



FINANCIAL REGULATIONS

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NESTON TOWN COUNCIL FINANCIAL REGULATIONS 2025

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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. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's Standing Orders¹ and any individual financial regulations or standing orders relating to contracts, which may be adopted in the future.

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. Councillors of council are expected to follow the instructions within these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.

1.4. Deliberate or wilful breach of these regulations by an employee may give rise to disciplinary proceedings. A breach of these regulations by an employee is likely to be gross misconduct.

1.5. These Financial Regulations demonstrate how the Council meets these responsibilities and requirements. In these Financial Regulations:

- 'Accounts and Audit Regulations' means the regulations issued under Section 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.

1.6. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Finance Manager is currently appointed as RFO. The RFO;

- acts under the policy direction of the council under the line management of the Chief Officer;
- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the council its accounting records and control systems;

- ensures the accounting control systems are observed;
- ensures the accounting records are kept up to date;
- seeks economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

1.7 The council must not delegate any decision regarding:

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

In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £2,500;
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the Human Resources committee in accordance with its terms of reference.

2. Risk management and internal control

2.1. The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

2.2. The Chief Officer, along with the RFO, shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.

2.3. When considering any new activity, the Chief Officer with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption 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 council's accounting control system, determined by the RFO, must include measures to:

- provide for the safe and efficient safeguarding of public money;

- **ensure that risk is appropriately managed;**
- **ensure the prompt, accurate recording of financial transactions;**
- **prevent and detect inaccuracy and fraud; and**
- **allow the reconstitution of any lost records;**
- **identify the duties of officers dealing with transactions; and**
- **ensure division of responsibilities.**
- 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 prior approval of the RFO.

2.6. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a bank signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance and Administration committee or 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 availability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

3. 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. The RFO shall develop and maintain a set of Financial Operating Procedures in accordance with the Council's Quality Policy.

3.2. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:

- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
- **a record of the assets and liabilities of the council; 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 accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

3.4. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting

Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.

3.5. The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.

3.6 Any officer or member of the council shall 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 the work in relation 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:

- be competent and independent of the financial operations of the council;
- reports to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- can demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- 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:

- perform any operational duties for the council; [for the sake of clarity, this does not prevent the internal auditor being appointed as Data Protection Officer]
- initiate or approve accounting transactions;
- provide financial, legal or other advice including in relation to any future transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as 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 the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

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

4. Budget, precept and forward planning

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 Governance Finance Act 1992 or succeeding legislation.

4.2 Budgets for salaries and wages, including employer contribution shall be reviewed by the council at least annually in October for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Clerk and the Chair of the Council. The RFO will inform committees of any salary implications before they consider their draft budgets.

4.3. The process of establishing budgets for the subsequent financial year shall be based on mid-year review at the meetings of committees following the availability of September accounting figures:

4.3.1 The Responsible Financial Officer shall advise of any 'technical' budget changes such as pensions increases and pay awards which must be taken into account.

4.4. No later than November each year, the RFO shall prepare a draft budget with detailed estimates of all receipts and payments/income and expenditure for the following financial year, taking account of the lifespan of assets and cost implications of repair or replacement.

4.5 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 Full Council.

4.5 (i) 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'). The appropriate committee will make recommendation to Council for 'in year' changes.

4.6. The RFO, together with each committee shall review its draft budget and submit any proposed amendments to the Finance and Administration committee not later than the end of November each year, with a final recommendation being made to Full Council.

4.7. Each committee shall review its actual spend against budget earmarked reserve and review its delivery of strategic objectives including any proposals for revising the forecast. It shall thereafter formulate and submit proposals for the following financial year to the appropriate committee not later than the end of October each year. Individual committees shall differentiate between temporary (one-off) and permanent (recurring) spending plans in reporting.

4.7. The council shall consider annual budget proposals in relation to the Council's three-year forecast (previous, current and proposed annual budgets) of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly not later than the end of January each year.

4.8. Having considered the proposed budget and the three-year forecast, the council shall determine its council tax requirement by setting a budget. The council shall set a precept for this amount no later than the end of January for the ensuing financial year.

4.9. 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 disclose at the start of the meeting that Section 106 applies to them.

4.10. 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.

4.11. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.

4.12. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

4.13. The RFO shall regularly provide the Council with a statement of income and expenditure to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £3,000

4.14. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the RFO and the Chair of Council or Chair of HR Committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.15. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

4.16. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.17 There shall be an annual review of out-turn figures. The RFO shall summarise for the council committees their financial and operational performance against budgets, earmarked reserves and strategic objectives and final accounts.

4.18 The Finance and Administration Committee shall consider a rolling Medium-Term Financial Plan (5 Year) prepared by the RFO and recommend it to council each year.

5. Procurement

5.1. Members and officer 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 the council's Standing Order 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 Procurement Act 2023 and The Procurement Regulations 2024 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 £30,000 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 Appendix 1.*

5.7. For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.

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 £100 and £3,000, excluding VAT, the officers shall try to obtain 3 estimates, which might include evidence of online prices, or recent prices from regular suppliers.

