

Little Smeaton Parish Council
Standing Financial Regulations

01.05.2022

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. These financial regulations demonstrate how the council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

1.8. The Clerk has been appointed as the Responsible Financial Officer (RFO) for this council and these regulations will apply accordingly.

1.9. The RFO (Clerk);

- acts under the policy direction of the council;

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

1.10. The accounting records determined by the RFO (Clerk) shall be sufficient to show and explain the council's transactions and to enable the RFO (Clerk) to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.

1.11. The accounting records determined by the RFO (Clerk) shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the council; and
- wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the RFO (Clerk) 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 (Clerk) and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

1.14. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15. In these financial regulations, references to the Accounts and Audit Regulations or 'The Regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. ACCOUNTING AND INTERNAL AUDIT

(NB the Parish Council is not required to have an external audit provided neither gross income/expenditure exceeds £25000).

2.1. All accounting procedures and financial records of the council shall be determined by the RFO (Clerk) in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO (Clerk). The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

2.3. The RFO (Clerk) and/or Chairman shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.

2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO (Clerk) and internal auditor with such information and explanation as the council considers necessary for that purpose.

2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the council;

- report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the financial decision making, management or control of the council

2.7. Internal auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO (Clerk) shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

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

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

3.1. The RFO (Clerk) must each year, present at the November Council meeting, detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.

3.2. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.3. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO (Clerk) shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.4. The approved annual budget shall form the basis of financial control for the ensuing year.

Parts 4 - 6 inclusive cover the more 'day to day' aspects of use of public funds by the Council and consider:

A. Whether the Council has earmarked the use of public funds for a specific use and can afford it (Budget) **OR** where a potential spend is being considered which has not been budgeted for that the Council can evidence it has been discussed and indeed can afford it.

B. Whether the Council has given its 'authority to spend' i.e., how much and with whom it intends to spend the money (quote/costs/provider) and

C. Whether the Council has given its 'authority to pay' for completed works/purchases.

Each of the three stages above must be minuted. There will be occasions when these stages are minuted at the same meeting. Equally there will be times when these stages are minuted separately across two or three meetings.

QUICK REFERENCE GUIDE TO AUTHORISING USE, SPEND AND PAYMENT OF LSPC PUBLIC FUNDS

NB - All decisions must be made during a Council Meeting unless in an EMERGENCY. It is also acceptable for the Clerk (RFO) to schedule an ad-hoc Meeting to discuss/approve finances as necessary. Any such meetings are to be advertised, have an agenda and be minuted.

A. BUDGET/AFFORDABILITY

1. MEETINGS - WHERE AN EXPENDITURE ITEM HAS BEEN BUDGETED FOR

Use of funds allocated in the budget can be authorised up to the amounts under the relevant heading in that approved budget. All approvals to use the budget/part of must be minuted.

No potential expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure by 10% for items under £100. For items over £100 the variance will be no more than 5% . All potential overspends must be rationalised and minuted.

2. MEETINGS - WHERE AN EXPENDITURE ITEM HAS NOT BEEN BUDGETED FOR

Where potential expenditure has NOT been budgeted the Council must demonstrate it has considered affordability/use of public funds. All approvals must be minuted.

3. IN-BETWEEN MEETINGS - BUDGETED AND UN-BUDGETED

Where a potential expenditure is being considered in-between meetings (**in an EMERGENCY**) the Council must consider whether a budget exists for it or not. To illustrate this Part 1 of an 'Affordability and authority to spend slip' must be completed (over £100 full Council, under £100 Clerk and Chairman). This must be minuted retrospectively at the next Council Meeting.

B. AUTHORITY TO SPEND

1. MEETINGS - WHERE AN EXPENDITURE ITEM CAN RECEIVE AUTHORITY TO SPEND

Spend must not be considered without first checking that the item has been budgeted for or that agreement has been reached for an un-budgeted item and that this has been minuted. Quotes/costs/providers must be considered and authority to spend minuted. (NB 3 quotes required only for items above £500. In exceptional circumstances where obtaining 3 quotes

has not been possible, a clear written rationale is to be completed by the Clerk with a copy of 3 dated requests for quotes (allowing 14 days for a quote to materialise unless in an Emergency).

