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I. 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 documents¹ providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders¹ 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:
- 1.3.1 for the timely production of accounts;
 - 1.3.2 that provide for the safe and efficient safeguarding of public money;
 - 1.3.3 to prevent and detect inaccuracy and fraud; and,
 - 1.3.4 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 A breach of these Regulations by an employee is gross misconduct.
- 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 RFO for this council and these regulations will apply accordingly.
- 1.9 The RFO:
- 1.9.1 acts under the policy direction of the council;
 - 1.9.2 administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - 1.9.3 determines on behalf of the council its accounting records and accounting control systems;
 - 1.9.4 ensures the accounting control systems are observed;
 - 1.9.5 maintains the accounting records of the council up to date in accordance with proper practices;
 - 1.9.6 assists the council to secure economy, efficiency and effectiveness in the use of its resources; and,
 - 1.9.7 produces financial management information as required by the council.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO 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 Regulations².
- 1.11 The accounting records determined by the RFO shall in particular contain:
- 1.11.1 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;

¹ ¹The other two being Standing Orders and Memers Code of Conduct

² Accounts and Audit (England) Regulations 2011/817

- 1.11.2 a record of the assets and liabilities of the council; and,
- 1.11.3 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 shall include:
 - 1.12.1 procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - 1.12.2 procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - 1.12.3 identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - 1.12.4 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,
 - 1.12.5 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:
 - 1.13.1 setting the final budget or the precept (council tax requirement);
 - 1.13.2 approving accounting statements;
 - 1.13.3 approving an annual governance statement;
 - 1.13.4 borrowing;
 - 1.13.5 writing off bad debts;
 - 1.13.6 declaring eligibility for the General Power of Competence; and,
 - 1.13.7 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:
 - 1.14.1 determine and keep under regular review the bank mandate for all council bank accounts;
 - 1.14.2 approve any grant or a single commitment in excess of £1,500; and,
 - 1.14.3 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 then in force unless otherwise specified.
- 1.16 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 AUDIT (INTERNAL AND EXTERNAL)

- 2.1 All accounting procedures and financial records of the council shall be determined by the RFO 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 a cheque signatory or member empowered to authorise online payments shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. For the avoidance of doubt a member who is

registered with the bank to initiate online payments but is not registered to authorise payments may verify bank reconciliations. 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 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, internal auditor, or external 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:
 - 2.6.1 be competent and independent of the financial operations of the council;
 - 2.6.2 report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - 2.6.3 demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and,
 - 2.6.4 have no involvement in the financial decision making, management or control of the council.
- 2.7 Internal or external auditors may not under any circumstances:
 - 2.7.1 perform any operational duties for the council;
 - 2.7.2 initiate or approve accounting transactions; or,
 - 2.7.3 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 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 shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. ANNUAL BUDGET AND FORWARD PLANNING

- 3.1 The RFO must each year, by no later than November, prepare 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 Budget headings will be grouped into suitable classes of income or expenditure so as to facilitate budgetary control.
- 3.3 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.
- 3.4 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 shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5 The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO INCUR EXPENSE

- 4.1 Expenditure on revenue items may be authorised up to the amounts included within that class of expenditure in the approved budget. This authority is to be determined by:
 - 4.1.1 the council for all items over £500;
 - 4.1.2 a duly delegated committee of the council for items over £250; or
 - 4.1.3 the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £250.
- 4.2 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.
- 4.3 Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.4 No expenditure may be authorised that will exceed the total amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee.
- 4.5 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, other classes of expenditure or to an earmarked reserve as appropriate ('virement').
- 4.6 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year other than by resolution of the council.
- 4.7 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 minute.
- 4.8 The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.9 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 £250. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.
- 4.10 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 any requisite borrowing approval has been obtained.

