

**Hadley and
Leegomery Parish
Council**

**Financial
Regulations**

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HADLEY AND LEEGOMERY PARISH COUNCIL

FINANCIAL REGULATIONS

These Financial Regulations were adopted by the Council at its meeting held on 2nd May 2023

In these Financial Regulations, references to the Account and Audit Regulations shall mean the Regulations issued under the provision of section 27 of the Audit Commission Act 1998, Local Audit and Accountability Act 2014, Accounts and Audit Regulations 2015, or any superseding legislation, and then in force unless otherwise specified.

In these Financial Regulations the term 'proper practice(s)' 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 the National Association of Local Councils (NALC) and the Society of Local Council Clerks (SLCC)

1. General

- 1.1 The purpose of Financial Regulations is to ensure that public accountability and high standards of financial integrity are exercised over the control of public funds. In addition, they assist sound administration, reduce the risk of irregularities and support delivery of effective, efficient, and economical services.
- 1.2 The Council is responsible in law for ensuring that the financial management is adequate and effective, and that the Council has a sound system of financial control which facilitates the effective exercise of its functions, and which manages risk and the prevention and detection of fraud and corruption.
- 1.3 These Financial Regulations shall govern the conduct of the financial management of the Council and may only be amended or varied by resolution of the Council.
- 1.4 The Parish Clerk is the Responsible Officer (RFO) which is a statutory office appointed by the Council. The Responsible Finance Officer shall be responsible for the proper administration of the Council's finances under the policy direction of the Council in accordance with proper practices.
- 1.5 The RFO shall ensure that the accounting control systems are observed, and the accounting records of the Council are maintained and kept up to date in accordance with proper practices.
- 1.6 The RFO shall be responsible for the production of financial management information as required by Council.
- 1.7 The Financial Regulations apply to all officers and Councillors. It is the responsibility of the RFO to ensure that they are followed and that all staff are adequately trained in their applications.
- 1.8 Failure to comply with Financial Regulations, or procedures issued under them may lead to disciplinary action for staff or acting ultra vires for Councillors.
- 1.9 The Council shall review annually the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts.

2. Control

- 2.1 Control of the Parish Council, its decision-making process, resources, budgets, precepts and staff rests with Council. Council may delegate much of its decision making and responsibilities to Committees under terms of reference specifying the objectives of the Committee, its membership, limitation of scope and functions.
- 2.2 No decision-making powers may be passed to a single Councillor acting alone.
- 2.3 In order for the Council to function, the administration and execution of its decisions is delegated to the Clerk to the Council who is also the Proper Officer of the Council. In the absence of the Clerk to the Council, the Deputy Clerk shall undertake all the functions, duties, and responsibilities of the Clerk to the Council.

3. Responsibilities

- 3.1 Financial Regulations apply to all officers and Councillors.
- **Elected Councillors** collectively provide the political and strategic direction of the Council.
 - **Officers** have specific responsibilities within the Council as shown below: -
The Clerk to the Council has overall financial responsibility and is the Responsible Finance Officer who undertakes all financial administration.

4. Public Accountability - Responsibilities

4.1 General

- 4.1.1 A Councillor or officer of the Council must not, under cover of his/her position or office of employment, accept any fee or reward, other than his/her proper remuneration, without the express permission of the Finance & General Purposes Committee.
- 4.1.2. A Councillor or officer of the Council must not accept any bribe or personal inducement in connection with the Council's business.
- 4.1.3 A Councillor or officer of the Council must not use Council property, assets, or materials for other than the purposes of the Council.
- 4.1.4 A Councillor or officer of the Council must not subordinate his/her duty to the Council to his/her private interest or put himself/herself in a position where his/her duty and private interests' conflict.
- 4.1.5 Councillors should ensure that they follow the Councillor's Code of Conduct (adopted 2012).

4.2 Gifts

- 4.2.1 Officers should follow the advice given in guidance relating to the Councillor's Code of Conduct, as adopted by the Council, and contained in the Councillor's handbook, on the receipt of gifts and hospitality.

