



Financial Regulations

Responsibility: Full Council

Review Cycle: Annually, or earlier in the event of legislative changes

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1. General

- 1.1. These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. These Financial Regulations demonstrate how the Council meets their responsibilities and requirements. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 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.
 - "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 and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
 - 'Must' and **bold text** refer to a statutory obligation 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 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;
- seeks economy, efficiency and effectiveness in the use of council resources; and
- produces financial management information as required by the council.

1.6. **The council must not delegate any decision regarding:**

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

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £10,000

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

2.4. **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.**
- 2.5. At least once in each quarter, and at each financial year end, the Chairperson of the Finance and General Purposes Committee (or the Deputy), shall verify the monthly bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and copies of the bank statements as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Finance and General Purposes Committee.
- 2.6. 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. Budgets for salaries and wages, including employer contributions shall be reviewed by the council at least annually, normally around November for the following financial year. The RFO will inform committees of any salary implications before they consider their draft budgets.
- 4.3. No later than the end of November each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year along with a forecast for the following three financial years, taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward by placing them in an earmarked reserve with the formal approval of the full council.
- 4.5. Each committee shall review its draft budget including its three year forecast and submit any proposed amendments to the Finance & General Purposes committee not later than the end of November each year.
- 4.6. The draft budget with any committee proposals and three-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance & General Purposes committee and a recommendation made to Full Council.
- 4.7. Having considered the proposed budget and three-year forecast, the council shall determine its council tax requirement by setting a budget. The council shall set a precept for this amount no later than the end of January for the ensuing financial year.
- 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 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. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned. The RFO shall regularly provide the Council and duly delegated Committees with a statement of income and expenditure 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 £1,000 or 15% of the budget, whichever is the lower amount.

4.10. Unspent provisions in the income and expenditure budgets shall not be carried forward to a subsequent year, unless placed in an Earmarked Reserve by resolution of the relevant spending committee.

4.11. Changes in earmarked reserves shall be reported to Council as part of the budgetary control process.

4.12. Reserves will be managed controlled and reviewed by the RFO

- Reserves will be managed, controlled and reviewed by the RFO On a transaction by transaction basis to ensure the correct expenditure is being taken from the correct reserve and no reserve is being over spent.
- Twice per year, once during the budget review and once at the year end, in consultation with the Town Clerk, the RFO will review the appropriateness of each reserve, making recommendations to the relevant Committee as to which reserves should be earmarked next financial year. At such time any reserves considered no longer appropriate will be transferred back to the General Reserve.

4.13. At the year-end, the RFO will earmark underspends from previously agreed budgets after approval from the relevant committees.

5. Procurement

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

All officers are responsible for buying local wherever possible and always obtaining value for money. 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,

5.2. Every contract shall comply with the council’s Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.

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

5.4. Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:

- 5.5. For contracts estimated to exceed £60,000 including VAT, the Clerk shall advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.
- 5.6. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- 5.7. When the Council is to enter into a contract of less than £30,000 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, Deputy Town Clerk, Operations Manager, Head Groundsperson, Events Co-Ordinator, Facilities Officer, or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the Clerk or RFO shall strive to obtain the best value for money and for buying local wherever possible.
- 5.8. For each estimated value of cost of works, goods, materials or services as set about below, and the provision has been made in the budget, the arrangements for quotations and tenders are as the following table.

Estimated Value (net of VAT)			Method of Invitation	Acceptance by
0	to	£1,000	Best Practice to be followed.	Town Clerk
£1,000	to	£5,000	Best Practice to be followed.	Town Clerk
£5,000	to	£25,000	Minimum of three invitations for quotations	Committee or Council
£25,000	to	£60,000	Minimum of three invitations for quotations with discretion to invite tenders by public advertisement in accordance with the Public Contracts Regulation 2015	Delegated Committee through budget setting process or resolution by Council committee

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

above		£60,000	Invite tenders by public advertisement in accordance with the Public Contracts Regulation 2015	

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

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

- i. specialist services, such as legal professionals acting in disputes;
- ii. repairs to, or parts for, existing machinery or equipment;
- iii. works, goods or services that constitute an extension of an existing contract;
- iv. goods or services that are only available from one supplier or are sold at a fixed price.
- v. contracts of employment
- vi. for the supply of gas, electricity, water, sewerage and other telephone services
- vii. for additional audit work up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairperson and Vice Chairperson of Council)

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

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

5.13. Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- the Clerk, for any items below £5000 (£10,000 in exceptional circumstances) excluding VAT.
- a duly delegated committee of the council for all items of expenditure through the budget setting process.

