

Kingsteignton Town Council Financial Regulations

Kingsteignton Town Council Financial Regulations are based on the National Association of Local Councils (NALC) Model Financial Regulations issued in January 2016.

KTC Policy Reference: P003

Updated March 23

To be reviewed March 24

KINGSTEIGNTON TOWN COUNCIL FINANCIAL REGULATIONS

Contents

1. General	2
2. Risk management and internal control	3
3. Accounts and audit.....	4
4. Budget and precept.....	5
5. Procurement.....	6
6. Banking and payments	8
7. Electronic payments	9
8. Cheque payments	10
9. Payment cards	10
10. Petty Cash.....	11
11. Payment of salaries and allowances	11
12. Loans and investments	12
13. Income	12
14. Payments under contracts for building or other construction works	13
15. Stores and equipment	13
16. Assets, properties and estates	13
17. Insurance.....	14
18. Suspension and revision of Financial Regulations	14
Appendix 1 - Tender process.....	15

General

These Financial Regulations govern the financial management of the Kingsteignton Town Council (KTC) and may only be amended or varied by resolution of full council. They are one of KTC's governing documents and shall be observed in conjunction with the adopted Standing Orders.

Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.

Wilful breach of these regulations by an employee may result in disciplinary proceedings.

In these Financial Regulations:

- 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
- "Approve" refers to an online action, allowing an electronic transaction to take place.
- "Authorise" refers to a decision by KTC, or a committee or an officer, to allow something to happen.
- 'Proper practices' means those set out in *The Practitioners' Guide*
- *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
- 'Must' and **bold text** refer to a statutory obligation KTC cannot change.
- 'Shall' refers to a non-statutory instruction by KTC to its members and staff.

The Responsible Financial Officer (RFO) holds a statutory office, appointed by KTC.

The Town Clerk has been appointed as RFO and these regulations apply accordingly. KTC has appointed the Town Clerk and where RFO is referred to, this indicates the Town Clerk. Both titles are referred to within this document. The RFO;

- acts under the policy direction of KTC;
- administers KTC's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of KTC its accounting records and control systems;
- ensures the accounting control systems are observed;
- ensures the accounting records are kept up to date;
- seeks economy, efficiency and effectiveness in the use of KTC resources; and
- produces financial management information as required by KTC.

KTC must not delegate any decision regarding:

- **setting the final budget or the precept (council tax requirement);**
- **the outcome of a review of the effectiveness of its internal controls**
- **approving accounting statements;**
- **approving an annual governance statement;**
- **borrowing;**
- **declaring eligibility for the General Power of Competence;**
- **addressing recommendations from the internal or external auditors; and**
- **writing off bad debts.**

In addition, KTC shall:

- Delegate responsibility of determining and regularly reviewing the bank mandate for all KTC bank accounts to the Finance Committee;
- authorise any grant or single commitment in excess of £5,000.

Risk management and internal control

KTC must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

The Town Clerk shall prepare, for approval by the Finance Committee, a risk management policy covering all activities of KTC. This policy and consequential risk management arrangements shall be reviewed by the Finance Committee at least annually.

When considering any new activity, the Town Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration by KTC.

At least once a year, KTC must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

The accounting control systems determined by the RFO must include measures to:

- **ensure that risk is appropriately managed**
- **ensure the prompt, accurate recording of financial transactions**
- **prevent and detect inaccuracy or fraud**
- **allow the reconstitution of any lost records**
- **identify the duties of officers dealing with transactions**
- **ensure division of responsibilities.**

At least quarterly, and at each financial year end, a member other than the Chair or a bank signatory shall be appointed to verify bank reconciliations (for all bank accounts) produced by the RFO. The member shall sign and date the

reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Finance Committee.

Regular back-up copies shall be made of the records on any KTC-owned computer and stored in the cloud. KTC shall put measures in place to ensure that the ability to access any KTC owned computer is not lost if an employee leaves or is incapacitated for any reason.

Accounts and audit

All accounting procedures and financial records of KTC shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

The accounting records determined by the RFO must be sufficient to explain KTC's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:

- **day-to-day entries of all sums of money received and expended by KTC and the matters to which they relate;**
- **a record of the assets and liabilities of KTC.**

The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to KTC, within the timescales required by the Accounts and Audit Regulations.

