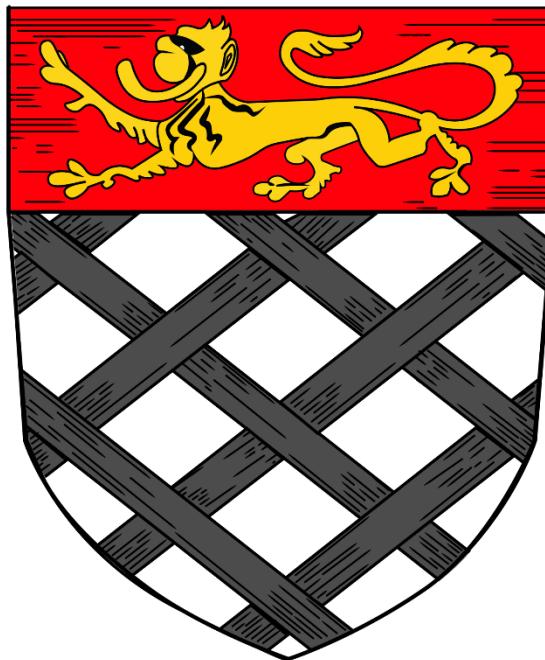


**MEPPERSHALL
PARISH COUNCIL**



**FINANCIAL
REGULATIONS**

As re-adopted at a meeting of Meppershall Parish Council on 12th May 2025

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DOCUMENT CONTROL

Organisation	Meppershall Parish Council
Title	MPC Financial Regulations
Creator	Alessandra Marabese - Clerk
Source	Procedures Working Group
Last Approved	12 th May 2025
Distribution	Internal and External
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DOCUMENT AMENDMENT HISTORY

Revision No.	Originator of change	Date of change	Change Description
2.0	Procedures Working Group	12/02/18	Amendments in line with NALC Model Financial Regulations
3.0	Clerk	13/05/19	Amendments in line with NALC Model Financial Regulations and to layout.
3.1	Clerk	09/09/19	Amendments in line with NALC Model Financial Regulations
3.2	Clerk	10/05/21	Amendments to thresholds for public works contracts and addition of paragraph 4.10 regarding expenses.
3.3	Clerk	09/05/22	Financial controls and procurement amended as per NALC Legal Topic Note (LTN) 87,
3.4	Clerk	13/05/24	Financial controls and procurement amended as per NALC Legal Topic Note (LTN) 87,
4.0	Clerk	12/05/25	Amendments in line with NALC Model Financial Regulations 2024

1. 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. They are one of the Council's governing documents and shall be observed in conjunction with the Council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings and may be considered as gross misconduct.
- 1.4. In these Financial Regulations:
 - 1.4.1. '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.
 - 1.4.2. "Approve" refers to an online action, allowing an electronic transaction to take place.
 - 1.4.3. "Authorise" refers to a decision by the Council, or a committee or an officer, to allow something to happen.
 - 1.4.4. 'Proper practices' means those set out in The Practitioners' Guide
 - 1.4.5. Practitioners' Guide refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England.
 - 1.4.6. 'Must' and bold text refer to a statutory obligation the Council cannot change.
 - 1.4.7. 'Shall' refers to a non-statutory instruction by the Council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Clerk has been appointed as RFO for this council and these Regulations will apply accordingly. The RFO:
 - 1.5.1. acts under the policy direction of the Council;
 - 1.5.2. administers the Council's financial affairs in accordance with all Acts, regulations and proper practices;
 - 1.5.3. determines on behalf of the Council its accounting records and control systems;
 - 1.5.4. ensures the accounting control systems are observed;
 - 1.5.5. Ensures accounting records are kept up to date; seeks economy, efficiency and effectiveness in the use of council resources; and
 - 1.5.6. produces financial management information as required by the Council.
- 1.6. **The Council must not delegate any decision regarding:**
 - 1.6.1. **setting the final budget or the precept (council tax requirement).**
 - 1.6.2. **the outcome of a review of the effectiveness of its internal controls.**
 - 1.6.3. **approving accounting statements.**
 - 1.6.4. **approving an annual governance statement.**
 - 1.6.5. **borrowing.**
 - 1.6.6. **declaring eligibility for the General Power of Competence.**
 - 1.6.7. **addressing recommendations from the internal or external auditors.**
- 1.7. In addition, the Council shall:
 - 1.7.1. determine and regularly review the bank mandate for all council bank accounts.

1.7.2. authorise any grant or single commitment in excess of £5,000.