4.3 Relations with Clients and Contractors

- 4.3.1 Councillors or Officers must not use any Council premises, resources, or facilities for the

execution of private work.

- 4.3.2 Officers must not work for any current or prospective supplier or contractor to the Council.

5. Financial Planning and Strategy

- 5.1 The RFO shall, within the general direction of the Finance & General Purposes Committee, produce forecasts of financial resolutions and advise upon the financial implications of programmes and budget strategies.
- 5.2 All matters relating to the financial administration of the Council shall be kept under review by the Finance & General Purposes Committee.

6. Accounting Systems and Financial Records

- 6.1 No variations shall be made to accounting records and procedures without the written agreement of the RFO. In particular, staff should confer with the RFO before introducing or amending any books, forms, records, administrative procedures or computerised systems used in conjunction with accounting for cash, income, expenditure, stores and financial transactions generally.
- 6.2 The RFO shall maintain all financial and other information as may be required to fully and accurately record the accounts of the Council, and report on its finances.

7. Financial Management - Revenue

7.1 General

- 7.1.1 This section of the regulations deals with preparation and approval of budgets, budgetary control and variations from budget provision.
- 7.1.2 No expenditure is to be incurred or reduction in income authorised unless covered by these regulations.

7.2 Preparation and Approval of Budget

- 7.2.1 The Full Council will determine the overall spending plans of the Council.
- 7.2.2 The form of revenue estimates shall be determined by the RFO in consultation with Committees of the Council, within the general guidelines of the Finance & General Purposes Committee. Committee estimates shall be prepared annually before the start of the financial year, for presentation to the Finance & General Purposes Committee, for recommendation to Council in preparation of the Council's budget.
- each Committee shall formulate and submit proposals to the Council in respect of revenue services and capital projects (including the use of reserves and sources of funding) for the following financial year not later than December each year.
 - detailed estimates of income and expenditure on revenue services and receipts and payments on capital account (including the use of reserves and sources of funding) shall be prepared each year by the RFO.

- the Finance and General Purposes Committee shall review the estimates and submit them in the form of a budget to be considered by Council not later than the end of January each year and shall recommend the Precept to be levied for the ensuing financial year. The RFO shall supply each Councillor with a copy of the approved estimates.
- the annual budgets shall form the basis of financial control for the ensuing year.

7.3 Budgetary Control

- 7.3.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved Committee budget.
- 7.3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate Committee revenue budget unless a virement has been approved by the Finance and General Purposes Committee or the Council.
- 7.3.3 The RFO is required to monitor budgets regularly during the year. If it is considered that a particular budget head requires increasing, virement must be sought before any overspending occurs (see virement).
- 7.3.4 Generally all Council budgets are prepared on a cash limited basis. The Finance and General Purposes Committee or Council may agree departures from the strict cash limit approach. in exceptional circumstances and approve a supplementary estimate upon application from the relevant Committee which may be met by equivalent reductions elsewhere or use of reserves.
- 7.3.5 The RFO shall periodically provide the Council and Committees with a statement of income and expenditure to date under each budget heading, comparing actual income and expenditure against that planned.
- 7.3.6 The Clerk to the Council may incur expenditure on behalf of the Council which is deemed necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk to the Council shall report the action to the appropriate Committee as soon as practicable thereafter.
- 7.3.7 Where expenditure is incurred in accordance with regulation 7.3.6 above and the sum required cannot be met from savings made elsewhere within that Committee's approved budget, it shall be subject to the provisions of supplementary estimate approved by the Finance and General Purposes Committee or the Council.
- 7.3.8 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year without the specific approval of the Finance and General Purposes Committee or placed in an Earmarked Reserve.
- 7.3.9 No expenditure shall be incurred in relation to any capital project and no contracts entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 7.3.10 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

7.4 Virement

7.4.1 Virement between budget heads is an integral and important feature of budgetary control. It provides Council with the flexibility to adapt expenditure patterns that they consider appropriate in meeting changing locally determined service needs and objectives. Virement is defined as the RFO's ability to transfer sums from one budget head to another head or to establish a new budget head, in order to meet planned expenditure needs in accordance with policies and instructions of the Council.