- 4.11 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.12 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 between full year budget provision and forecast outcome. For this purpose "material" shall be in excess of £250 or 20% of the budget for that class of expenditure whichever is the greater.
- 4.13 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1 The council's banking arrangements, including the bank mandate and online banking enrolments, registrations and authority, 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 risk avoidance and efficiency.
- 5.2 All invoices for payment shall be verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received or carried out and represents expenditure previously approved by the council.
- 5.3 The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.
- 5.4 The RFO shall take all steps to present hard copy of all invoices submitted, and which are in order, at the next available council meeting.
- 5.5 The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the council meeting and, together with hard copy of the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself, shall
 - 5.5.1 authorise payment by a resolution of the council, and
 - 5.5.2 in respect of invoices for sums above £100 shall require that the invoice is countersigned by two councillors and retained for internal audit.
- 5.6 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.
- 5.7 The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
 - 5.7.1 If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and 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 council;
 - 5.7.2 An expenditure item previously authorised under 5.8 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council;or

- 5.7.3 fund transfers within the council's banking arrangements up to the sum of £2,000, provided that a list of such transfers shall be submitted to the next appropriate meeting of council.
- 5.8 For each financial year the Clerk and RFO shall draw up a list of due 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.
- 5.9 Regular payments made under 5.8 above shall be included on the Agenda of meetings in the same way as other payments listed in accordance with 5.2 above.
- 5.10 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 £1,500 shall before payment, be subject to ratification by resolution of the council.
- 5.11 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.
- 5.12 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. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1 The council will make safe and efficient arrangements for the execution of its authorised payments.
- 6.2 Following authorisation under Financial Regulation 5 above the council, or if so delegated, the Clerk or RFO, shall give instruction that a payment shall be made.
- 6.3 Payments effected by cheque shall be in accordance with the following procedure:
- 6.3.1 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.
- 6.3.2 If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 6.3.3 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.
- 6.3.4 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.
- 6.4 Payments effected via online banking shall be in accordance with the following procedure:

- 6.4.1 The Clerk or RFO will be the person who normally submits an online payment for authorisation by others. At least one other person, normally a member, should also be registered to enable submission of a payment. Any person registered to submit a payment shall not also be registered to authorise a payment.
- 6.4.2 Following the submission of the payment either one or two other members, as determined by a resolution of the council, who have been registered for internet banking shall authorise the payment.
- 6.4.3 Evidence must be retained showing which members authorised the payment and the bank records of the transaction shall be deemed sufficient for this purpose.
- 6.4.4 Online payments shall be reported to the following council meeting.
- 6.5 The approval of the use of internet banking shall be renewed by resolution of the council annually and the names of members registered with their authorised enablement shall be recorded.
- 6.6 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 number of councillors who will be authorised to either initiate or approve transactions on those accounts.
- 6.7 A note shall be made of the Service Administrator's PIN, Passwords and other security questions and placed in a sealed envelope and retained by the Chairman of Council. 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.
- 6.8 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.
- 6.9 Back-up copies of the records on any computer shall be made regularly and at intervals of not more than one month and shall be stored securely away from the computer in question and off site.
- 6.10 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.
- 6.11 Access to any internet banking accounts will be directly to the access page (which may be bookmarked) and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.12 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:
- 6.12.1 the instructions are signed by two members; and,
- 6.12.2 any payments are reported to council as made.
- 6.13 If thought appropriate by the council, payment for certain items may be made by banker's standing order provided that:
- 6.13.1 the instructions are signed, or otherwise evidenced, by two members;
- 6.13.2 the instructions are retained; and,
- 6.13.3 any payments are reported to council as made.
- 6.14 The approval of the use of a banker's standing order or variable direct debit shall be renewed by resolution of the council at least every two years.

- 6.15 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 £150 unless authorised by council in writing before any order is placed.
- 6.16 In lieu of a petty cash float the Clerk will be issued with a pre-paid debit card whose use will be subject to the following conditions:
- 6.16.1 purchasing limits will be set by the council;
 - 6.16.2 transactions and purchases made will be reported to the council, and
 - 6.16.3 authority for topping-up shall be at the discretion of the council.
- 6.17 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.18 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.

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 except by prior resolution of the council.
- 7.4 Employees may exercise their right to have each and every payment to of net salary and to the appropriate creditor of the statutory and discretionary deductions 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:
- 7.4.1 by any councillor who can demonstrate a need to know;
 - 7.4.2 by the internal auditor;
 - 7.4.3 by the external auditor; or,
 - 7.4.4 by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.6 Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1 All borrowings shall be effected 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 or RFO.
- 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 RFO.
- 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 RFO.
- 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 RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3 The council will review all fees and charges at least 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 cash sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, cash or cheque receipts shall be deposited with the council's bankers as soon as practicably possible.
- 9.6 The origin of each cash or cheque 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 Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually soon after the financial year end.
- 9.9 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.