2. RISK MANAGEMENT & INTERNAL CONTROL

- 2.1. **The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
- 2.2. The Clerk/RFO shall prepare, for approval by the Council, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 2.3. When considering any new activity, the Clerk/RFO 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 Clerk/RFO must include measures to:**
 - 2.5.1. **ensure that risk is appropriately managed.**
 - 2.5.2. **ensure the prompt, accurate recording of financial transactions.**
 - 2.5.3. **prevent and detect inaccuracy or fraud.**
 - 2.5.4. **allow the reconstitution of any lost records.**
 - 2.5.5. **identify the duties of officers dealing with transactions.**
 - 2.5.6. **ensure division of responsibilities.**
- 2.6. At every meeting 2 members shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The members 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.
- 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.

3. ACCOUNTS AND AUDIT

- 3.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular they must contain:**
 - 3.2.1. **day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate.**
 - 3.2.2. **a record of the assets and liabilities of the Council.**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual {Governance and Accountability} Return.

- 3.4. The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual {Governance and Accountability} Return, in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) and report to the Council within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The Council must ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.**
- 3.6. **Any officer or member of the Council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary.
- 3.7. The internal auditor shall be appointed by the Council and shall carry out their work to evaluate the effectiveness of the Council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The Council shall ensure that the Internal Auditor:
 - 3.8.1. is competent and independent of the financial operations of the Council.
 - 3.8.2. reports to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year.
 - 3.8.3. can demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships.
 - 3.8.4. has no involvement in the financial decision making, management or control of the Council.
- 3.9. Internal or external auditors may not under any circumstances:
 - 3.9.1. perform any operational duties for the Council.
 - 3.9.2. initiate or approve accounting transactions.
 - 3.9.3. provide financial, legal or other advice including in relation to any future transactions.
 - 3.9.4. direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in The Practitioners Guide.
- 3.11. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. BUDGET AND PRECEPT

- 4.1. **Before setting a precept, the Council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 4.2. Salary budgets, including employer contributions are to be reviewed at least annually when details of the National Local Government Pay negotiations have been advised for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk/RFO and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.3. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the full council.}
- 4.4. Each committee and Working Group shall review its forecast of revenue and capital receipts and payments and submit to the RFO proposals for the following financial year no later than the December meeting of the full Council.
- 4.5. The RFO must each year, by no later than the January meeting of the Council, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year and taking into account the lifespan of assets and cost implication of repair or replacement in the form of a budget to be considered by the Council.
- 4.6. The Council shall consider the budget proposal (and future year forecasts) including any recommendations for the use or accumulation of reserves and potential other sources of funding and update the budget and forecast accordingly.
- 4.7. Having considered the proposed budget (and future year forecasts) the Council shall fix the precept (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 approved annual budget shall form the basis of financial control for the ensuing year by comparing actual spending and income against what was planned.
- 4.11. Changes in earmarked reserves shall be approved by the Council as part of the budgetary control process.

5. PROCUREMENT

- 5.1. **All 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 shall verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases should ensure that 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 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 obtain prices as follows:
 - 5.5.1. For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the Council OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.
 - 5.5.2. **For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
 - 5.5.3. For contracts greater than £3,000 excluding VAT the Clerk/RFO shall seek at least 3 fixed price quotes.
 - 5.5.4. where the value is between £500 and £3,000 excluding VAT, the Clerk [or RFO] shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers.
 - 5.5.5. For smaller purchases, [the clerk] shall seek to achieve value for money.
- 5.6. **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.7. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:
 - 5.7.1. specialist services, such as legal professionals acting in disputes.
 - 5.7.2. repairs to, or parts for, existing machinery or equipment.
 - 5.7.3. works, goods or services that constitute an extension of an existing contract.
 - 5.7.4. goods or services that are only available from one supplier or are sold at a fixed price.
- 5.8. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Council {or relevant committee}. Avoidance of competition is not a valid reason.
- 5.9. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 5.10. Individual purchases within an agreed budget for that type of expenditure may be authorised by:
 - 5.10.1. the Clerk, under delegated authority, for any items below £750 excluding VAT.

- 5.10.2. the Clerk, in consultation with the Chair of the Council {or Chair of the appropriate committee}, for any items below £2,000 excluding VAT.
- 5.10.3. {a duly delegated committee of the Council for all items of expenditure within their delegated budgets for items under £5,000 excluding VAT}
- 5.10.4. {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.}
- 5.10.5. the Council for all items over £5,000.

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

5.12. 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.