- the council for all items over £10,000;

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

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

5.15. In cases of serious risk to the delivery of council services or to public safety on council premises, the Clerk may authorise expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out, regardless to whether there is any budget for such expenditure. Such expenditure includes repair, replacement or other work that in their judgement is necessary, The Clerk shall report such action to the Chair as soon as possible and to the relevant committee as soon as practicable thereafter.

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

5.17. An official order or letter shall be issued for all work, goods and services above £250 excluding VAT unless a formal contract is prepared or if an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.

5.18. All orders should be signed by a duly authorised officer who shall be

- The Town Clerk – must sign all orders over £750
- The Deputy Town Clerk - can sign all orders over £750 (in the TCs absence)
- The RFO – only in the absence of another duly authorised officer.
- The following staff up to £750 on set budgets for which they have day to day responsibility.
 - Operations Manager
 - Deputy Town Clerk
 - Head Grounds Person (or Lead Groundsperson in HG absence)
 - Events Manager
 - Facilities Officer

6. Banking and payments

6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements shall not be

delegated to a committee. The council has resolved to bank with Natwest and Lloyds. The arrangements shall be reviewed periodically for security and efficiency.

- 6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.
- 6.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the RFO. Where the certification of invoices is done as a batch, this shall include a statement by the RFO that all invoices listed have been 'examined, verified and certified' by the RFO.
- 6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.5. For each financial year the RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items, which the council or a duly delegated committee may authorise in advance for the year.
- 6.6. A copy of this schedule of regular payments shall be reviewed by two members on each and every occasion when payment is made - to reduce the risk of duplicate payments.
- 6.7. A list of such payments shall be reported to the next appropriate meeting of Full Council for information only.
- 6.8. The Clerk, Deputy Town Clerk and RFO shall have delegated authority to authorise payments only in the following circumstances:
 - i. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date for payment is before the next scheduled meeting of 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 the Finance & General Purposes committee.

- ii. 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 the Finance & General Purposes committee.
- 6.9. 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 £10,000 shall before payment, be subject to ratification by resolution of the Council.
- 6.10. 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.
- 6.11. 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.
- 6.12. Authority to deal with the bank accounts on a daily basis to be delegated to the RFO, Town Clerk and Deputy Town Clerk.

7. Electronic payments

- 7.1. Where internet banking arrangements are made with any bank, the Clerk, Deputy Town Clerk and RFO shall be appointed as the Service Administrator. The Finance Officer shall be authorised to input BACS payments and to print bank statements. The bank mandate agreed by the council shall identify a number of 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.
- 7.2. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.
- 7.3. The Finance Officer/RFO shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email for approval by two authorised signatories.
- 7.4. In the prolonged absence of the Finance Officer and RFO, the Clerk or Deputy Town Clerk shall set up any payments due.
- 7.5. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.

- 7.6. Evidence shall be retained showing which members approved the payment and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes.
- 7.7. A full list of all payments made in a month shall be provided to the next Full Council meeting.
- 7.8. With the approval of the council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are approved by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the council at least every two years.
- 7.9. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved by two authorised bank signatories, evidence is retained and any payments are reported to the council at the next meeting.
- 7.10. The BACS procedure will be as follows:
- a) two Councillors (authorised signatories) to sign the appropriate paper documentation or approve by email e.g. BACs form.
 - b) Finance Officer to input the payments on to Bankline.
 - c) RFO to authorise the payment on Bankline.
 - d) The Town Clerk or Deputy Town Clerk to perform step c) in the absence of the RFO.
 - e) The RFO, Town Clerk or Deputy Town Clerk to perform step b) in the absence of the Finance Officer.
 - f) Steps b) & c) must be carried out by separate Officers.
- 7.11. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed or approved by two members, evidence of this is retained and any payments are reported to council when made. The approval of the use of Banker's Standing Orders shall be reviewed by the council at least every two years
- 7.12. Account details for suppliers may only be changed upon written notification by the supplier and verified by the Finance Officer and the RFO. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. A programme of regular checks of standing data with suppliers will be followed.
- 7.13. Members and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

