

LITTLE SMEATON PARISH COUNCIL FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the council at its meeting held on 24th July 2024.

Signed : Chairman Clerk

Date of next Review: May 2025

1. General

- 1.1. These Financial Regulations govern the financial management of 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.
- 1.4. 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.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. The Clerk has been appointed as RFO and these regulations apply accordingly. The Clerk (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 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 council resources; and
 - produces financial management information as required by the council.
- 1.6. **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**

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment

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 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:**

- **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 shall be appointed to verify bank reconciliations for all accounts produced by the Clerk (RFO). 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.

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. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be

made of the PIN and passwords and shall be handed to and retained by the Chairman in a sealed, signed and dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and/or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next meeting of the Council.

3. Accounts and audit

- 3.1. All accounting procedures and financial records of the council shall be determined by the Clerk (RFO) in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the Clerk (RFO) must be sufficient to 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;**
- 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 Clerk (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 Clerk (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 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 Clerk (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:
 - is 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 written report during each financial year;
- can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the management or control of the council

3.9. Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- 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 described in The Practitioners Guide.

3.11. The Clerk (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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

3.12. The Clerk (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. Budgets for salaries and wages, including employer contributions 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 Chair of the Council.
- 4.3. At the November meeting each year the Clerk (RFO) shall present a prepared draft budget with detailed estimates of all receipts and payments for the following financial year, taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. During the budget year and with the approval of the council having considered fully the implications for public services, unspent and available amounts may be moved to other budget heading or to earmarked reserve as appropriate.

- 4.5. The draft budget forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the council.
- 4.6. 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.
- 4.7. **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.**
- 4.8. The Clerk (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.
- 4.9. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.10. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

SEE APPENDIX 1 which covers the authorisation of use of public funds in meetings and in between meetings.

5. 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 Clerk (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 obtain prices as follows:
- 5.6. For contracts estimated to exceed £60000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council. Tenders shall be invited in accordance with **Appendix 2.**

- 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. where the value is between £500 and £3,000 excluding VAT, the Clerk (RFO) shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers. In exceptional circumstances where obtaining quotes has not been possible, a clear rationale is to be completed by the Clerk with a copy of 3 dated requests for quotes (allowing 14 days for a quote to materialise in less in an Emergency).
- 5.9. For smaller purchases, the Clerk (RFO) shall seek to achieve value for money.
- 5.10. Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.11. 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.
- 5.12. 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.
- 5.13. 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:
- the Clerk, under delegated authority, for any items below £100 excluding VAT.
 - the Clerk, in consultation with the Chair of the Council, for any items below £100 excluding VAT.
 - the council for all items over £100 ;
- Such authorisation must be supported by a minute 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.

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.

- 5.16. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council except in an emergency. Exceeded amounts must not be by more than 10% for items under £100. For items over £100 the variance must be no more than 5%. All potential overspends must be rationalised and minuted.
- 5.17. In cases of serious risk to the delivery of council services or to public safety on council land or premises, the clerk may authorise expenditure of up to £100 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 Clerk 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.
- 5.19. 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 of receipt of goods.
- 5.20. Any ordering system can be misused and access to them shall be controlled by the Clerk (RFO).

6. Banking and payments

- 6.1. The council's banking arrangements, including the bank mandate, shall be made by the Clerk (RFO) and authorised by the council; banking arrangements shall not be delegated to a committee. The council has resolved to bank with Lloyds bank. The arrangements shall be reviewed annually for security and efficiency. The Council will obtain a mandatory declaration of 'financial fitness' for all new bank signatories with effect from 01.05.24.
- 6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. One person will 'raise' a payment (either online or by writing out a cheque) before 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 Clerk (RFO).
- 6.4. Invoices must contain bank details for internet payment. If not present on an invoice- a separate signed and dated instruction containing bank details must be obtained.

