.
- 6.16. Access to internet banking accounts must be directly to the bank access page, which may be saved under "favourites", but not through a search engine or e-mail link. Remembered or saved password facilities must not be used for Council banking work.
- 6.17. Any Debit Card issued for use with the Council's accounts will be specifically restricted to the Responsible Financial Officer and a single transaction maximum value of £500 is applicable unless authorised by Council.
- 6.18. The Responsible Financial Officer may provide petty cash to Officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Responsible Financial Officer with a claim for reimbursement.
  - a) The Responsible Financial Officer shall maintain a petty cash float of £150 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
  - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these Financial Regulations.
  - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 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 Council.
- 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 described in the 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 Council.
- 7.4. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate record. This record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
  - a) by the Employment Committee;
  - 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.
- 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.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments must be authorised by Council.
- 7.8. Before employing interim staff the Council must consider a full business case.

## **8. LOANS AND INVESTMENTS**

*See financial regulation 18.*

- 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. The terms and conditions of borrowings shall be reviewed at least annually.

- 8.2. 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.
- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy (if any).
- 8.4. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the Responsible Financial Officer.
- 8.7. 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 financial regulation 5 and financial regulation 6.

## **9. INCOME**

- 9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Responsible Financial Officer.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed by the Council, notified to the Responsible Financial Officer and the Responsible Financial Officer 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, following a report of the Responsible Financial Officer.
- 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 year.
- 9.5. All sums received on behalf of the Council shall be banked intact as directed by the Responsible Financial Officer. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the Responsible Financial Officer considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8. The Responsible Financial Officer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any sums of cash in excess of £250 are regularly received by the Council, the Responsible Financial Officer shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## 10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1. An official order, letter or e-mail, 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 all orders shall be retained.
- 10.2. Order books shall be controlled by the Responsible Financial Officer.
- 10.3. All Council 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 11.1 below.
- 10.4. A Council member may not issue an official order or make any contract on behalf of the Council.
- 10.5. The Responsible Financial Officer 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 Responsible Financial Officer 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. 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 £350 (in excess of this sum the Responsible Financial Officer shall act after consultation with the Chairman 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 £20,000 or more, the council shall comply with the relevant requirements of the Regulations<sup>1</sup>.

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<sup>1</sup> The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)<sup>2</sup>.
- d. 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.
- e. Such invitation to tender shall state the general nature of the intended contract and the Responsible Financial Officer 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 Responsible Financial Officer 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.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Responsible Financial Officer in the presence of at least one member of Council.
- g. Any invitation to tender issued under this regulation shall be subject to the Council's standing order 18 and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £20,000, but greater than £1,000 in value, for the supply of goods or materials, or for the execution of works or specialist services other than those set out in paragraph (a), the Responsible Financial Officer shall obtain three quotations (priced descriptions of the proposed supply). Where the contract value is below £1,000, the Responsible Financial Officer shall obtain at least one quote but endeavour to obtain up to three. Otherwise, Regulation 10.3 above shall apply.
- i. The Council shall not be obliged to accept the lowest tender, quote or estimate.

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

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the Responsible Financial Officer 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 Responsible Financial Officer 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.

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<sup>2</sup> Thresholds currently applicable are:

- a. For public supply and public service contracts £181,302
- b. For public works contracts £4,551,413

- 12.3. Any variation to a contract, or addition to, or omission from a contract must be approved by the Council and the Responsible Financial Officer shall inform the contractor in writing; the Council being informed where the final cost is likely to exceed the financial provision.

### **13. STATIONERY AND EQUIPMENT**

- 13.1. The Clerk shall be responsible for the care and custody of stationery and equipment.
- 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.
- 13.4. The Clerk shall be responsible for periodic checks of stocks and stores at least annually.

### **14. ASSETS, PROPERTIES AND ESTATES**

- 14.1. The Responsible Financial Officer shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The Responsible Financial Officer 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. 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 £100.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the full 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).
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a justification shall be provided to Council.
- 14.6. The Responsible Financial Officer 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.

## **15. INSURANCE**

- 15.1. Following the annual risk assessment (financial regulation 16), the Responsible Financial Officer shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2. The Responsible Financial Officer shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.3. The Responsible Financial Officer 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.
- 15.4. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

## **16. RISK MANAGEMENT**

- 16.1. The Council is responsible for putting in place arrangements for the management of risk. The Responsible Financial Officer shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 16.2. When considering any new activity, the Responsible Financial Officer shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

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

- 17.1. It shall be the duty of the Council to review the Financial Regulations of the Council at least annually. The Responsible Financial Officer 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.
- 17.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

## **18. VILLAGE HALL BUILD LOAN**

- 18.1. The Parish Council received a loan of £100,000 from the Public Works Loan Board (PWLB) in March 2010, for the purpose of providing this money to the Village Hall Management Trust (VHMT) (charity number 266474), to assist with the cost of building a new Village Hall complex in Hopton-on-Sea.
- 18.2. The loan from the PWLB is at a fixed rate of 4.73% for a 50 year term, repayable half yearly by direct debit on 1<sup>st</sup> March and 1<sup>st</sup> September each year. The first repayment date being 1<sup>st</sup> September 2010. The PWLB reference is LN496690.



- 18.3. The half yearly payments are £2,210.49 but may change should subsequent lump sums be paid off the loan by the VHMT and Parish Council at any time. The PWLB will determine the revised repayment instalments and amounts.
- 18.4. The loan of £100,000 (less transfer fee of £35) was provided by the Parish Council to the VHMT in March 2010, on the agreement (minuted by both the Parish Council and VHMT) that the loan would be repaid to the Parish Council on the same terms as above.
- 18.5. The Parish Council will provide the VHMT with an annual statement showing the balance due at the financial year end (31<sup>st</sup> March) each year.
- 18.6. The Parish Council and VHMT will continue with this arrangement until the loan has been fully repaid.
- 18.7. *For reference only – balance outstanding as at 31<sup>st</sup> March 2018 £80,347.06.*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2019 £79,719.16.*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2020 £79,061.21*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2021 £78,371.77*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2022 £78,014.77*

## **19. LOAN FROM GREAT YARMOUTH BOUROUGH COUNCIL**

- 19.1. The Parish Council received a loan of £20,000 from Great Yarmouth Borough Council (GYBC) in 2012, to cover costs of a failed Compulsory Purchase Order of land at Lowestoft Road, Hopton-on-Sea.
- 19.2. The loan from GYBC is interest free for the duration of the 10 year term.
- 19.3. An initial payment of £6,000 was made with the agreement of 9 subsequent annual payments of £1,555.55 payable in April or May of each year.
- 19.4. *For reference only – balance outstanding as at 31<sup>st</sup> March 2018 £6,222.25.*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2019 £4,666.70.*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2020 £3,111.14*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2021 £1,555.60*  
*For reference only – balance outstanding as at 31<sup>st</sup> March 2022 £0*

--- End of Financial Regulations ---