

Biddulph Town Council

FINANCIAL REGULATIONS



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These Financial Regulations were adopted by the Annual Meeting of the Town Council on
14 May 2024.

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 provide procedural guidance for members and officers. Financial Regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The council is responsible in law for ensuring that its financial management is adequate and effective, and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.
- 1.3. The council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These Financial Regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.6. 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.
- 1.7. 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
- '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.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Chief Officer has been appointed as RFO for this council and these regulations will apply accordingly.

1.9. 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 accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the council up to date in accordance with proper practices;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

1.10. The accounting records determined by the RFO 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 Regulations.

1.11. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately as reasonably possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;

- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

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

- **setting the final budget or the precept (council tax requirement);**
- **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 in any report from the internal or external auditors, shall be a matter for the full council only.**

1.13. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment in excess of £5,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

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 Chief Officer shall prepare, for approval by the Finance Strategy and Management Committee, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.

- 2.3 When considering any new activity, the Chief Officer shall prepare a draft risk assessment including risk management proposals for consideration by the council.
- 2.4 **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 2.5 **The accounting control systems determined by the RFO must include measures to:**
- **ensure that risk is appropriately managed;**
 - **ensure the prompt, accurate recording of financial transactions;**
 - **prevent and detect inaccuracy or fraud; and**
 - **allow the reconstitution of any lost records;**
 - **identify the duties of officers dealing with transactions and**
 - **ensure division of responsibilities.**
- 2.6 At least once in each quarter, and at each financial year end, a member other than the Chair or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the Chief Officer. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council Finance Strategy and Management Committee.
- 2.7 Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 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, appropriate guidance and proper practices.
- 3.2 **The accounting records determined by the RFO shall in particular contain:**
- **entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;**
 - **a record of the assets and liabilities of the council; and**

- wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 3.3. 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.
- 3.4. **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.
- 3.5. 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.
- 3.6. The internal auditor shall:
- be competent and independent of the financial operations of the council;
 - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the council.
- 3.7. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

- 3.8. 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.
- 3.9. 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.
- 3.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors

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 Finance Strategy and Management Committee at least annually for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Chief Officer and the Chair of the committee.
- 4.3. No later than January 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 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 and submit any proposed amendments to the Finance Strategy and Management Committee not later than the end of November each year.

- 4.6. The draft budget including any recommendations for the use or accumulation of reserves, shall be considered by the Finance Strategy and Management Committee and a recommendation made to the council.
- 4.7. Having considered the proposed budget and 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.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Finance Strategy and Management.

PROCUREMENT

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3. Every contract shall comply with these the council's Standing Orders and these Financial Regulations, and no exceptions shall be made, except in an emergency.
- 5.4. **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.**

- 5.5. 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:
- 5.6. For contracts estimated to exceed £60,000 including VAT, the Chief Officer shall advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with the Council's Procurement Policy.
- 5.7. **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.**
- 5.8. For contracts greater than £3,000 excluding VAT the Chief Officer shall seek at least 3 fixed-price quotes;
- 5.9. where the value is between £500 and £3,000 excluding VAT, the Chief Officer shall try to obtain 3 estimates.
- 5.10. For smaller purchases, the Chief Officer shall seek to achieve value for money.
- 5.11. **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.12. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) 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. 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 Finance Strategy and Management Committee. Avoidance of competition is not a valid reason.
- 5.13. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 5.14. Individual purchases within an agreed budget for that type of expenditure may be authorised by:
- i. The Chief Officer under delegated authority, for any items below £500 excluding VAT.

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.

- ii. The Chief Officer, in consultation with the Chair of the appropriate committee, for any items below £2,000 excluding VAT.
 - iii. A duly delegated committee of the council for all items of expenditure within their delegated budgets for items under £5,000 excluding VAT
 - iv. In respect of grants, a duly authorised committee within any limits set by council and in accordance with any policy statement agreed by the council.
 - v. the council for all items over £5,000;
Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.
- 5.15. 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.
- 5.16. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council or a duly delegated committee acting within its Terms of Reference, except in an emergency.
- 5.17. In cases of serious risk to the delivery of council services or to public safety on council premises, the Chief Officer may authorise expenditure of up to £2,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Chief Officer shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.
- 5.18. 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.
- 5.19. 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, along with evidence of receipt of goods.
- 5.20. Any ordering system can be misused and access to them shall be controlled by the Chief Officer.

BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may

not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

- 6.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council. The council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 6.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 6.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
- 6.5. The Chief Officer shall have delegated authority to authorise the payment of items only in the following circumstances:
 - a) 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 Chief Officer 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;
 - b) any payments of up to £500 excluding VAT, within an agreed budget;
 - c) payments of up to £2,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises;
 - d) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.