5.13. 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.

5.14. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

5.15. In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure 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, subject to a limit of £750. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.

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

5.17. An official order, letter or email shall be issued for all work, goods and services above £250 excluding VAT 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.

5.18. Any ordering system can be misused and access to them shall be controlled by [the RFO].

6. BANKING AND 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 reviewed annually or as required for safety and efficiency.
- 6.2. The Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be

authorised, and only authorised payments shall be approved or signed to allow the funds to leave the Council's bank.

- 6.3. All invoices for payment 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 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 the Council. The Council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by a resolution of the Council. The approved schedule shall be signed by the RFO and at least two councillors.
- 6.6. 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.
- 6.7. For each financial year the Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, salaries, PAYE and NI, Pensions and regular maintenance contracts and the like for which the Council may authorise payment for the year provided that the requirements of Financial Regulations 5.13 are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Council.
- 6.8. A record of regular payments made under 6.7 above shall be drawn up and be signed by two members on every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 6.9. The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
 - 6.9.1. any payments of up to £500 excluding VAT, within an agreed budget.
 - 6.9.2. 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.
 - 6.9.3. if a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, and the due date for payment is before the next scheduled meeting of the Council, where the Clerk/RFO certifies 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;
 - 6.9.4. fund transfers within the Council's banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.

7. ELECTRONIC PAYMENTS

- 7.1. Where internet banking arrangements are made with any bank, the Clerk/RFO shall be appointed as the Service Administrator. The bank mandate agreed by the Council shall identify several councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process.
- 7.2. All authorised signatories shall have access to view the Council's bank accounts online.
- 7.3. 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.
- 7.4. The Service Administrator shall set up all items due for payment online as per the approved schedule of payments. A schedule of council approved payments shall be sent by email to authorised signatories.
- 7.5. In the prolonged absence of the Service Administrator an authorised signatory shall set up any payments due before the return of the Service Administrator.
- 7.6. A councillor who is an authorised signatory shall check the payment details against the schedule of payments before approving each payment using the online banking system.
- 7.7. Evidence shall be retained showing which members approved the payment online.
- 7.8. If a member who is approved to operate electronic transactions on the Council account has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a approver to the transaction in question.
- 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 by two authorised members and any payments are reported to the Council as made. The approval of the use of each variable direct debit shall be reviewed by the Council annually.
- 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 two 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 authorised bank signatories, 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 annually.
- 7.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk/RFO 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.

8. CHEQUE PAYMENTS

- 8.1. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to the Council shall be signed by two members and countersigned by the Clerk/RFO, in accordance with a resolution instructing that payment.
- 8.2. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 8.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.
- 8.4. Cheques or orders for payment shall not normally be presented for signature other than at, or immediately before or after a council meeting. Any signatures obtained away from council meetings shall be reported to the Council at the next convenient meeting.

9. PAYMENT CARDS

- 9.1. Any Debit Card issued for use will be specifically restricted to the Clerk and the RFO and will also be restricted to a single transaction maximum value of £1,000 unless authorised by council in writing before any order is placed.
- 9.2. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Council.
- 9.3. Any corporate credit card, commercial card or trade card account opened by the Council will be specifically restricted to use by the Clerk/RFO. A charge card may be issued to the Clerk/RFO with varying limits and shall be subject to automatic payment in full at each month-end. Limits will be restricted to a single transaction maximum value of £1,000 unless authorised by the Council in writing before any order is placed, and a monthly limit of £2,500. Cash withdrawals will not be permitted. These limits will be set by the Council and reviewed periodically. Transactions and purchases made will be reported to the Council. The Clerk will administer the account with a councillor acting as a secondary administrator.
- 9.4. Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with council policy.}

10. PETTY CASH

10.1. The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk/RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

11. PAYMENT OF SALARIES AND ALLOWANCES

11.1. **As an employer, the Council must make arrangements to comply with the statutory requirements of PAYE legislation and National Insurance legislation.**

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

11.3. Salary rates shall be agreed by the Council, or a duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Council or relevant committee.

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

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

11.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the Council to ensure that the correct payments have been made.

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

11.8. Before employing interim staff, the Council must consider a full business case.

13. LOANS AND INVESTMENTS

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

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

13.3. The Council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must

written be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.