2. WHERE AN EXPENDITURE ITEM NEEDS AUTHORITY TO SPEND IN BETWEEN MEETINGS

If an emergency authority to spend is required for a budgeted or un-budgeted item in between meetings (**in an Emergency**) this is acceptable providing an 'Affordability and authority to spend slip' is completed and approved by the necessary approval parties(over £100 full council, under £100 Clerk and Chairman). Quotes/costs/providers must be considered. It must be minuted retrospectively at the next Council Meeting (NB 3 quotes required only for items above £500. In exceptional circumstances where obtaining 3 quotes has not been possible, a clear written rationale is to be completed by the Clerk with a copy of 3 dated requests for quotes (allowing 14 days for a quote to materialise unless in an Emergency).

C. AUTHORITY TO PAY

1. WHERE AN EXPENDITURE ITEM CAN RECEIVE AUTHORITY TO PAY AT A MEETING

Authority to pay for goods/services **should** take place at a Council Meeting and must be minuted. There will be occasions (although this should only be as in 2 below) when some payments will need to be made 'in-between' meetings.

Payments must not be considered without checking that the item has been budgeted for and that the item has had approval to spend which has been either minuted or evidenced by an 'Affordability and authority to spend' slip.

2. WHERE AN EXPENDITURE ITEM NEEDS AUTHORITY TO PAY IN-BETWEEN MEETINGS

Payments in-between meetings must be **by EXCEPTION only**.

Payment must not be made without checking that the item has been budgeted for and authority to spend previously minuted or an 'Affordability and authority to spend slip' has been completed. All such payments must be ratified and minuted at the next Council meeting.

Invoices must be checked as per 5.1 and 5.2 below.

The Chair and Vice Chair can approve any payment, if necessary, in between meetings. Such payments must be presented at the following Council meeting for ratification.

The Clerk and Chairman shall have delegated authority to authorise the emergency payment of items **ONLY** in the following circumstances: -

i. If the due date for payment is before the next scheduled meeting of the Council, where the RFO (Clerk) certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted at the next appropriate meeting for ratification.

- ii. An expenditure item authorised (continuing contracts and obligations) provided that it is submitted to the Council at the next appropriate meeting for ratification.
- iii. Online shopping provided that the invoice is submitted at the next appropriate meeting for ratification.
- iv. A payment required in order to 'protect public health and safety' provided it is submitted at the next appropriate meeting for ratification.

Actual Payment - follow procedures 5.1 -5.8 below.

*****NB - PAYMENTS TO RE-IMBURSE COUNCILLORS MUST NOT BE MADE IN-BETWEEN MEETINGS*** (SECTION 5.8 BELOW MUST BE ADHERED TO)**

4 GENERAL NOTES BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Contracts must not be disaggregated to avoid controls imposed by these regulations.
- 4.2. During the budget year and with the approval of the council having considered fully the implications for public services, unspent and available amounts may be moved to other budget heading or to earmarked reserve as appropriate ('virement').
- 4.3. The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman.
- 4.4. 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 has been obtained.
- 4.5. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.6. The RFO (Clerk) 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 the end of the financial quarter. For any 'project'/cost of £100 or more where a 5% + variance exists - a full written explanation is to be evidenced.
- 4.7. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5 BANKING ARRANGEMENTS AND THE AUTHORISATION OF PAYMENTS

The Council's banking arrangements, including the bank mandate, shall be made by the RFO (Clerk) and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

Procedure to agree payments

Approval to pay invoices

5.1. All invoices for payment shall be examined, verified and certified by the RFO(Clerk) to confirm that work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council (previous approval should have been minuted)

5.2. The RFO (Clerk) shall examine invoices for arithmetical accuracy and allocate them to the appropriate budget expenditure heading. The RFO (Clerk) shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting. Should an invoice include a specific 'pay by date' which is before the next council meeting - this can be paid as an emergency payment.

5.3. a. The RFO (Clerk) shall prepare a schedule of payments requiring authorisation forming part of the Agenda for the Meeting and present with relevant invoices.

b. Where a purchase has been made by 'online shopping' the RFO (Clerk) shall ensure that it has either been budgeted for and the agreed spend minuted, or there is a valid and signed 'Affordability and authority to spend' slip. The full printed invoice should be produced for checking at the next Council Meeting in order that the payment can be approved retrospectively. This must be minuted.