7.4.2 Virement may be necessary for several reasons. For example:

- unforeseen cost increases
- demand for a particular service in line with existing policies exceeding estimates.
- a requirement to provide a different service from that anticipated at budget time to meet a particular situation, or
- utilising efficiency or other savings

7.4.3 All virement decisions must be agreed by the Finance & General Purposes Committee before expenditure is incurred.

7.5 Overspending

7.5.1 No Committee should plan to overspend its budget. All expenditure plans should be consistent with Committee Business Plans. Potential overspends on particular budget heads will have been addressed during the year and, in some cases, virement will have been exercised.

8. Financial Management - Capital

8.1 The Council will determine any capital programme for the Authority.

8.2 Any capital programme shall reflect the total cost and phasing of each approved scheme along with the proposed source(s) of funding.

8.3 The capital programme will demonstrate: -

- the original and revised total estimated costs of each scheme
- actual expenditure to the end of the previous financial year
- the original and revised estimate for the current year
- the proposed expenditure to be incurred in future years for the completion of each scheme
- the revenue budget implications for the next financial year and the ultimate total annual revenue costs

8.4 The Finance & General Purposes Committee shall determine the method of funding for each capital scheme, having consulted with the RFO and working within the context of capital resources available.

8.5 The RFO shall ensure that an effective monitoring system is in place during the year to control capital expenditure. The RFO will be responsible for notifying Council if it seems likely that there will be a significant variation in spending on a scheme. Variations may

be permitted only if they can be accommodated within the total capital resources available.

9. Accounting and Audit

9.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations 2003, 2006 and 2015, and any subsequent amendments thereto and according to proper practice.

9.2 The RFO shall be responsible for completing the annual financial statements of the Council after the end of the financial year within any statutory timescale and shall submit them and report thereon to Council.

9.3 The RFO shall be responsible for completing the Accounts of the Council contained within the Annual Governance & Accountability Return (AGAR) (as supplied by the External Auditor) and for submitting the Annual Return for approval and authorisation by Council within the timescale set by the Accounts and Audit Regulations 2015 as amended or set by the Auditor.

9.4 The RFO shall be responsible for ensuring that there is an adequate and effective system of Internal Audit of the Council's accounting, financial and other operations in accordance with Regulation 5 of the Accounts and Audit Regulations 2003, 2006 and 2015 and any such amendments there to.

Any officer or Councillor of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purposes of Internal Audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

9.5 The Council shall carry out a review of the effectiveness of internal audit and system of internal control on an annual basis in accordance with the Accounts and Audit Regulations 2003, 2006 and 2015, and any subsequent amendments there to.

9.6 The Internal Auditor shall carry out the work required by the RFO, or by the Council, in accordance with proper practices with a view to satisfactory completion of the Internal Auditor's Report section of the Annual Return (as supplied by the External Auditor appointed from time to time by the Audit Commission)

9.7 The Internal Auditor shall be competent and independent of the operations of the Council and shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflict of interest and shall have no involvement in the financial decision making, management or control of the Council.

9.8 The RFO shall make arrangements for the opportunity for inspection of the account, books, and vouchers and for the display or publication of any Notices and Statement of Accounts required by the Audit Commission Act 1998 s15, Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2003, 2006 and 2015, and any subsequent amendments thereto.

9.9 The RFO shall ensure that arrangements are made for the annual external audit in accordance with the statutory requirements and that the auditor is supplied with all necessary information to carry out the audit.

- 9.10 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.
- 9.11 Internal financial control shall be undertaken by a nominated Councillor on a regular basis with a minimum of one annual report in respect of each financial year to ensure the proper governance of financial affairs and stewardship of resources and thereby to achieve satisfactory completion of the Statement of Assurance section of the Annual Return (as supplied by the External Auditor appointed from time to time by the Audit Commission).

