

Financial Regulations



Document Control	
Minute Number	8b
Adopted On	17.5.17
Reviewed	20.5.26
Review Date	May 2027

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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 three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders 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
 - identifying the duties of officers.
- 1.4. 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, **subject to appropriate dual-authorisation controls**.
 - "Authorise" refers to a decision by the council, 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 or by One Voice Wales and the Society of Local Council Clerks in Wales.
 - 'Must' and **bold** text refer to a statutory obligation the council cannot change.
 - 'Shall' refers to a non-statutory instruction by the council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. The Clerk has been appointed as RFO and these regulations apply accordingly. The RFO:
- Acts under the policy direction of the council.
 - Administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - Determines on behalf of the council its accounting records and control systems;
 - Ensures the accounting control systems are observed;
 - Ensures the accounting records are kept up to date;
 - 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.
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- 1.6. The accounting records determined by the RFO shall:
- Show and explain the council's transactions;

- Enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments, comply with the Accounts and Audit Regulations;
- Include entries of all sums of money received and expended and the matters to which the transactions relate;
- Contain a record of assets and liabilities; and
- Record income and expenditure related to any grant, contribution, or subsidy.

1.7 The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

1.8 The council must not delegate any decision regarding:

- **Setting the final budget or precept;**
- **Outcome of a review of internal controls;**
- **Approving accounting statements;**
- **Approving the annual governance statement;**
- **Borrowing;**
- **Declaring eligibility for the General Power of Competence;**
- **Addressing recommendations from the internal or external auditors.**

1.9 In addition, the council must:

- Determine and regularly review the bank mandate for all council accounts;
- Approve any grant;
- Approve any single commitment over £1,000 (or as otherwise defined in procurement policy);
- Consider recommendations regarding employee salaries in accordance with its terms of reference;
- Appoint an internal auditor and consider their reports to ensure proper governance and compliance with the Accounts and Audit Regulations.

1.10 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings. Councillors are expected to follow the instructions within these Regulations and not induce employees to breach them. Failure to follow these Regulations brings the office of councillor into disrepute.

2. Risk management and internal control

- 2.1. The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- 2.2. The Clerk shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.
- 2.3. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the council.
- 2.4. At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 2.5. 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; and**
 - **allow the reconstitution of any lost records;**
 - **identify the duties of officers dealing with transactions and**
 - **ensure division of responsibilities.**
- 2.6 At least once in each quarter, and at each financial year end, a member other than the Chair {or a cheque signatory} shall be appointed to verify bank reconciliations (for all 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 council {Finance Committee}.
- 2.7 Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

3. Accounts and audit

- 3.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**
- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
 - **a record of the assets and liabilities of the council;**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual {Governance and Accountability} Return.
- 3.4. 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 the council, within the timescales required by the Accounts and Audit Regulations.

- 3.5. **The council 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.**
- 3.6. **Any officer or member of the council 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 the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary.
- 3.7. The internal auditor shall be appointed by [the council] and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8 The council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the council;
 - reports to council 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 the council
- 3.9 Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions;
 - provide financial, legal or other advice including in relation to any future 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.
- 3.10 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.
- 3.11 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.
- 3.12 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. BUDGET AND PRECEPT

- 4.1. **Before setting a precept, the council 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.**
- 4.2. Expenditure on revenue items may be authorised up to the amounts included for the class of expenditure in the approved budget. This authority is to be determined by:

- The Council for all items over £1000; or
- The Clerk, in conjunction with Chairman of Council for any items below £1000.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

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

- 4.3. No later than November each year, the RFO shall prepare a draft budget with detailed estimates of all [receipts and payments/income and expenditure] for the following financial year taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.
- 4.5. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council.
- 4.6. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk 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. 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 disclose at the start of the meeting that Section 106 applies to them.**
- 4.9. 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.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council {or relevant committee}.
- 4.12. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.13. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.

5. PROCUREMENT

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

- 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:
 1. for the supply of gas, electricity, water, sewerage and telephone services;
 2. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 3. 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;
 4. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
 5. for additional audit work of the external auditor up to an estimated value of £750 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of council); and
 6. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
 - 7. **Contracts must not be split to avoid compliance with these rules.**
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- a) **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**
 - b) **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 Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
 - c) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
 - d) Where a postal process is used, each tendering firm shall supply 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 Clerk in the presence of at least one member of council as determined by the council.
 - e) Where an electronic process is used, tenders are to be sent to the Clerk’s email address and shall specify the heading should read ‘TENDER’. This will then be moved to an appropriate folder, unopened, before the expiry of the deadline for submission. All electronic tenders will then be forwarded by the Clerk to the necessary working Group.
 - f) Any invitation to tender issued under this regulation shall be subject to Standing Orders 18d,¹ and shall refer to the terms of the Bribery Act 2010.

¹ Based on NALC’s model standing order 18d in Local Councils Explained ©2013 National Association of Local Councils

- g) When it is to enter into a contract of:
- Less than £5,000 in value for the supply of goods, or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted out in paragraph (a) the Clerk or RFO shall obtain a best value quote
 - Where the value is below £10,000 and above £5,000 the Clerk or RFO shall strive to obtain 3 quotations
 - Where the value is £10,001 and above the Clerk or RFO shall put this out to tender
- h) The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- i) Should it occur that the council, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, 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.
- j) In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure of up to £5,000 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 Clerk shall report such action to the Chair as soon as possible and to [the council] as soon as practicable thereafter.