KTC must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.

Any officer or member of KTC must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit and shall, as directed by KTC, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary.

The internal auditor shall be appointed by KTC and shall carry out their work to evaluate the effectiveness of the adopted risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.

KTC shall ensure that the internal auditor:

- is competent and independent of the financial operations of the council;
- reports to KTC in writing, or in person, on a regular basis with a minimum of one written report during each financial year;

- can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the management or control of KTC.

Internal or external auditors may not under any circumstances:

- perform any operational duties for KTC;
- initiate or approve accounting transactions;
- provide financial, legal or other advice including in relation to any future transactions; or
- direct the activities of any KTC employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

Budget and precept

Before setting a precept, KTC must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.

Budgets for salaries and wages, including employer contributions shall be reviewed by KTC at least annually the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Town Clerk and the Chair of the Staffing Committee. The Staffing and Finance Committees will be informed of any salary implications before they consider draft budgets.

No later than December each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year along with a forecast for the following four financial years, taking account of the lifespan of assets and cost implications of repair or replacement.

Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of KTC.

Each committee shall review its draft budget and submit any proposed amendments to the Finance Committee not later than the end of November each year.

The draft budget with any committee proposals and four-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance Committee and a recommendation made to KTC.

Having considered the proposed budget and four-year forecast, KTC shall determine its council tax requirement by setting a budget. KTC shall set a precept for this amount no later than the end of January for the ensuing financial year.

Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.

The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget. The deadline is set by Teignbridge District Council.

The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.

Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Finance Committee, or KTC whichever meeting date fall sooner.

Procurement

Members and officers are responsible for obtaining value for money at all times.

Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.

The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes, if not using the General Power of Competence.

Every contract shall comply with KTC Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.

For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.

Where the estimated value is below the Government threshold, KTC shall (with the exception of items listed in paragraph 6.12) obtain prices as follows:

- i. For contracts estimated to exceed £60,000 including VAT, the Town Clerk shall advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1;

ii. For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts;

iii. For contracts greater than £5,000 excluding VAT the Town Clerk shall seek at least 3 fixed price quotes;

iv. where the value is between £500 and £5,000 excluding VAT, the Town Clerk shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers.

vi. For smaller purchases, the Town Clerk shall seek to achieve value for money.

vii. Contracts must not be split into smaller lots to avoid compliance with these rules.

The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:

- i. specialist services, such as legal professionals acting in disputes;
- ii. repairs to, or parts for, existing machinery or equipment;
- iii. works, goods or services that constitute an extension of an existing contract;
- iv. goods or services that are only available from one supplier or are sold at a fixed price.

When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Finance Committee. Avoidance of competition is not a valid reason.

KTC shall not be obliged to accept the lowest or any tender, quote or estimate.

Individual purchases within an agreed budget for that type of expenditure may be authorised, in line with adopted Scheme of Delegation and the amounts below by:

- the Town Clerk, for any items up to £3,000 excluding VAT
- the Town Clerk, in consultation with the Chair of the Council, or Chair of the appropriate committee, for any items up to £5,000 excluding VAT.
- a duly delegated committee of KTC for all items of expenditure within their delegated budgets for items up to £10,000 excluding VAT.
- in respect of grants, the Finance Committee within any limits set by KTC and in accordance with the adopted Grants policy.
- KTC for all items over £10,000.

Such authorisation must be supported by a minute (in the case of KTC or committee decisions) or other auditable evidence trail.

In cases of serious risk to the delivery of council services or to public safety on council premises, the Town Clerk may authorise expenditure of up to £4,500 excluding VAT on repair, replacement, or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Town Clerk shall

¹ The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

report such action to the Chair as soon as possible and to the Finance Committee as soon as practicable thereafter.

No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of KTC or make any contract on behalf of KTC.

No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the KTC, except in an emergency.

No expenditure shall be authorised, no contract entered into, or tender accepted in relation to any major project, unless KTC is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

Written communication shall be issued for all work, goods and services above £1000 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.

Any ordering system can be misused and access to them shall be controlled by the Town Clerk.