10. Taxation

- 10.1 It is the responsibility of the RFO to ensure compliance with all tax regulations relating to the Council. VAT returns will be submitted quarterly.

11. Income and Debtors

11.1 General

- 11.1.1 The RFO shall ensure that adequate systems are in place for the collection and recording of all monies due to the Council.
- 11.1.2 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

RFO

11.2 Income

- 11.2.1 Particulars of all charges to be made for work done, services rendered, or goods supplied, shall be agreed 4 yearly or sooner if the Council determine it is appropriate, who will notified the and the RFO shall be responsible for the collection of all accounts due to the Council.
- 11.2.2 Council shall review all fees and charges 4 yearly or sooner if the Finance & General Purpose Committee determine it is appropriate, following a report of the RFO.
- 11.2.3 Bad debts shall be reported to the Finance & General Purposes Committee and, if shown to be irrecoverable after consideration of the cost of recovery, shall be written off in the financial year.
- 11.2.4 All sums received on behalf of the Council shall be deposited intact with the Council's bankers as directed by the RFO and with such frequency as the RFO considers necessary.
- 11.2.5 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, and that appropriate care is taken in the security and safety of individuals banking such cash.

11.3 Cash Income and Debtors

- 11.3.1 All receipts, tickets and other acknowledgements for payments received shall be vetted by the RFO. A reference to the related debt, or otherwise, indicating the origin of each receipt shall be entered on the paying-in slip.

11.3.2 No deductions may be made from such money other than as may be approved by the RFO.

11.3.3 Money held on behalf of the Council shall not be used to cash cheques for Councillors of staff or third parties.

12. Purchasing

12.1 The RFO is responsible for ensuring that any purchases made on behalf of the Council are acquired in the most cost-effective way (embracing the principles of best value).

12.2 The RFO must ensure that any purchasing contracts comply with financial regulations, statutory requirements and European directives.

13. Contracts

13.1 General

13.1.1 Every contract whether made by Council or by a Committee to which the power of making contracts has been delegated shall comply with these financial regulations, and no exception from any of the following provisions shall be made otherwise than by direction of the Council or in an emergency by such a Committee as aforesaid provided that these financial regulations shall not apply to contracts which relate to items (i) to (vi) below, or where an exemption has been granted under 13.1.12 below:-

- (i) for the supply of gas, electricity, water, sewerage and telephone services
- (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
- (iii) 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
- (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 which are sold only at a fixed price
- (vi) for a Partnership arrangement and the work, goods or services could not be provided economically without a Partnership funding contribution
- (vii) for additional audit work of the Audit Commission appointed external auditor over and above the intermediate audit requirements up to an estimated value of £250 (in excess of this sum the Clerk to the Council and RFO shall act after consultation with the Chair and Vice-Chair of Council)

13.1.2 All purchases in excess of £500 require Finance & General Purpose or full council approval and 3 competitive quotations obtained unless otherwise directed by them.

13.1.3 All sealed tenders shall be opened at the same time on the prescribed date by the Clerk to the Council or the properly authorised deputy in the presence of at least one Councillor of the Council and shall be reported to Council or where a tender has been sought by Committee to that Committee.

- 13.1.4 If less than three tenders are received for contracts valued above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials for executing the work.
- 13.1.5 Every invitation to tender must state that the Council can cancel the contract and recover any resulting losses if the contractor, its employees or agents with or without the contractor's knowledge:
- (i) does anything improper to influence the Council to award the contract (in this respect attention is drawn to the National Code of Local Government Conduct which must be observed)
 - (ii) commits an offence under the Prevention of Corruption Act 1906 to 1916 or section 117(2) of the Local Government Act 1972 (as amended)
- 13.1.6 The Council shall not be obliged to accept the lowest of any tender, quote or estimate.
- 13.1.7 Where it is proposed not to accept the lowest tender, the Council or Committee as appropriate will set out a justification for the decision within the resolution to accept a higher tender.
- 13.1.8 Contracts in excess of £25,000 shall be subject to seeking advice from Telford & Wrekin Council or other professional body as necessary. Where practicable, Telford & Wrekin Council shall oversee such contracts and shall act as Contractor to the Council's client role
- 13.1.9 Where 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 Council.
- 13.1.10 Every exception made by a Committee to which the power of making contracts has been delegated shall be reported to the Council and the report shall specify the emergency by which the exception shall have been justified.