5.10. For smaller purchases, officers shall seek to achieve value for money.

5.11. Contracts must not be split 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 (vi) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. specialist services, such as legal professionals acting in disputes;
- iii. repairs to, or parts for, existing machinery or equipment;
- iv. works, goods or services that constitute an extension of an existing contract;
- v. goods or services that are only available from one supplier or are sold at a fixed price.
- vi. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Chief Officer and/or RFO shall notify council);

5.13. 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. Avoidance of competition is not a valid reason.

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

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

- the council for all items over £10,000;
- a duly delegated committee or council for all items of expenditure within their delegated budget over £1,500 and up to £10,000 excluding VAT;
- the Chief Officer, or RFO, in conjunction with the Chair of the Council, or Chair of the appropriate committee, for any items over £500 but below £1,500;
- the Chief Officer or other authorised officer for all other items below £500, excluding VAT.
- In respect of grants, a duly authorised committee within any limits set by council and in accordance with the council's grants policy. Any Revenue or Capital Grant in excess of £10,000 shall, before payment, be subject to ratification by resolution of the Council.

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

5.16. No individual member, or informal group of members may issue an official order (unless instructed to do so by council) or make any contract on behalf of the council.

5.17. 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.

5.18. 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 £1,500 excluding VAT, on repair, replacement, or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. In the case of a Civil emergency, the Proper Officer may additionally incur expenditure in accordance with delegated authority set out in the Terms of Reference of Full Council. The Chief Officer shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.

5.19. 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.

5.20. An official order or letter shall be issued for all work, goods and services (above £500) 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 receipt of goods.

5.21. All capital works shall be administered in accordance with the council's Standing Orders and any financial regulations/standing orders relating to contracts.

5.22. A book shall be kept detailing quotations sought for Council works and goods. This will be kept locked in the reception office.

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

5.24. 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 if other than the General Power of Competence.

5.25. The Council wishes to promote the local economy and, where possible, maximise the amount of money it spends locally. Such aspirations will not override considerations related to best value being achieved. Where legally possible, quotes and tenders will be sought from a range of local suppliers. [see the Council's Procurement Policy]

6. Banking and payments

6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements shall not be delegated to a committee. The council has resolved to bank with Unity Trust Bank. The arrangements shall be reviewed biannually for security and efficiency. The council's bank carries out credit checks on all bank account signatories. The council may seek additional credit references in respect of members or employees who act as signatories or have delegated authority to approve expenditure.

6.2 The council must have safe and efficient arrangement for making payments to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payments, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.

6.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the RFO.

6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of an employment) may be summarised to avoid disclosing any personal information.

6.5. All payments shall be made by online transfer, in accordance with resolution of the council or Finance and Administration committee.

6.6. For each financial year the RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as, but not exclusively; salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts) which the council, or a duly delegated committee, may authorise in advance for the year.

6.7. A copy of this schedule or regular payments shall be signed by two members on each and every occasion when payment is made – to reduce the risk of duplicate payments.

6.8. A list of such payments shall be reported to the next appropriate meeting of the council or the Finance and Administration committee for information only.

6.9. The Chief Officer, RFO and other authorised signatories shall have delegated authority to authorise payments in the following circumstances:

- i. any payment of up to £500 excluding VAT, within an agreed budget.
- ii. payments of up to £1,500 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
- iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998, where they due date for payment is before the next scheduled meeting of the council, where the Chief Officer and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council (or F&A committee).

6.10. The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with relevant invoices, to the council or F&A committee. The council shall then review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.

7. Electronic payments

7.1. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify seven 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. No signatory should be involved in approving any payment to themselves.

7.2. All authorised signatories shall have access to view the council's bank accounts online.

7.3. No employee or councillor shall disclose and 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. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to two authorised signatories.

7.5. In the prolonged absence of the Service Administrator the Chief Officer shall set up any payments due before the return of the Service Administrator.

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 and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes.

7.8. A full list of payments made in a month shall be provided to the next council meeting or F&A committee.

7.9. The Chief Officer, RFO, and other authorised signatories shall have delegated authority to authorise the payment of items as set out under Regulation 5 [procurement] for payments and 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 or appropriate committee (see also Treasury Management Policy). For payments and fund transfers within the council's banking arrangements above to the sum of £10,000, the schedule must be submitted to council for approval of the release of funds before payment can be made.

7.10. When expenditure is authorised in accordance with Regulation 4, the council owes the money once the work, goods or services have been satisfactorily received to the council. Payment authorisation is therefore technically for the release of funds and cannot be withheld without good reason. The following process shall apply:

- i. The RFO (or Chief Officer-both signatories) shall prepare a schedule of payments requiring authorisation, together with the relevant invoices. They will signify approval and initial each invoice. An authorised officer (not necessarily a signatory) will enter the schedule in to the bank account payment section.
- ii. A second signatory (officer or member) will check the invoices against the schedule, counter sign the schedule and initial the invoices (in person or electronically). After approval to release funds is authorised by the two signatories, payment can be made under 7.6 above.

iii. The RFO will present the schedule to the Council or Finance and Administration committee. The Council / committee shall review the schedule for compliance and, having satisfied itself shall authorise by a resolution that the schedule has been correctly authorised for release of funds. The approved schedule shall be initialled by the Chairman of the Meeting.

