

1. ACCOUNTS AND ACCOUNTING STATEMENTS	
NALC MODEL (2018 as amended April 2022)	BHTC FINANCIAL REGULATIONS
<p>1. All payments by the Council shall be authorised, approved and paid in accordance with the law, proper practices and the Council’s financial regulations.</p>	<p>S/O Section 27.5 BANKING ARRANGEMENTS</p> <p>b. All schedules approving requests for payment, to include by cheque, BACS or other monetary payment mechanism, shall first be approved in accordance with the bank mandate, currently any 2 from 5 specified Members, plus the CEO (or in his absence, the RFO). A consolidated list of payments must also be provided, at least 3 times per year, to all Members of the Council for inspection.</p> <p>The list of specified Member signatories shall be limited to the Town Mayor and Deputy Town Mayor of the Council, the Chairman and Vice Chairman of the Finance Key Area Group and the Chairman of the Strategic Planning, Economy and Transport Key Area Group (Council minute 298 refers).</p> <p>Authorisation by Members of payment requests can be in-person at the council offices or via email where the details of the payee, the amount to be paid and description of the goods/services must be provided.</p> <p>RFO comment: No action required</p>
<p>2. The Responsible Financial Officer shall supply to each councillor as soon as practicable after 30 June, 30 September and 31 December in each year a statement to summarise:</p> <p style="padding-left: 40px;">i. the Council’s receipts and payments (or income and expenditure);</p>	<p>27.2 FINANCIAL PLANNING AND ANNUAL ESTIMATES</p> <p>a. The CEO shall each year recommend to the Town Council a programme for consideration of estimates, to include adequate time for such discussions between the Finance Key Area Group, the Planning Committee, other Key Area Groups and Council.</p> <p>b Detailed estimates of income and expenditure on revenue accounts, shall be prepared each year by the CEO, in consultation with the Responsible Financial Officer, who will examine and complete the estimates and submit them to the</p>

<ul style="list-style-type: none"> ii. the Council's aggregate receipts and payments (or income and expenditure) for the year to date; iii. the balances held at the end of the quarter being reported and <p>which includes a comparison with the budget for the financial year and highlights any actual or potential overspends.</p> <p>3. As soon as possible after the financial year end at 31 March, the Responsible Financial Officer shall provide:</p> <ul style="list-style-type: none"> i. each councillor with a statement summarising the Council's receipts and payments (or income and expenditure) for the last quarter and the year to date for information; and ii. to the Council the accounting statements for the year in the form of Section 2 of the annual governance and accountability return, as required by proper practices, for consideration and approval. 	<p>Planning Committee or Key Area Groups responsible for the services by the prescribed date.</p> <ul style="list-style-type: none"> c The Finance Key Area Group shall review the estimates and submit them to the Council not later than December in each year, together with such summaries, statements and reports as are considered desirable in order to enable Council to determine the precept to be levied for the ensuing year. d Concurrently with the report of the Council and the proposed precept to be levied for the ensuing year, the CEO shall report proposed Capital Projects in order that approval and funding for the following years may be determined. <p>27.3 BUDGETARY CONTROL</p> <ul style="list-style-type: none"> a Expenditure on the revenue account may be incurred up to the amounts included in the approved budget, subject to the requirements of standing orders. b The CEO has powers to vire amounts up to £1,000 provided within the approved revenue budget, except in the case of sums provided for pay and allowances or when any continuing expenditure is to be generated, subject to consultation with the Chairman of the Finance Key Area Group. c Expenditure may not be incurred which cannot be met from the amount provided within the net revenue budget or when overspending is likely to result in the year unless a request for a supplementary estimate has been submitted to the Finance Key Area Group. This regulation shall apply where such event would result in an increase in net cost within the financial year. d Except as provided in standing orders, all proposals involving expenditure on capital account shall be the subject of an annual report to the appropriate Key Area Group and the report shall include the full financial implications of the proposals, including future revenue costs. e The Finance Key Area Group shall carry out a review of the expenditure and income of the Council at the same time as it undertakes its evaluation of the following year's budgetary requirements. This exercise shall be extended to include future years by utilising a financial model.
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<p>4. The year-end accounting statements shall be prepared in accordance with proper practices and apply the form of accounts determined by the Council (receipts and payments, or income and expenditure) for the year to 31 March. A completed draft annual governance and accountability return shall be presented to all councillors at least 14 days prior to anticipated approval by the Council. The annual governance and accountability return of the Council, which is subject to external audit, including the annual governance statement, shall be presented to the Council for consideration and formal approval before 30 June</p>	<p>f The Finance Key Area Group shall receive monitoring reports outlining the progress of expenditure and income on the revenue and capital budgets at each meeting. This will include details of any virements made during the interim.</p> <p>g At the end of each financial year an out-turn budget shall be submitted to the Finance Key Area Group.</p> <p>RFO Comment:</p> <p>Action required: The RFO prepares a far more in-depth analysis of the council's budgets through the preparation of the Management Account Monitoring Reports which include an <i>End of Year Latest Forecast</i> based on the actual income and expenditure to-date and a forecast for the balance of the year. To comply, strictly, with the NALC's model, the "Actual to-date" Income and Expenditure numbers will need to be included as part of the Monitoring Report and reflected in the financial regulations.</p> <p>Additional Standing Order 27.3 (g) to include "the provision of a summary schedule showing the actuals-to-date when compiling the Monitoring Reports".</p> <p>No action required: In regard to the meeting dates of the Finance KAG, the meeting to review the annual accounts is undertaken during the June of each year to ensure Members have the opportunity to scrutinise the reports and approve the Annual Governance and Accounting Return (AGAR) prior to onward submission to the external auditor by 30th June. Leaving this to after June, as suggested by the NALC model, would make it impossible to comply with legislation.</p> <p>Action required: Although, in practice, the AGAR (Annual Return) is submitted to the Finance KAG and issued to all Members, this is not specifically referenced in the standing orders.</p> <p>Additional Standing Order 27.3 (i) to include "the provision of accounting statements for the year in the form of Section 2 of the Annual Governance and Accountability Return".</p>
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2. FINANCIAL CONTROLS AND PROCUREMENT