6.6. For each financial year the Chief Officer 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 are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

6.7. Each financial year, the following statutory testing shall be completed across Town Council assets:

- Air Conditioning – 6 monthly servicing/maintenance and 5 yearly report
- Asbestos – annual inspection surveys and 10 yearly management survey
- Automatic Doors – 6 monthly servicing/maintenance
- Blending Valves – annual servicing/maintenance
- Boiler Installation – annual servicing and safety checks
- Electrical Installation Condition Report – every 5 years
- Emergency Lighting – annual inspection
- Fire: Alarm – 6 monthly servicing/maintenance, Fire Doors, Fire Extinguishers – annual inspection
- Gas Soundness – annual inspection
- Intruder Alarm – annual servicing/maintenance
- Ladders – annual inspection
- Legionella – 2 yearly external risk assessment, 2 yearly external audit
- Passenger and Platform Lifts – 6 monthly servicing/maintenance
- Portable Appliance Testing – annual inspection
- CCTV – annual servicing/maintenance
- Clocks – annual servicing/maintenance
- Stage Lighting – annual service
- Tree Safety – 2 yearly inspections
- Bus Hub Roller Shutter – annual servicing/inspection

Where possible, quotations for these activities shall be presented to the Finance Strategy and Management Committee meeting in advance of the renewal date. From time to time, usually as a result of contractor delays, it may be necessary to approve quotations between meetings to ensure no break in compliance. This activity shall be delegated to the Chief Officer and the Chair

of the Finance Strategy and Management Committee, with confirmation of any decision being considered by the Committee at the earliest opportunity.

- 6.8. 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.
- 6.9. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

MAKING PAYMENTS

- 7.1. The council will make safe and efficient arrangements for the making of its payments.
- 7.2. Where internet banking arrangements are made with any bank, the Chief Officer shall be appointed as the Service Administrator, delegated to the Finance Officer, as appropriate. The bank mandate agreed by the council shall identify four councillors who will be authorised to approve transactions on those accounts and a minimum of three people will be involved in any online approval process. The Chief Officer may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.
- 7.3. All authorised signatories shall have access to view the council's bank accounts online. Members of the Finance Strategy and Management Committee shall have read-only access to online banking.
- 7.4. 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.
- 7.5. The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to two authorised signatories.
- 7.6. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.
- 7.7. Evidence shall be retained showing which members approved the payment online.

- 7.8. A full list of all payments made in a month shall be provided to the next council meeting and appended to the minutes.
- 7.9. 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 signed/approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the council at least every three years.
- 7.10. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved online by two authorised bank signatories, evidence is retained, and any payments are reported to the council at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every three years.
- 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 online by two members, evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by the council at least every three years.
- 7.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the Chief Officer and a member. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 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.
- 7.15. 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, and countersigned by the Chief Officer, in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

- 7.16. 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.
- 7.17. 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.
- 7.18. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Chief Officer and shall be subject to automatic payment in full at each month-end.
- 7.19. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.
- a) The RFO shall maintain as petty cash float of £60 (an additional £10 float shall be held for the sale of tourism related products) for the purpose of defraying operational and other expenses. 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, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council.

PAYMENT OF SALARIES

- 8.1. **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, or duly delegated committee.
- 8.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 8.3. 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.

- 8.4. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council.
- 8.5. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
 - a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 8.6. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 8.7. An effective system of personal performance management should be maintained for the senior officers.
- 8.8. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 8.9. Before employing interim staff, the council must consider a full business case.

LOANS AND INVESTMENTS

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

- 9.2. 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.
- 9.3. 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 Chair of the council at the same time as one is issued to the Chief Officer.
- 9.4. 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.
- 9.5. 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.
- 9.6. All investments of money under the control of the council shall be in the name of the council.
- 9.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 9.8. 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 Financial Regulations.

INCOME

- 10.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the Chief Officer.
- 10.2. 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.
- 10.3. The council will review all fees and charges at least annually, following a report of the Chief Officer.

- 10.4. Any sums found to be irrecoverable, and any bad debts shall be reported to the council and shall be written off in the year. Every effort shall be made to recover the amount; these attempts shall be reported to the Finance Strategy and Management Committee who will make a decision as to whether it is economical to chase the debt. For example, some amounts, such as bank errors, where the discrepancy is below £5 may require a disproportionate level of work to resolve the issue.
- 10.5. All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.
- 10.6. The origin of each receipt shall be entered on the paying-in slip.
- 10.7. Personal cheques shall not be cashed out of money held on behalf of the council.
- 10.8. The RFO shall promptly complete any VAT Return that is required, ensure 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.
- 10.9. 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.
- 10.10. Any income arising which 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 (see also Regulation 16 below).

PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 11.1. 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.

- 11.2. Any variation of, addition to or omission from a contract must be authorised by the Chief Officer to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

STORES AND EQUIPMENT

- 14.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 14.2. 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.
- 14.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 14.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

ASSETS, PROPERTIES AND ESTATES

- 13.1. The Chief Officer shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council.
- 13.2. 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.
- 13.3. 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.
- 13.4. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

- 13.5. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 13.6. No tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.
- 13.7. 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.

INSURANCE

- 14.1. Following the annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 14.2. The Chief Officer shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 14.3. The Chief Officer shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 14.4. The Chief Officer shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting.
- 14.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.

CHARITIES

- 15.1. Where the council is sole managing trustee of a charitable body the Chief Officer 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 Chief Officer shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Body.

SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 16.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Chief Officer shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.
- 16.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.

Based on the NALC Model Financial Regulations 2024.