Banking and payments

KTC's banking arrangements, including the bank mandate, shall be recommended by the RFO and authorised by KTC; banking arrangements shall not be delegated to a committee. KTC has resolved to bank with Natwest Bank for day-to-day banking. The arrangements shall be reviewed annually for security and efficiency.

KTC must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised, and only authorised payments shall be approved or signed to allow the funds to leave KTC's bank account.

All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the Town Clerk

Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.

All payments shall be made by online banking, or in extreme circumstances, by cheque, in accordance with a resolution of KTC, delegated committee or a delegated decision by the Town Clerk, unless KTC resolves to use a different payment method.

For information only - a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension

contributions, rent, rates, regular maintenance contracts and similar items), which the Finance Committee} may authorise in advance for the year, will be provided in April each year. The schedule may not include payment amounts, which can be subject to change.

Regular payments shall be reported to the next appropriate meeting of the Finance Committee for information only.

The Town Clerk shall have delegated authority to authorise payments only in line with the adopted Scheme of Delegation and Financial Regulation 5.15.

- i. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date for payment is before the next scheduled meeting of the Finance Committee or KTC, where the Town Clerk/RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance Committee or KTC.
- ii. Fund transfers within KTC's banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance Committee or KTC.

The RFO shall present a schedule of payments, forming part of the agenda for the meeting, of the Finance Committee. The Finance Committee shall review the schedule for compliance and, having satisfied itself, shall note payments. A detailed list of all payments made shall be disclosed within or as an attachment to the minutes of that meeting.

Electronic payments

Where internet banking arrangements are made with any bank, the Town Clerk shall be appointed as the Service Administrator. The bank mandate agreed by KTC shall identify councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. An officer may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.

All authorised signatories shall have access to view KTC's Natwest bank accounts online.

No employee or councillor shall disclose any PIN or password, relevant to KTC or its banking under any circumstances.

A member of staff shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to at least two authorised signatories for their approval to pay.

Authorised users shall check the payment details against the invoices before approving each payment using the online banking system.

Evidence shall be retained showing which users approved the payment online in the form of an online audit trail which will be saved on a KTC-owned computer.

A full list of all payments made in a month shall be provided to the next Finance Committee meeting and included in the meeting pack.

With the approval of the Finance Committee in each case, regular payments (such as gas, electricity, telephone, broadband, water, non-domestic rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are signed and approved online by two authorised signatories or approvers as appropriate. The approval of the use of each variable direct debit shall be reviewed by the Finance Committee at least every two years.

Payment may be made by BACS or CHAPS provided that each payment is approved online by two approvers and evidence is retained and any payments are reported to the Finance Committee at their next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Finance Committee or KTC at least every two years.

If thought appropriate by the Finance Committee, regular payments of fixed sums may be made by standing order, provided that the instructions are signed by two authorised signatories, evidence of this is retained and any payments are reported to the Finance Committee when made. The approval of the use of a standing order shall be reviewed by the Finance Committee at least every two years.

Account details for suppliers may only be changed upon written notification by the supplier verified by two approvers. This is a potential area for fraud and the individuals involved should ensure that any change is genuine.

Members and officers shall ensure that any computer used for KTC's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

Remembered password facilities, other than secure password stores requiring separate identity verification, should not be used on any computer used for KTC banking.

Cheque payments

Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two authorised signatories.

A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

Payment cards

Any Debit Card issued for use will be specifically restricted to the Town Clerk and will also be restricted to a single transaction maximum value of £500 unless authorised by **KTC** or the Finance Committee in writing before any order is placed.

A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance Committee. Transactions and purchases made will be reported to the Finance Committee and authority for topping-up shall be at the discretion of the Finance Committee.

Any corporate credit card or trade card account opened by KTC will be specifically restricted to use by the Town Clerk and any balance shall be paid in full each month.

Personal credit or debit cards of members or staff shall not be used except for expenses of up to £50 including VAT, incurred in accordance with KTC policy and budgets.