5. The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:

- i. the keeping of accounting records and systems of internal controls;
- ii. the assessment and management of financial risks faced by the Council;
- iii. the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
- iv. the inspection and copying by councillors and local electors of the Council's accounts and/or orders of payments; and

27.1 FINANCIAL ADMINISTRATION

- a. The CEO, under the direction of the Finance Key Area Group, shall regulate and control the finances and accounts of the Town Council and supervise and co-ordinate financial and accounting methods.
- b. The Responsible Financial Officer shall be responsible, under general direction from the CEO, for the proper administration of the Council's financial affairs and the production of financial management administration, in line with the requirements of the Accounts and Audit Regulations.
- c. The Responsible Finance Officer, under the direction of the Finance Key Area Group, shall appoint annually an internal auditor to perform a minimum of two audits per year covering the Council's financial transactions and a review of financial systems and processes employed.
- d. The internal auditor will produce written reports on each visit highlighting items for action and/or concern; such reports will be made available by the Responsible Finance Officer to the Finance Key Area Group.

RFO Comment

Action Required: In practice, any resident, on reasonable notice, may request to view/copy financial documents (assuming no GDPR implications). This is not specifically reference in the council's financial regulations.

Additional Standing Order 27.1 (e) – to allow councillors and local electors the right to inspect and copy the council's accounts and orders of payments subject to compliance with the General Data Protection Regulations.

<p>v. whether contracts with an estimated value below £25,000 due to special circumstances are exempt from a tendering process or procurement exercise.</p>	<p>See below, Tendering Procedures (within the table)</p>
<p>6. Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.</p>	<p>RFO Comment:</p> <p>No Action Required. This is completed annual by the RFO with amendments to the existing regulations being forwarded to the Finance KAG and/or Council accordingly.</p>
<p>7. A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds referred to in standing order 18(f) is subject to the “light touch” arrangements under Regulations 109-114 of the Public Contracts Regulations 2015 unless it proposes to use an existing list of approved suppliers (framework agreement).</p> <p>Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time, the Council must consider whether the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2016 apply to the contract and, if either of those Regulations apply, the Council must comply with procurement rules. NALC’s procurement guidance contains further details.</p>	<p>26.1 COMPLIANCE WITH ORDERS</p> <p>a Every contract, made by the Council or by a Key Area Group shall comply with these Orders except when the Council or, in an emergency, the appropriate Key Area Group and the approval of the Chairman of the Finance Key Area Group shall direct otherwise.</p> <p>i) Every exception made by a Key Area Group to which the power of making contracts has been delegated shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.</p> <p>ii) The CEO shall ensure that the estimated cost has been included in the annual budget of the Council under the appropriate heading.</p>