5.4. The Council shall review the schedule for compliance and, having satisfied itself shall authorise payments by a resolution of the Council. 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.

5.5. 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 personal information.

5.6. Once approved at the Council Meeting, the RFO (Clerk) will initiate payment within 5 days.

5.7. Where the payment is made by online banking, two of the authorised 'approvers' (from the list authorised by the bank) will confirm the payment online within 5 days of it being initiated by the RFO (Clerk).

5.8. Where a Councillor is to be reimbursed for expenditure - it must only be made following agreement at a meeting (never in-between meetings) ensuring that budget and spend has been previously agreed (either minuted or evidenced by completion of an 'Affordability and authority to spend slip'). A full claim form must be completed by the claimant indicating full details and presented with the relevant invoice. The Councillor being reimbursed must not be involved in the reimbursement transaction.

Payments in between meetings

These must be by exception only.

Payment must not be made without checking that the item has been budgeted for or an 'Affordability and authority to spend slip' has been completed. All such payments must be ratified and minuted at the next Council meeting.

5.9. The Chair and Vice Chair can approve any payment between meetings. Invoices must be checked as per 5.1 and 5.2 above.

5.10. The Clerk and Chairman shall have delegated authority to authorise emergency payments of items ONLY in the following circumstances: -

i. If the due date for payment is before the next scheduled meeting of the Council, where the RFO (Clerk) certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted at the next appropriate meeting for ratification.

ii. An expenditure item authorised (continuing contracts and obligations) provided that it is submitted to the Council at the next appropriate meeting for ratification.

iii. Online shopping provided that the invoice is submitted at the next appropriate meeting for ratification.

iv. A payment required in order to 'protect public health and safety' provided it is submitted at the next appropriate meeting for ratification.

Additional actions/information

5.11. For each financial year the RFO (Clerk) shall draw up a list of due payments which arise on a frequent basis as the result of a regular maintenance contract, statutory duty or obligation. The Council may authorise payment for the year provided that the requirements of Budgetary Controls are adhered to and that a list of such payments shall be submitted to the next appropriate meeting of the Council.

5.12. A record of regular payments made under 5.11 (contractual payment list) above shall be drawn up and be signed by two members on each and every occasion when payment is authorised.

5.13. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £5000 shall before payment, be subject to ratification by resolution of the Council.

5.14. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

5.15. Invoices must contain bank details for internet payment. If not present on an invoice - a separate signed and dated instruction containing bank details must be obtained. Furthermore, any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member. Where these changes are used for internet banking it may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the RFO (Clerk). A programme of regular checks of standing data with suppliers will be followed.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

The Council will make safe and efficient arrangements for the making of its payments.

Online Banking

- 6.1. All payments must have been approved following procedures in section 5 above. Wherever possible, payments will be made using online banking and should be initiated as per the procedures set out below and within 5 days of being agreed at a Council Meeting.
- 6.2. Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a minimum of three councillors who will be authorised to 'approve' transactions on those accounts. In addition the Clerk will be authorised to 'create' transactions together with another Councillor who is not able to 'approve'. The Clerk will be authorised to 'create' only, together with another Councillor. This Councillor should not have approval rights and is to be used only in exceptional circumstances (eg, Clerk illness). Should both 'creators' be unable to perform their internet authority - the approved 'work around' highlighted in the Banking Mandate must be followed. Individual councillors will not have access to set up a beneficiary or payment themselves.
- 6.3. Access to online banking accounts will be directly to the bank log-in page and not through a search engine or email link. Remembered or saved password facilities must not be used on any computer used for Council banking work.
- 6.4. The 'creators' and 'approvers' using computers for the Council's internet banking, shall ensure that the device is appropriately protected from viruses and malware.
- 6.5. Mobile phones are not to be used for the Council's banking.
- 6.6. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank account, to any person not authorised in writing by the Council.
- 6.7. New beneficiary details and changes to beneficiary details used for online banking must be supported by hard copy or email notification for checking and authorising by two signatories.
- 6.8. For online banking transactions, the bank statement should be annotated to reflect who raised the payment and who approved and this should be checked and annotated by an independent Councillor not involved with the transaction.