- 9.10 Receipts by online transfer must record in the cash book in accordance with Regulation 1.10.1:
- 9.10.1 the date shown on the bank statement;
 - 9.10.2 the reference shown on the bank statement; and
 - 9.10.3 an explanation of the origin of the receipt.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 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.
- 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 *de minimis* 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 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.

11. CONTRACTS

- 11.1 Procedures as to contracts are laid down as follows:
 - 11.1.1 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 (11.1.1.1) to (11.1.1.6.) below:
 - 11.1.1.1 for the supply of gas, electricity, water, sewerage and telephone services;
 - 11.1.1.2 for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - 11.1.1.3 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;
 - 11.1.1.4 for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
 - 11.1.1.5 for additional audit work of the external auditor up to an estimated value of £100 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and,
 - 11.1.1.6 for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- 11.2 Where it is intended to enter into a contract exceeding £1,500 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 11.1. the Clerk shall invite tenders from at least three firms to be taken from an appropriate approved list.

- 11.3 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.
- 11.4 The following regulations apply to sealed competitive tenders:
- 11.4.1 invitations to competitive 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 case;
 - 11.4.2 the invitation shall state that tenders must be addressed to the Clerk in the ordinary course of post;
 - 11.4.3 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;
 - 11.4.4 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;
 - 11.4.5 if less than three tenders are received for contracts above £1,500 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works;
 - 11.4.6 any invitation to tender issued under this regulation shall be subject to Standing Order 17 and shall refer to the terms of the Bribery Act 2010.
- 11.5 When it is to enter into a contract of more than £1,500 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 11.1. the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,500 and above £200 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.2. above shall apply.
- 11.6 The council shall not be obliged to accept the lowest of any tender, quote or estimate.
- 11.7 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.
- 11.8 The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.

12. ASSETS, PROPERTIES AND ESTATES

- 12.1 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.
- 12.2 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 £250.
- 12.3 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).

- 12.4 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).
- 12.5 Subject only to the limit set in Reg. 12.2. 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.
- 12.6 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.

13. INSURANCE

- 13.1 Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 13.2 The RFO shall keep a record of and annually review all insurances effected by the council and the property and risks covered thereby.
- 13.3 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.
- 13.4 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 periodically by the council.

14. RISK MANAGEMENT

- 14.1 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.
- 14.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

15. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 15.1 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.

FINANCIAL REGULATIONS

Adopted
Date 7th September 2015

Amended
date

15.2 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.

* * *

Amendments record

4 July 2016 - Text in red indicates new wording

- 5.4 The RFO shall take all steps to present **hard copy of all** invoices submitted, and which are in order, at the next available council meeting.
- 5.5 The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the council meeting and, together with **hard copy of** the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself, shall
- 5.5.1 authorise payment by a resolution of the council, **and**
- 5.5.2 **in respect of invoices for sums above £100 shall require that the invoice is countersigned by two councillors and retained for internal audit.**
- 6.4.2 Following the submission of the payment either one or two other members, as determined by a resolution of the council, who have been registered for internet banking shall authorise the payment.
- 6.4.3 Evidence must be retained showing which members authorised the payment **and the bank records of the transaction shall be deemed sufficient for this purpose.**

Notes to the Model.

Stated dates or months may be changed to suit local circumstances.

[square brackets] This part may be deleted if not relevant. An alternative may have been provided.

Where the word “regularly” is used in the text it is for the individual council to set the required interval, monthly, quarterly, or half-yearly. This period should never exceed 12 months.

The value inserted in square brackets in [...] any of the paragraphs (other than the EU Procurement thresholds referred to in 11.1(i)) may be varied by the council and should be reviewed regularly and confirmed annually by the council.

The appropriate approved list referred to in paragraph 11.1 (b) shall be a list drawn up by the Clerk and approved by council but, normally shall be based on the list maintained by the District Council for such works.

Every effort has been made to ensure that the contents of this document are correct at time of publication. The National Association of Local Councils (NALC) cannot accept responsibility for errors, omissions and changes to information subsequent to publication.

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