7.11. A detailed list of all payments shall be kept in a separate financial file, disclosed within or attached to the minutes of the meeting at which payment was authorised.

7.12. 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.

7.13. The RFO will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

7.14. Account details for supplier may only be changed upon written notification by the supplier verified by [two of] the Chief Officer and the RFO [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 supplier every two years.

7.15. With the approval of the council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions, and HMRC payments) may be made by variable direct debit, provided that the instructions are approved online by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the council at least every two years.

7.16. Payment may be made by BACS or CHAPS by resolution of the council or F&A Committee, 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 2 years.

7.18. If thought appropriate by the council, regular payments of fixed sums (principally salaries) may be made by banker's standing order, provided that the instructions are signed (or approved online) by two 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 at least every two years.

7.19. 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.

7.20. Remembered password facilities should not be used on any council computer used for council banking.

7.21. 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.

8. Cheque payments

8.1. The Council now makes only minimal numbers of payments by cheque. 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 approved signatories or one authorised member plus the Chief Officer or RFO in accordance with the schedule approved for release of funds. If a member who is also a bank authoriser 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 authorised to approve the transaction in question.

8.2. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two signatories.

8.3. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

8.4. 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. For the internet payment the RFO shall initial the invoice.

9. Instructions for the making of payments

9.1. Following authorisation under Financial Regulation 6 above, the Council, Finance and Administration committee or, the Chief Officer, RFO or Community & Environment Manager, with other authorised signatories (members) shall give instruction that a payment shall be made as set out below. There should always be at least one signatory to authorise payment who has not been involved in the approval of the release of funds under 7.9 above.

9.2. The majority of payments are now made by internet banking transfer. Each schedule of payments approved for the release of funds in accordance with 5.5 shall have the required payment authorisation set up with the bank by the RFO or Chief Officer. A second signatory (Member) shall then independently verify the payment authorisation with the bank is correct prior to the payment being continued. The choice of signatories shall comply with 7.1 and 8.1 concerning Members' interests. A record will be made on the schedule of which signatories authorised the bank payment.

10. Payment cards

10.1. A pre-paid Equals debit card issued for use will be specifically restricted to the Chief Officer, the Community & Environment Manager, and the Market & Town Hall Manager and will also be restricted to a single transaction maximum value of £500, unless authorised by council or the appropriate committee, in writing, before an order is placed.

10.3. Transactions and purchases made with the Equals card will be reported to the council or next appropriate committee and the card(s) shall be kept topped up to a level of £500. Authority for topping-up shall be at the discretion of the council.

10.4. Personal credit or debit card of members or staff shall not be used under any circumstances.

10.5. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Chief Officer, RFO, or a member of staff, for postage or minor

stationery items, shall be refunded on a regular basis, at least quarterly, via the completion of a claim form.

11. Payment of salaries and allowances

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

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

11.3. Salary rates shall be agreed by the council, through the duly delegated HR 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.

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 or 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 F&A Committee to ensure the correct payments have been made.

11.7. An effective system of personal performance management should be maintained for all staff.

11.8. 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 Full Council.

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

12. Loans and investments

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

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

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

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

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

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

12.7. The council shall adopt a Treasury Management Policy, to include an Investment Policy, which shall be in accordance with relevant regulations, proper practices and guidance. Any strategy policy shall be reviewed by the council at least annually.

13. Income

13.1. The collection of all sums due to the council shall be the responsibility of, and under the supervision of, the RFO. Supervision is further delegated to the Market & Town Hall Manager for the Friday Market hire income and hire of the council's assets, under the supervision of the Proper Officer and RFO.

13.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report from the Market & Town Hall Manager. The RFO shall be responsible for the collection of all amounts due to the council.

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

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

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

13.6. The 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. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made quarterly, the final one coinciding with the financial year end. The Council is VAT registered.

13.7. 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 the receipt book, and that appropriate care is taken in the security and safety of individuals banking such cash.

13.8. Income from market traders will be requested via the Equals card reader. Should the trader be unable to make the payment upon demand using their bank card, then a payment link or invoice will be sent to the traders known email address. Upon receipt of the payment a receipt will be issued.

14. Payments under contracts for building or other construction works

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

14.2. Any variation of, addition to, or omission from a contract must be 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.

15. Stores and equipment

15.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

15.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.

15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.

15.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

16. Assets, properties and estates

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

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

16.3. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

16.4. No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case, a written report shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where required by law).

16.5 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. Insurance

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

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

17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall consult with the Chief Officer and report these to the council or Finance & Administration

committee at the next available meeting. The RFO shall negotiate all claims on the council's insurers, in conjunction with the Chief Officer.

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

18. Suspension and revision of Financial Regulations

18.1. The council shall review these Financial Regulations annually and following any change of Chief Officer of RFO. The Chief Officer 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 the 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 Regulation 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 Chief Officer 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 Chief Officer 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 Chief Officer 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 [26.7.3] 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.