

**MINEHEAD TOWN COUNCIL**  
**EXCEPTIONS POLICY:**  
**NON – STANDARD PAYMENTS**



**Approved: TBC**

## POLICY UPDATE TIMELINE

Policy Number	Version	Owner	Date Published	Review Date	Review Team
TBC	V1	MTC	TBC	TBC	Council

Distribution:

Internal: All MTC Staff

External: Councillors/Partners

Approved: TBC

# 1. Purpose

This policy establishes a clear, proportionate framework for identifying, authorising, and reviewing non-standard payments proposed to be made by Minehead Town Council. It ensures all such payments are managed transparently, lawfully, and with appropriate oversight from Internal Audit and Legal Services, in accordance with:

- Local Government Act 1972 (Sections 111 & 151)
- Accounts and Audit Regulations 2015
- Public Contracts Regulations 2015
- Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption
- Bribery Act 2010

The objective is to protect public funds, ensure value for money and maintain public trust in the Council's financial stewardship.

# 2. Scope

This policy applies to all Council employees, Members, contractors and third parties involved in authorising, processing, or receiving payments from Council funds.

It covers all non-standard payments, defined as payments that do not follow normal approved procedures, systems, or contractual terms, including but not limited to:

- One-off or ex gratia payments
- Payments outside of approved contracts
- Retrospective authorisations of expenditure
- Payments to individuals (rather than corporate entities) for services rendered
- Urgent payments made without standard procurement compliance
- Write-offs or reimbursements outside policy
- Payments under legal dispute or settlement

# 3. Policy Statement

The Council will only authorise non-standard payments where:

1. There is a clear, documented justification;
2. The risk and legality have been reviewed by the town clerk; and
3. The Internal Auditor has reviewed the supporting documentation and authorised the exception in writing prior to payment.

All exceptions must demonstrate public benefit, financial prudence and compliance with relevant UK legislation and Council Standing Orders. Where internal review identifies uncertainty or where Full Council requests, a specialist legal review by an external solicitor will be sought before authorisation.

Where a non-standard payment involves legal uncertainty, potential legal dispute, or reputational risk, the Town Clerk must refer to the Legal Consultation Policy to determine whether independent legal advice is required. The thresholds and proportionality criteria in Sections 4 and 5 of that Policy must be applied before proceeding to authorisation.

## **4. Procedure**

### **Step 1 – Identification and Initial Assessment**

- The officer identifying a potential non-standard payment must complete a Non-Standard Payment Request Form NSPRF (Appendix A).
- The form must include:
  - Nature and amount of payment
  - Reason for deviation from standard process
  - Alternative options considered
  - Confirmation of budget availability

### **Step 2 – Financial Review**

- The Section 151 Officer (Responsible Financial Officer) must review and confirm:
  - The justification is reasonable and unavoidable
  - There is no conflict with Council policy or financial regulations
  - The payment does not expose the Council to undue risk
  - Budget exists for such a payment.

### **Step 3 – Internal Legal Review**

- Town Clerk and RFO jointly confirm compliance with legislation and Council Standing Orders to ensure:
  - Compliance with relevant council practices, policies, legislation or law.
  - No potential for maladministration or ultra vires activity
  - Adequate documentation exists for audit and transparency

### **Step 4 – Internal Auditor Review**

- The Internal Auditor will:
  - Assess risk and control implications
  - Verify completeness of supporting documentation
  - Determine whether the exception poses a risk to financial integrity or precedent-setting

No non-standard payment may proceed without written sign-off from Internal Audit.

### **Step 5 – Specialist Legal Review (Conditional)**

If internal review, audit, or Full Council raises concerns, or if the complexity or risk of the matter warrants, the Town Clerk must obtain written advice from a qualified

solicitor. This process must comply with the Council's Legal Consultation Policy, particularly Sections 4 (Proportionality) and 5 (Mandatory Legal Advice).

The legal advice must be attached to the NSPRF and referenced in the Exceptions Register. The Town Clerk must ensure that the rationale for seeking or not seeking legal advice is documented in accordance with the Legal Consultation Policy.

## **Step 6 - Authorisation and Payment**

- Following all reviews, A Full Council meeting of Minehead Town Council will provide final approval.
- Payments must be recorded in the Exceptions Register with cross-reference to all supporting documentation.