13.2 Variations in Cost

- 13.2.1 Where there are variations in total cost such variations should be reported and approved as follows:-
- up to £1,500 - the RFO
 - over £1,500 - the Finance & General Purposes Committee.

13.3 Variations of Specifications and Costs within Total Cost of Contract

- 13.3.1 Every extra cost or variation on a contract shall be authorised in writing by the RFO or other nominated responsible officer.
- 13.3.2 The final certificate of completion of any contract shall not be issued until the appropriate officer has produced for the RFO a detailed statement of account with such vouchers, documents and explanation as the RFO may require. The RFO shall approve the amount to be certified prior to the payment being made.
- 13.3.3 The RFO shall report back to the Finance & General Purposes Committee on the final total cost of the contract giving reasons for variation from the original budgeted sum.

13.3.4 It shall be the duty of the RFO, in consultation with the Contract Officer, in all cases to:-

- receive tenders and arrange for their opening in accordance with standing orders
- keep in secure custody all contract documents, including plans, specifications, bills of quantities, bonds etc. under seal.
- ensure that all insurances, which the contractor is required to effect, are duly entered into until the handing over of contract works

13.3.5 Any other contract documents shall be kept in secure custody by the Contract Officer responsible for managing the contract.

13.4 Payments under Contracts for Building or other Construction Works

13.4.1 Payments on account of the contract sum shall be made by the RFO within the time specified in the contract upon receipt of authorised certificates of the architect or other consultants engaged to supervise the contract.

13.4.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the appropriate Committee.

13.4.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk to the Council in writing, the appropriate Committee being informed where the final cost is likely to exceed the financial provision.

14. Controlled Stationery

14.1 All cheques and other controlled stationery, including order books, receipt books, invoices, may only be ordered by the RFO or an authorised representative who shall make proper arrangements for their safekeeping.

15. Purchase Orders

15.1 An official order or letter shall be issued where the Clerk to the Council or RFO shall determine it appropriate to do so in advance for all work, goods or services to be supplied to the Council. The RFO must be able to demonstrate that the work, goods or services are required in order to provide Council Services. Orders should not be raised for periodic payments such as public utility payments or payments of rent or rates, nor where a formal contract is to be prepared, nor where an official order would be inappropriate. Copies of orders shall be retained.

15.2 Where deemed necessary, officers shall issue official Purchase Orders. Officers are responsible for obtaining value for money at all times and shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction. The RFO is responsible for ensuring that costs are covered by approved estimates or by a special financial provision.

15.3 All official orders should be in writing and delivered/passed to the supplier if appropriate. Telephone orders may be used but when this a written copy will be retained. Orders placed online should be printed out and retained.

15.4 Official orders shall indicate clearly the quantity, quality and nature of the goods,

works and services and the contract or agreed price. An estimated price shall be provided when an agreed price is not available.

- 15.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.
- 15.6 Orders placed for works, goods or services up to and including a value of £500 before VAT shall be at the discretion of the Clerk/RFO to the Council.
- 15.7 Orders placed for works, goods or services over £500 shall be subject to inviting three competitive quotes unless an exemption in accordance with financial regulation 13.1.2 applies. The Clerk to the Council shall draw up the specification and seek three quotations for submission to the Finance & General Purposes Committee for its consideration.
- 15.8 Orders placed for works, goods or services over £25,000 shall be subject to obtaining three tenders, seeking advice and support from Telford & Wrekin Council or other body as necessary. The Clerk to the Council shall draw up the specification and seek three tenders for submission to the Finance and General Purposes Committee for its consideration.
- 15.9 Orders placed for works, goods or services over £25,000 shall be treated as at Section 13 above.