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

8. Cheque payments

- 8.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two members.
- 8.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.
- 8.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

9. Payment cards

- 9.1. Any Debit Card issued for use will be specifically restricted to the Clerk and the RFO and will also be restricted to a single transaction maximum value of £5000 unless authorised by Full Council or the Finance & General Purposes committee in writing before any order is placed.
- 9.2. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance & General Purposes committee. Transactions and purchases made will be reported to the committee and authority for topping-up shall be at the discretion of the committee.
- 9.3. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/Deputy Town Clerk/RFO/Operations Manager and any balance shall be paid in full each month.
- 9.4. The Charge Card purchase procedure will be as follows:
 - a) Monthly expenditure on the Business Charge Card shall be limited to £5,000.
 - b) Only the Town Clerk (or Deputy Clerk/RFO in their absence) shall be authorised to use the Business Charge Card. With his/her written instructions the use of the card may be delegated
 - c) The Town Clerk (or as above) shall be authorised to purchase any one item that is identified in the budget (e.g. stationery) or has previously been approved by Committee
 - d) Prior to a purchase being made or an order placed;
 - i. An official purchase order shall be raised by a duly authorised officer.
 - ii. A Business Charge Card authorisation form shall be completed with purchase details attached, signed by the Town Clerk or Deputy Town Clerk/RFO in their absence.

e) When the monthly Business Charge Card statement is received, any payments going through this shall be included with the schedule of payments to be signed by the authorised cheque signatories.

9.5. Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with council policy.

10. Petty Cash

10.1. The Finance Officer/RFO shall maintain a petty cash imprest account of £350 and may provide petty cash to officers for the purpose of defraying operational and other expenses.

- a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.
- b) Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- c) Payments to maintain the petty cash float shall be shown separately on any schedule of payments presented for approval.

11. Payment of salaries and allowances

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

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

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

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

11.5. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. 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.

Payroll reports will be reviewed by the Chair/Deputy Chair of Personnel committee to ensure that the correct payments have been made.

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

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

11.8. An effective system of personal performance management should be maintained for all officers.

11.9.

12. Loans and investments

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

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

12.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

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

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

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

13. Income

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

13.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a

report of the Clerk. The Finance Officer/RFO shall be responsible for the collection of all amounts due to the council.

13.3. Any sums found to be irrecoverable and any bad debts shall be reported to the council by the RFO and shall be written off in the year. The council's approval shall be shown in the accounting records.

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

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

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

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

13.8. Any income that is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting.

14. Payments under contracts for building or other construction works

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

14.2. Any variation of, addition to or omission from a contract must be made to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 10% or more, or likely to exceed the budget available.

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.

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.

16. Assets, properties and estates

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

16.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.

16.3. 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.

16.4. No interest in land 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. In each case a written report 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 where required by law).

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, except where the estimated value of any one item does not exceed £1000. In each case a written report shall be provided to council with a full business case.

16.5. Capital receipts from the disposal of fixed assets cannot be used for revenue purposes and can only be used for capital purposes – that is the purchase of fixed assets, the making of capital grants or the repayment of long-term loans. The Council will keep a separate record to demonstrate compliance of this requirement.

17. Insurance

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

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

17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council at the next available meeting.

17.4. 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.

18. Charities

18.1. Where the council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the 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 and RFO shall arrange for 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. The council shall review these Financial Regulations annually. The Clerk/RFO shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

19.2. The council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.

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.

Appendix 1 - Tender process

- 1) Any 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.
- 2) 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.
- 3) Where a postal process is used, each tender received 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.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order and shall refer to the terms of the Bribery Act 2010.
- 6) Where 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, 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.