Cheque, BCA and CHAPS

- 6.9. The use of cheques is permissible where online banking is not possible, A cheque drawn for payment on the bank account 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 be a signatory to the payment in question.
- 6.10. To indicate agreement of the details shown on the cheque or order for payment with the counter foil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

6.11. Cheques or orders for payment shall not normally be presented for signature other than at a Council 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.

6.12. 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.

Debit cards and petty cash

6.13. Any debit cards issued for use will be specifically restricted to the Chairman and Clerk

a. Any cash withdrawals will be restricted to a single transaction maximum value of £100 unless authorised by Council in writing before such a transaction is made.

b. Any purchases to be made using 'online shopping' are to be made only after this has been either agreed and minuted at a meeting or where and 'Affordability and authority to spend slip' has been completed and 'approved' in between meetings. This slip is to be retained together with a full printed invoice.

6.14. The Clerk may maintain a petty cash float of £50 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept substantiating the payment.

Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council

Council Computer

6.15. 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, signed and 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.

6.16. 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. PAYMENT OF SALARIES

7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The

payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council.

7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.

7.4. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7.5. An effective system of personal performance management should be maintained for employees.

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

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

8. LOANS AND INVESTMENTS

8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.

8.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk.

8.4. 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.

8.5. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

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

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

8.8. 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).

9. INCOME

9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the Clerk.

9.2. 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 Clerk and the Clerk shall be responsible for the collection of all accounts due to the council.

9.3. The council will review any fees and charges annually, following a report of the Clerk.

9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.

9.5. All sums received on behalf of the council shall be banked intact as directed by the Clerk. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the Clerk considers necessary.

9.6. The origin of each receipt shall be entered on the paying-in slip.

9.7. Personal cheques shall not be cashed out of money held on behalf of the council.

9.8. The RFO (Clerk) shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9.9. Where any significant sums of cash are regularly received by the council, the RFO (Clerk) shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1. An official order or letter shall be issued for all work and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

10.2. 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 provisions in Regulation 11.1 below.

10.3. A member may not issue an official order or make any contract on behalf of the council.

10.4. The Clerk 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 Clerk shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

Procedures as to contracts are laid down as follows:

11.1. Every contract shall comply with these financial regulations, and no exception shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (v) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for specialist services such as are provided by legal professionals acting in disputes;
- iii. for work to be executed or goods or materials to be supplied which consist of repair to or parts for existing machinery or equipment or plant;
- iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
- v. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

11.2. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.

11.3. 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.
- 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 Clerk in the presence of at least one member of council.
- Any invitation to tender issued under this regulation shall be subject to Standing Order(s) and shall refer to the terms of the Bribery Act 2010.

11.4. When it is to enter into a contract of less than £25,000 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 as set out in paragraph (a) the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3000 and above £500 the Clerk shall strive to obtain 3 estimates. Otherwise, Regulation 10.2 above shall apply.

11.5. The council shall not be obliged to accept the lowest or any tender, quote or estimate.

11.6. Should it occur that the council, or duly delegated committee, 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.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR CONSTRUCTION WORKS

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO (Clerk) upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the RFO (Clerk) 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 a report shall be submitted to the council.

12.3. 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. ASSETS, PROPERTIES AND ESTATES

13.1. 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 (Clerk) 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.

13.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council.

13.3. 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).

13.4. 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).

13.5. Subject only to Regulation 13.2 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.

13.6. The RFO (Clerk) 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.

14. INSURANCE

14.1. Following the annual risk assessment (per Regulation 16), the RFO (Clerk) shall effect all insurances and negotiate all claims on the council's insurers.

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

14.3. The RFO (Clerk) shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

14.4. The RFO (Clerk) 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.

14.5. 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, or duly delegated committee.

15. RISK MANAGEMENT

15.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

15.2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

16. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

16.1. It shall be the duty of the council to review the Financial Regulations of the council annually. 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.

16.2. 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.

Approved:

..... CHAIRMAN

..... CLERK

At full Council Meeting held on 18 May 2022

Date for review = May 2023