## **5. Record Keeping and Monitoring**

- All proposed non-standard payments must be logged in an Exceptions Register maintained by Responsible Financial Officer.
- Records must include:
  - Payment description, value, and date made
  - Authorising officers once payment is made
  - Audit and legal reference numbers
- The Internal Auditor will conduct regular reviews of the Register and report findings to the Council.
- Persistent or high-risk exceptions will trigger a targeted audit.

Where legal advice is obtained under the Legal Consultation Policy in relation to a non-standard payment, the advice must be recorded and referenced in the Exceptions Register. The Non-Standard Payment Request Form (NSPRF) must include a summary of the legal advice and attach any written opinions received.

## **6. Non-Compliance**

Failure to comply with this policy may constitute misconduct under the Council's Code of Conduct and may lead to:

- Disciplinary action
- Financial recovery procedures
- Referral to external audit or law enforcement (as required under the Local Government Transparency Code 2015)

## **7. Review and Updates**

This policy will be reviewed annually to ensure ongoing compliance with UK legislation and Council governance frameworks. Updates will be approved by Full Council.

## **Appendix: Relevant Legislation and Guidance**

- Local Government Act 1972, s.111 (Subsidiary powers) & s.151 (Proper administration of financial affairs)
- Accounts and Audit Regulations 2015 (SI 2015/234)
- Bribery Act 2010
- Public Contracts Regulations 2015
- CIPFA Code of Practice on Local Authority Accounting
- Local Government Transparency Code 2015
- Appendix A (Non-Standard Payment Request Form (NSPRF))



# Appendix A: Non-Standard Payment Request Form (NSPRF)

**Purpose:**

To formally record, assess and authorise any payment outside standard Council financial or procurement procedures.

## 1. Basic Information

Field	Details
Department / Service Area	
Officer Name	
Officer Job Title	
Contact Email / Extension	
Date Submitted	
Payment Reference / Code	(to be completed by Finance)

## 2. Description of Payment

Field	Details
Supplier / Payee Name	
Supplier Type (Company / Sole Trader / Individual / Other)	
Amount (inc. VAT)	£
Nature of Payment	(e.g. ex gratia, retrospective invoice, urgent procurement, settlement)
Date payment required	
Contract / Purchase Order Reference (if any)	

## 3. Justification for Non-Standard Payment

Please explain clearly:

- Why this payment is necessary.
- Why normal procedures could not be followed.

- What alternative actions were considered.
- Whether similar exceptions have occurred before in this area.

*(Attach supporting documentation — emails, quotations, contract extracts, etc.)*

#### 4. Budget Confirmation

Field	Details
Budget Code	
Budget Holder Name	
Available Funds Confirmed?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Comments	

#### 5. Manager Review

**Service Manager Name:**

**Date Reviewed:**

**Signature / Electronic Approval:**

Checklist:

- Justification reasonable and documented
- No conflict with Council Financial Regulations
- Risks understood and acceptable
- Budget provision confirmed

#### 6. Section 151 Officer (RFO) & Town Clerk Review

**Section 151 Officer Name:**

**Date Reviewed:**

**Signature / Electronic Approval:**

**Clerk Name:**

**Date Reviewed:**

**Signature / Electronic Approval:**

Checklist:

- Payment Compliant with relevant council practices, policies, legislation or law.
- No ultra vires or maladministration risk
- Documentation sufficient for transparency/audit
- Bribery Act 2010 and Data Protection considerations checked



Comments:

*(Insert brief summary of advice, relevant legislation etc.)*

## **7. Internal Audit Review**

**Internal Auditor Name:**

**Date Reviewed:**

**Signature / Electronic Approval:**

Checklist:

- Documentation complete
- Risk assessed and logged
- Payment suitable for exception route
- Added to Exceptions Register

Auditor Comments:

## **9. Specialist Legal Review (if required)**

**Solicitor Name:**

**Date Reviewed:**

**Signature / Electronic Approval:**

Checklist:

- Advice obtained and documented
- Risks clarified
- Recommendation provided

**Summary of Advice:**

## **9. Final Authorisation (Minehead Town Council Full Council)**

**Meeting Date:**

**Minute Number:**

☐ Approved      ☐ Rejected      ☐ Returned for Clarification

**Attachments Checklist:**

- Invoices / Evidence of Cost
- Contract or correspondence
- Risk or equality impact assessment (if relevant)
- Supporting approvals / prior correspondence
- External legal advice (if applicable)