Petty Cash

1.1. The RFO may provide petty cash to officers for the purpose of defraying operational or other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

- a) The RFO shall maintain a petty cash for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept, substantiating the payment. The RFO will ensure Petty Cash held does not exceed £300 and will bank any monies held in excess of this.
- b) The cash booking payments should be used to “top up” the petty cash to a limit of £300 with the necessary correcting entries being made in the accounts.

Authorised by Finance Committee: 8 March 2017 - F27/17. Minutes ratified at Full Council meeting held on 5 April 2017

Payment of salaries and allowances

As an employer, KTC must make arrangements to comply with the statutory requirements of PAYE legislation.

Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.

Salary rates shall be agreed by the Finance Committee or KTC where required. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Finance Committee.

Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.

Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.

Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account, with the total of such payments each calendar month reported in the financial management system. Payroll reports will be reviewed by the Finance Committee to ensure that the correct payments have been made.

Any termination payments shall be supported by a report to the Finance Committee, setting out a clear business case. Termination payments shall only be authorised by the full council.

Before employing interim staff, the Finance Committee must consider a full business case.

Kingsteignton Town Council has appointed Teignbridge District Council as payroll administrator.

Loans and investments

Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by KTC and recorded in the minutes. All borrowing shall be in the name of KTC, after obtaining any necessary approval.

Any financial arrangement which does not require formal borrowing approval from the Secretary of State such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year must be authorised by KTC, following a written report on the value for money of the proposed transaction.

KTC shall approve an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Finance Committee annually.

All investment of money under the control of KTC shall be in the name of KTC.

All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

Income

The collection of all sums due to KTC shall be the responsibility of and under the supervision of the RFO.

KTC will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Town Clerk. The Town Clerk shall be responsible for the collection of all amounts due to KTC.

Any sums found to be irrecoverable, and any bad debts shall be reported to the Finance Committee by the Town Clerk and shall be written off in the year. KTC's approval shall be shown in the accounting records.

All sums received on behalf of KTC shall be deposited intact with Natwest Bank, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.

Personal cheques shall not be cashed out of money held on behalf of KTC.

The RFO shall ensure that VAT is correctly recorded in the council's accounting software and that any VAT Return required is submitted from the software by the due date.

Where any cash is received by KTC other than in accordance with Section 10 (Petty Cash), the RFO shall 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 record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

Payments under contracts for building or other construction works

Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

Any variation of addition to or omission from a contract must be authorised by the Town Clerk to the contractor in writing, with KTC being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

Stores and equipment

The Town Clerk shall be responsible for the care and custody of stores and equipment.

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.

Stocks shall be kept at the minimum levels consistent with operational requirements.

The RFO shall be responsible for periodic checks of stocks and stores, at least annually.

Assets, properties and estates

The Town Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.

The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by KTC, their 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.

The continued existence of tangible assets shown in the above Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets and reported to the relevant committee.

No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of KTC, together with any other consents

required by law. In each case a written report shall be provided to KTC 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 where required by law).

No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of KTC, together with any other consents required by law, except where the estimated value of any one item does not exceed £500. In each case a written report shall be provided to KTC with a full business case.

Insurance

The RFO shall keep a record of all insurances effected by KTC and the property and risks covered, reviewing these annually before the renewal date in conjunction with KTC's review of risk management.

The Town Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to KTC at the next available meeting. The RFO shall negotiate all claims on the council's insurers.

All appropriate members and employees of KTC shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by KTC, or the Finance Committee.

Suspension and revision of Financial Regulations

KTC shall review these Financial Regulations annually and following any staffing change. The Town Clerk shall monitor changes in legislation or proper practices and advise KTC or Finance Committee of any need to amend these Financial Regulations.

KTC or the Finance Committee may, by resolution duly notified prior to the relevant meeting of KTC or Finance Committee as appropriate, 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 presented to all members. Suspension does not disapply any legislation or permit KTC to act unlawfully.

KTC or the Finance Committee council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

Appendix 1 - Tender process

- 1) Any invitation to tender shall state the general nature of the intended contract and the Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 2) The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post unless an electronic tendering process has been agreed by KTC.
- 3) Where a postal process is used, 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. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of KTC.
- 4) Where an electronic tendering process is used, KTC shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order 19 and shall refer to the terms of the Bribery Act 2010.
- 6) Where KTC, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and KTC requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.