Subject to additional requirements in the financial regulations of the Council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:

- i. a specification for the goods, materials, services or the execution of works shall be drawn up;
- ii. an invitation to tender shall be drawn up to confirm (i) the Council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the Council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
- iii. the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
- iv. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
- v. tenders shall be opened by the

26.4 CONTENTS OF WRITTEN CONTRACTS

Every written contract shall specify:

- i. the work, materials, matters or things to be furnished,
- ii. the price to be paid with a statement of discounts or other deductions; and,
- iii. the time or times within which the contract is to be performed.

26.2 TENDERING PROCEDURES (updated: May 2022)

- a The following tender procedures shall apply to every contract for works or purchase of goods or services.

<u>Estimated Value</u>	<u>Method of Invitation</u>	<u>Acceptance by</u>
Up to £5000	<u>Officers discretion</u>	
£5,001 to £24,999	Officers Discretion	CEO
£25,000- £100,000	Minimum of three invitations for tenders	Chairman of the Finance Key Area Group or Chairman of appropriate Key Area Group, and the CEO PLUS contract finder website
Over £100,000- £213,477	Minimum of five invitations for tenders	Chairman of the Finance Key Area Group AND Chairman of appropriate Key Area Group, and the CEO PLUS Contract Finder Website
Over £213,477	Public advertisement inviting tenders in one or more local newspapers circulating in the district with a minimum of 10 days' notice. Public advertisement inviting tenders in one or more local newspapers circulating in the district with a minimum of 10 days' notice. Also subject to additional requirements under the 2014/24EU Directive and contracts of this value or above would need technical and/or legal advice from those who specialise in public procurement.	Chairman of the Finance Key Area Group AND Chairman of appropriate Key Area Group, and the CEO PLUS Contract Finder Website

<p>Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;</p> <p>vi. tenders are to be reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.</p>	<p>b Where the value of a contract is likely to exceed £213,477 excluding VAT (or other threshold specified by the Office of Government Commerce from time to time) the Council must consider whether the Public Contracts Regulation 2015 and the Utilities Contracts Regulations 2016 apply to the contract and, if either of those regulations apply, the Council must comply with EU procurement rules.</p> <p>c In all cases where estimates or tenders are received from the suppliers of goods and services which are then amended by the supplier after acceptance, and the variance is in excess of 5%, the estimate or tender will be treated as a new estimate or tender and dealt with as above.</p> <p>d <u>Lists of Tenderers</u></p> <p>i) Where the Council has determined that lists shall be kept of parties to be invited to tender for contracts for the supply of goods and materials of specified categories, values or amounts or for the execution of specified categories of work, notices inviting applications for inclusion in the lists shall be published in one or more newspapers or journals circulating amongst parties who undertake contracts.</p> <p>ii) The lists shall contain the names of all parties who have been approved for inclusion by the appropriate Key Area Group and indicate the categories for which the party is approved.</p> <p>iii) The lists in (ii) shall be amended as appropriate and shall be reviewed at intervals not exceeding five years.</p> <p>iv) Where the Council or a Key Area Group has decided to restrict invitations to persons whose names appear on an approved list an invitation to tender for a particular contract shall be sent:</p>
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e) Exceptions to Procedures

RFO Comment

On a recent review of this clause within the council's Financial Regulations, a number of out-of-date clauses are included but have been suspended pending this review.

Legislation giving exclusions from complying with The Public Contracts Regulations 2015 (contracts over £25,000) cover, in the main, legal, financial and financial services, banking, acquisition or rental of land and buildings, loans, public transport, civil defence and audio media services, all of which would not, ordinarily, fall within the scope of the town council, save for the purchase by auction.

Action Required – Amendment to Standing Order 26.2 (e) – Exclusion from the Public Contracts Regulation 2015 (contracts over £25,000) is limited to Purchase by Auction.”

“Should Council wish to apply further exclusions not shown within the legislation, legal advice should be considered.”