- 13.4. All investment of money under the control of the Council shall be in the name of the Council.
- 13.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 13.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

14. INCOME

- 12.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 12.2. The Council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The Clerk/RFO shall be responsible for the collection of all amounts due to the Council.
- 12.3. Any sums found to be irrecoverable, and any bad debts shall be reported to the Council by the Clerk/RFO and shall be written off in the year. The Council's approval shall be shown in the accounting records.
- 12.4. All sums received on behalf of the Council shall be deposited intact with the Council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 12.5. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 12.6. The Clerk/RFO shall ensure that VAT is correctly recorded in the Council's accounting software and that any VAT Return required is submitted from the software by the due date.
- 12.7. Where significant sums of cash are regularly received by the Council, the RFO shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.
- 12.8. Any income that is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting.

13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 15.1. 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.
- 15.2. Any variation of, addition to or omission from a contract must be authorised by [the Clerk] 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.

16. 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. The Clerk/RFO shall be responsible for periodic checks of stocks and stores, at least annually.

15. ASSETS, PROPERTIES AND ESTATES

- 17.1 The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Council.
- 17.2 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.
- 17.3 The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.
- 17.4 No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a written report shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where required by law).
- 17.5 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, except where the estimated value of any one item does not exceed £250. In each case a written report shall be provided to council with a full business case.

17.6 Disposal of assets

17.6.1 Assets not exceeding a value of £250.00 may be authorised by the Clerk and reported to Council.

17.6.2 Assets exceeding a value of £250.00 must be authorised by Council.

17.6.3 Any revenue generated from the disposal of an asset will, in normal circumstances, be credited to the cost centre from which the original asset was funded.

17.6.4 When considering disposal of assets Council will consider:

17.6.4.1 Usage: Goods should only be disposed of after checks have been made to ensure that the item could not be utilised by other areas of the Council.

17.6.4.2 Reason for disposal:

- required to be disposed of under a particular policy e.g. motor vehicle.
- no longer required due to changed procedures, functions or usage patterns.
- occupying storage space and not being needed in the foreseeable future.
- no longer complying with health and safety standards.
- beyond repair but able to be sold for scrap.

17.6.4.3 Value for money: The best value outcome must be a major consideration when disposing of assets via selling on. Disposal should be based on a fair market value for each item. The price established should be based on current market value taking into consideration the condition, age and usefulness of the item. The use of external evaluation services should be sought for specialised items e.g.: machinery, plant, IT equipment.

17.6.4.4 Cost of disposal: For example, all IT data storage devices must be reformatted prior to disposal to delete any data they may contain.

17.6.4.5 Options for the Disposal of Assets: Choice of the most appropriate disposal option will normally be influenced by the nature of the goods for disposal and market value. Assets identified for disposal may be sold or disposed of via:

- Sale by public tender

External tenders should be advertised using appropriate channels and sealed bids sought. Assets should be sold as seen and no warranty should be given or implied. The Clerk and at least two Councillors should be appointed to witness the opening, scrutiny and acceptance of the offers made with a final decision on acceptance made by Council. In all cases, payment should be received in full prior to the item being released.

- Sale to specified purchaser

Sale by public tender may not in some circumstances achieve value for money and therefore in these circumstances the Clerk will be instructed to inform appropriate organisations of the sale for offers. The Clerk and

at least two Councillors should be appointed to witness the opening, scrutiny and acceptance of the offers made with a final decision on acceptance made by Council. In all cases, payment should be received in full prior to the item being released.

- Donated to a community service or organisation

Where the Council has determined that item have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation of the goods to another organisation within the parish area such as schools, charities and volunteer organisations.

- Scrap

Where items have negligible value or where the cost and time involved in managing the sale process would exceed the financial benefit, the equipment may be scrapped.

- Sale to Staff: Items cannot be purchased by staff or Councillors for the purpose of managing conflict of interests and fair offering.

17.6.5. Asset disposal will be recorded in the Asset Register together with the minute reference providing authorisation and any value received.

18. INSURANCE

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

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

16.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Council at the next available meeting. The Clerk/RFO shall negotiate all claims on the Council's insurers.

16.4. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or duly delegated committee.

17. CHARITIES

19.1. Where the Council is sole managing trustee of a charitable body the Clerk / RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk / RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

20. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1. The Council shall review these Financial Regulations [annually] and following any change of clerk or RFO. The Clerk shall monitor changes in legislation or proper practices and advise the Council of any need to amend these Financial Regulations.
- 18.2. The Council may, by resolution duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.
- 18.3. The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

Appendix 1 - Tender process

1. Any invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
2. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the Council.
3. Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
4. Where an electronic tendering process is used, the Council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
5. Any invitation to tender issued under this regulation shall be subject to Standing Order [insert reference of the Council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
6. Where the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.