6. BANKING AND PAYMENTS

- 6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 6.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, 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. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 6.3. All invoices for payment shall be examined, verified and certified by the RFO 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.
- 6.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
- 6.5. The RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
- {any payments of up to [£500] excluding VAT, within an agreed budget}.

- payments of up to [£2,000] excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
 - 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 council], where the [Clerk and 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 council {or finance committee}.
 - Fund transfers within the councils 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 council [or finance committee].
- 6.6. For each financial year the RFO shall draw up a list of payments which arise on a regular basis 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 and the like for which Council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 6.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by 2 members on each and every occasion when payment is authorised – thus controlling the risk of duplicated payments being authorised and/or made.
- 6.8. In respect of grants the Council shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Grant, shall before payment, be subject to ratification by resolution of the council.
- 6.9.** 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.
- 6.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 6.11. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

7. Electronic payments

- 7.1. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify 1 of 2 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. {The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.}
- 7.2. All authorised signatories shall have access to view the council's bank accounts online.

- 7.3. The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be provided at the full council meeting.
- 7.4. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.
- 7.5. Evidence shall be retained showing which members approved the payment online .
- 7.6. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.
- 7.7. If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members are retained and any payments are reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
- 7.8. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained 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 at least every two years.
- 7.9. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 7.10. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 7.11. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 7.12. 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.
- 7.13. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

8. Cheque Payments

- 8.1. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.
- 8.2. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 8.3. 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.
- 8.4. Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.

9. PAYMENT CARDS

- 9.1. Any Debit Card issued for use will be specifically restricted to the Clerk and will also be restricted to a single transaction maximum value of £500 unless authorised by council or in writing before any order is placed.
- 9.2. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards used by members shall be duly authorised upon evidence of receipts.
- 9.3. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

10. PAYMENT OF SALARIES AND ALLOWANCES

- 10.1. **As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.**
- 10.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 10.3. Salary rates for all employees shall be agreed by full council and must comply with the National Joint Council (NJC) pay scales. No changes to an employee's gross pay, emoluments, or terms and conditions of employment shall be made without prior approval of the council (or relevant committee).
- 10.4. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

Records shall be retained for a minimum of six years to comply with HMRC requirements.

10.5. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- by any councillor who can demonstrate a need to know;
- by the internal auditor;
- by the external auditor; or
- by any person authorised under Audit Commission Act 1998, or any superseding legislation.

10.6. 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.

10.7. An effective system of personal performance management should be maintained for the senior officers.

10.8. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

10.9. Before employing interim staff the council must consider a full business case.

11. LOANS AND INVESTMENTS

11.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval from the **Secretary of State**. Any application for borrowing approval shall be approved by full council as to the terms and purpose. **No arrangements for borrowing shall be made without the prior approval of full council.** 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.

11.2. 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.

11.3. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with **relevant legislation, proper practices (as defined in the Governance and Accountability Practitioners' Guide), and guidance issued by the Secretary of State**. Any Strategy and Policy shall be reviewed by the council at least annually.

11.4. All investments of money under the control of the council shall be in the name of the council.

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

11.6. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

12. INCOME

- 12.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 12.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 12.3. The council will review all fees and charges at least annually, following a report of the Clerk.
- 12.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.
- 12.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 12.6. All cash will be paid into a Lloyds Bank branch or a Post Office using a paying-in slip. Cheques will be paid in to the Parish Council's registered account using the scanner on the secure Lloyds Bank Business Mobile Phone App.
- 12.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 12.8. The RFO 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.
- 12.9. Where any significant sums of cash are regularly received by the council, the RFO 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.

13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 13.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 13.2. Where contracts provide for payment by instalments the RFO 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.
- 13.3.** Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.
- 13.4. To increase the Clerk's delegated powers to make payments of up to £5,000 (Five thousand pounds excluding VAT) towards major projects, identified and approved by full Council should any requests for any agreed works, professional services, or license fees be

received between Parish Council meetings, provided that a report of such payments is presented to the Council at its next meeting.

14. ORDERS FOR WORK, GOODS AND SERVICES

- 14.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 14.2. Order books shall be controlled by the RFO.
- 14.3. All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 14.4. A member may not issue an official order or make any contract on behalf of the council.
- 14.5. The RFO 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 RFO 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.

15. STORES AND EQUIPMENT

- 15.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 15.2. 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.
- 15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

16. ASSETS, PROPERTIES AND ESTATES

- 16.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 16.2. 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 £750.
- 16.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report

in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 16.4. 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).
- 16.5. 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 report in writing shall be provided to council with a full business case.
- 16.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

17. INSURANCE

- 17.1. Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 17.2. The Clerk shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 17.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 17.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting.
- 17.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council.

18. CHARITIES

- 18.1. Where the council is sole management trustee of a charitable body the Clerk & RFO shall ensure that separate accounts are kept of funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk & RFO shall arrange any audit or independent examination as may be required by Charity Law or any Governing Document.

19. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 19.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.
- 19.2. 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.

- 19.3. The 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.