16. Banking Arrangements and Cheques

- 16.1 The Council's banking arrangements, including the Bank Mandate, shall be made by RFO and approved by the Council. Banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 16.2 The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Financial Report submitted to the meeting and, together with the relevant invoices, present the schedule to the Council or Finance and General Purposes Committee. The Council/Committee shall review the schedule for compliance and having satisfied itself shall authorise payment by a resolution of the Council or committee. The approved schedule shall be signed by the member verifying the transactions. Personal payments (including salaries, wages, expensed and any payment made in relating to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 16.3 All invoices for payments shall be examined, verified and certified by the RFO, or in his or her absence by the Assistant Clerk to the Council to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Council.
- 16.4 The RFO shall ensure that all invoices are examined for arithmetical accuracy and are analysed to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council or Finance and General Purposes Committee meeting.
- 16.5 The Clerk/RFO shall have delegated authority to authorise the payment of items in the following circumstances:

16.5.1 If 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 the Council where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Council or Finance and General Purpose Committee.

16.5.2 An expenditure item authorised under 5.6 below provided that a list of such payments shall be submitted to the next appropriate meeting of the council or finance committee.

16.5.3 Funds transfers within the Councils banking arrangements up to the sum of £25,000 provided that a list of such payments shall be submitted to the next appropriate meeting of Council or Finance and General Purposes Committee.

16.6 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 £5,000 shall before payment, be subject to ratification by resolution of the Council.

16.7 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 interest, unless a dispensation has been granted.

16.8 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.

16.9 Any changes in the recorded details of suppliers, such as bank account records, shall be verified by a Member.

16.10 Bank Statements shall be received and reconciled on a regular basis with the Council's cashbook

17. Instructions for making of payments

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

17.2 Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.

17.3 All payments shall be effected by cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council, duly delegated committee or delegated authority to an officer

17.4 Cheques or orders for payment drawn on the bank accounts shall in accordance with the schedule as presented to Council or committee be signed by two members of the Council who are authorised signatories according to the bank mandate and countersigned by the Clerk, or in the absence of the Clerk by three members of the Council who are authorised signatories according to the bank mandate, in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary 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. In respect of the Clerk's Imprest account, orders for payment, online

banking payments and debit card transactions shall be authorised by the relevant method by the Clerk or the Assistant Clerk within the limits authorised by the Council or Finance and General Purposes Committee from time to time.

- 17.5 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 or payment record.
- 17.6 Cheques or orders for payment, other than those from the Clerk's Imprest Account, 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 or Finance and General Purposes Committee at the next convenient meeting.
- 17.7. If thought appropriate by the Council, payments for utility supplies (energy, telephone and water) and any National Non-Domestic Rates and any other items considered appropriate and approved by the Council or Finance and General Purposes Committee may be made by variable direct debit provided that the instructions are signed in accordance with the bank mandate and any payments are reported to Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 17.8. If thought appropriate by the Council, payment for certain items may be made by banker's standing order provided that the instructions are signed in accordance with the bank mandate. The approval of the use of a banker's standing order shall be renewed by resolution of the Council at least every two years.
- 17.9. 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 authorised bank signatories in accordance with the bank mandate and any payments are reported to Council or Finance and General Purposes Committee as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
- 17.10. If thought appropriate by the Council payment for certain items may be made by internet banking transfer from the Clerk' Imprest Account only, in accordance with the systems and controls governing the operation of that account.
- 17.11. 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 placed in a sealed dated envelope to be stored in a locked container which shall itself be stored securely. This envelope may not be opened other than in the presence of two councillors or in person by the PIN/Password holder. 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 the next available meeting of the Council or Finance and General Purposes Committee
- 17.12. 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.
- 17.13. 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.
- 17.14. 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.
- 17.15. Where internet banking arrangements are made with any bank, the Clerk/RFO 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 approve transactions on those accounts. The bank

- mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 17.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), 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.
- 17.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk/RFO or Assistant Clerk and a member. A programme of regular checks of standing data with suppliers will be followed.
- 17.18. Any Debit Card issued for use will be specifically restricted to the Clerk/RFO and Assistant Clerk and will also be restricted to a single transaction maximum value of £750 unless authorised by the Council or duly delegated committee in writing before any order is placed.
- 17.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council or duly delegated committee. Transactions and purchases made will be reported to the the Council or duly delegated committee and authority for topping-up shall be at the discretion of the the Council or duly delegated committee.
- 17.20. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk/RFO and Assistant Clerk, or in the case of a trade fuel card account for use in connection with cemetery equipment by the Cemetery Manager, and shall be subject to automatic payment in full at each monthend. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 17.21. 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 or other officer (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.
- 17.22. The Clerk/RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be submitted to the Clerk/RFO for reimbursement.
- a) The Clerk/RFO shall maintain a petty cash float of £195.00 in total, held by officers as follows: • Clerk/RFO £75.00 • Caretaker £20.00 • Youth Engagement Officer £100.00. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, except such sum as is required to re-imburse the petty cash float to its imprest level when a cheque drawn on the bank account for the amount so paid shall be paid in to the Council's bank account in lieu of the cash.
 - c) Payments to maintain the petty cash float shall be included in the schedule of payments presented to Council under 16.2 above.

18. Payments to Employees

- 18.1 The remuneration payable to all staff must be approved in advance by Council and should conform to the agreed rates of pay of the National Joint Council for Local Government Services.
- 18.2 The payment of all amounts to employees and compliance with the rules of PAYE and National Insurance (and Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, tax credits, Student Loan deductions, Local Government Pension Scheme, as necessary) current, shall be the responsibility of the RFO. Appropriate records shall be maintained and periodic returns made as required by statutory and other bodies

- 18.3 The RFO shall promptly notify Council of all matters affecting the payment to employees and in particular of:
- appointments, resignations, dismissals, suspensions, secondments and transfers.
 - absences from duty, apart from normal annual leave;
 - changes in remuneration, other than normal increments and pay awards and agreements of general application.
 - information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 18.4 Any pay records, shall be in a form agreed by the RFO and shall be certified by or on behalf of the RFO.
- 18.5 No payment shall be made to a person deemed to be an employee other than through the normal payroll procedure, except for reimbursement of expenses which shall be by cheque agreed by Council, or minor expenditure through petty cash.
- 18.6 Notwithstanding 18.5 above, employees may apply to the Personnel Committee for payment of salary in advance in special circumstances.
- 18.7 Payments to employees shall be treated as confidential information in accordance with Data Protection and Freedom of Information legislation.

19. Travel and Subsistence

- 19.1 The RFO is responsible for the verification of staff and Councillors travel claims. This includes:
- the accuracy of the mileage
 - the subsistence claimed and receipts; and
 - the validity of the journeys taken
- 19.2 Councillors' claims will be reimbursed by the RFO on receipt of the completed claim form certified by the Councillor concerned. The RFO will ensure that claims are arithmetically correct.
- 19.3 Claims should be completed in full, appropriately authorised and must be submitted within 3 months of undertaking the journey, to qualify for reimbursement.
- 19.4 No foreign travel outside the United Kingdom and Northern Ireland will be approved.

20. Imprests

- 20.1 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses as may be approved. Vouchers for payments made shall be submitted to the RFO as a claim for reimbursement.
- 20.2 The accounts shall be kept on the imprest system and the RFO shall maintain a petty cash float of £195 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

- 20.3 Payments to maintain the petty cash float shall be drawn on the current account and safe account and shown on the schedule of payments.
- 20.4 No income received on behalf of the Council may be paid into an imprest account but must be separately banked as provided in Section 11 of these regulations.
- 20.5 The account should be continually kept in balance and records kept up to date.

21. Insurance and Risk Management

- 21.1 Following the annual risk assessment, the RFO shall affect Local Council policy insurance and negotiate all claims on the Council's insurers.
- 21.2 The RFO shall keep a record of Local Council policy insurance and the property and risks, including employers' liability and fidelity guarantee, covered thereby. All cover shall be subject to annual review to ensure adequate reflection of disposals and acquisitions.
- 21.3 All appropriate employees of the Council shall be included in suitable fidelity guarantee insurance which shall cover the minimum risk exposure as determined by Council.
- 21.4 It is the responsibility of the Events and Property Officer to ensure that all third parties using the Council's premises are appropriately insured.
- 21.5 Councillors or staff, as appropriate, must notify the RFO immediately they are aware of any loss liability or damage or any event likely to lead to a claim of any kind against the Council.
- 21.6 Councillors or staff, as appropriate, will co-operate at all times with the investigations of the RFO into any claims and will supply all information upon request. It is imperative that Councillors & staff comply with the time scales for investigating claims. Failure could directly affect the authority's ability to defend a claim or could result in financial penalties being imposed on the Council.
- 21.7 The Council is responsible for putting in place arrangements for the management of risk. The Clerk to the Council shall prepare, for approval by Council, a Risk Management Policy Statement in respect of all activities of the Council. The Risk Management Policy Statement and consequential risk management arrangements shall be reviewed by Council at least annually.
- 21.8 The Clerk to the Council shall prepare a draft risk assessment, including risk management proposals for consideration and adoption by Council, when considering any new activity. All staff are responsible for ensuring that all new activities or assets that may introduce a risk to the Council are notified to the RFO.
- 21.9 Each year the RFO must check in consultation with the Local Council policy insurer that the risk management strategies in place are sufficient for their risk exposures and notify any changes required to Council.
- 21.10 The Council is responsible for carrying out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003, 2006 and 2015, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

22. Security and Control of Assets

The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually for final accounts purposes.

22.1 Inventories

- 22.1.1 Inventories shall be maintained of all Council assets, including IT, and as such all items will be clearly identified. Staff should not arrange relocation or disposal without appropriate notification to the Clerk to the Council.
- 22.1.2 All leased equipment should be clearly identified and labelled.
- 22.1.3 The Council's assets shall not be removed from council premises except in accordance with the ordinary course of the Council's business or particulars are recorded in the loan register maintained by the Property and Events Officer
- 22.1.4 Any disposal of redundant stocks and equipment should be by competitive quotation or auction unless Finance and General Purposes Committee, in consultation with the RFO, decides otherwise

23. Stores and Equipment

- 23.1 Nominated officers shall be responsible for the care and custody of stores and equipment
- 23.2 Delivery notes shall be obtained in respect of all goods received into store and goods must be checked as to order and quality at the time of delivery.
- 23.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 23.4 The RFO shall be responsible for an annual check of all stocks and stores.

24. Loans and Investments

- 24.1 The Council shall consider the need for an Investment Strategy which, if drawn up, shall be in accordance with relevant regulations, proper practices, and guidance. Any such strategy shall be subject to regular review.
- 24.2 Investment of balances by local councils is governed by the Trustee Act 2000
- 24.3 All loans and investments shall be negotiated by the RFO in the name of the Council and shall be for a set period in accord with Council policy. Changes to loans and investments should be reported to the Finance & General Purposes Committee.
- 24.4 All investments of money under the control of Council shall be in the name of the Council.
- 24.5 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.

- 24.6 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 24.7 The Council shall maintain such a level of General Reserves as it considers prudent for the conduct of its business.
- 24.8 The Council shall retain such Earmarked Reserves as it requires to defray the cost of specific items of expenditure.

25. Property and Estates

- 25.1 The Clerk to the Council shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO shall ensure that a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held in accordance with regulation 5(3)(b) of the Accounts and Audit Regulations 2015
- 25.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.

26. Revision of Financial Regulations

- 26.1 It shall be the duty of Council to review these Financial Regulations annually and to make such amendments to them as are appropriate.
- 26.2 The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise Council of any requirement for a consequential amendment to these Financial Regulations.

* Adopted 16th May 2023