- 6.5. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.6. All payments shall be made by online banking/cheque, in accordance with a resolution of the council, unless the council resolves to use a different payment method.
- 6.7. Where a purchase has been made by 'online shopping' the Clerk (RFO) shall ensure that it has either been budgeted for and agreed spend minuted, or there is a valid and signed 'Affordability and authority to spend' slip. The full printed invoice should be produced for checking at the next Council Meeting in order that the payment can be approved retrospectively. This must be minuted.
- 6.8. For each financial year the clerk (RFO) may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, regular maintenance contracts and similar items), which the council may authorise in advance for the year.
- 6.9. A copy of this schedule of regular payments shall be signed by two signatories on each and every occasion when payment is made - to reduce the risk of duplicate payments.
- 6.10. A list of such payments shall be reported to the next appropriate meeting of the council for information only.
- 6.11. The Chairman and Vice Chairman can approve payment between meetings. Invoices must be checked per 6.3 above.
- 6.12. The Clerk (RFO) and Chairman shall have delegated authority to authorise emergency payments ONLY in the following circumstances:
 - i. If the due date for payment is before the next scheduled meeting of the Council, where the Clerk (RFO) certify that there is no dispute or other reason to delay payment, provided that a list of such payments be submitted at the next appropriate meeting for ratification.
 - ii. An expenditure item authorised (continuing contracts and obligations) provided that it is submitted to the Council at the next appropriate meeting for ratification.
 - iii. Online shopping provided that the invoice is submitted at the next appropriate meeting for ratification.
 - iv. A payment required in order to protect public health and safety provided it is submitted at the next appropriate meeting for ratification.
 - v. Fund transfers within the councils banking arrangements up to the sum of £5000, provided that a list of such transfers shall be submitted to the next appropriate meeting of council.

- 6.13. The Clerk (RFO) shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council. The council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.
- 6.14. Once approved at the Council meeting, the Clerk (RFO) will initiate payment within 5 days. Where the payment is made by online banking, two of the authorised 'approvers' (from the list authorised by the bank) will confirm the payment online within 5 days of it being initiated by the Clerk (RFO).
- 6.13. Where a Councillor is to be reimbursed for expenditure - it must only be made following agreement at a meeting (never in-between meetings) ensuring that budget and spend has been previously agreed (either minuted or evidenced by completion of an 'Affordability and authority to spend slip'). A full claim form must be completed by the claimant indicating full details and presented with the relevant invoice. The Councillor being reimbursed must not be involved in the reimbursement transaction.

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 a minimum of three 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. In addition the Clerk will be authorised to 'create' transactions together with another Councillor who is not able to 'approve'. The Clerk will be authorised to 'create' only, together with another Councillor. This Councillor should not have approval rights and is to be used only in exceptional circumstances (eg, Clerk illness). Should both 'creators' be unable to perform their internet authority - the approved 'work around' highlighted in the Banking Mandate must be followed. Individual councillors will not have access to set up a beneficiary or payment 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 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 Clerk 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 using LSPC what's app to two authorised signatories.

- 7.5. In the prolonged absence of the Clerk an authorised signatory (as identified in 7.1) 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. The bank statement should be annotated to reflect who raised the payment and who approved and this should be checked and annotated by an independent councillor not involved with the transaction.
- 7.8. A full list of all payments made in a month shall be provided to the next council meeting and minuted.
- 7.9. 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.
- 7.10. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are 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 two years.
- 7.11. Account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk (RFO) and another councillor.. 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.
- 7.12. Councillors 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.
- 7.13. Access to online banking accounts will be directly to the bank log-in page and not through a search engine or email link. Remembered password facilities should not be used on any computer used for council banking.
- 7.14. Mobile phones are not to be used for the Council's banking.

8. Cheque payments

- 8.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two bank signatories.
- 8.2. A signatory having a family or business relationship with the beneficiary of a payment shall not be a signatory to that payment.
- 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 (RFO) and Chair. Any cash withdrawals will be restricted to a single transaction maximum of £100 unless authorised by Council in writing before such a transaction is made.

10. Petty Cash

- 10.1. The Clerk (RFO) shall maintain a petty cash of £50 and may provide petty cash to officers for the purpose of defraying operational and other expenses.
- a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.
 - b) Cash 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 any schedule of payments presented for approval.

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. 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 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 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.

12. Loans and investments

- 12.1. No loans will be made or accepted by the Council.
- 12.2. 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.
- 12.3. All investment of money under the control of the council shall be in the name of the council.
- 12.4. All investment certificates and other documents relating thereto shall be retained in the custody of the clerk (RFO).
- 12.5. 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.

13. Income

- 13.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the Clerk (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 of the Clerk. The Clerk (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 by Clerk (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 Clerk (RFO) considers necessary. The origin of each receipt shall clearly be 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. Any repayment claim under section 33 of the VAT Act 1994 shall be made at least annually at the end of the financial year.

14. Assets, properties and estates

- 14.1. The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.
- 14.2. The Clerk (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.

14.3. 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.

14.4. 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).

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. In each case a written report shall be provided to council with a full business case.

15. Insurance

15.1. The Clerk (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.

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

15.3. The Clerk (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.

15.4. 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.

16. Suspension and revision of Financial Regulations

16.1. The council shall review these Financial Regulations annually and following any change of Clerk(RFO). The Clerk shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

16.2. 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.

16.3. 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 - QUICK REFERENCE GUIDE BUDGET, SPEND AND PAYMENT AT MEETINGS and INBETWEEN MEETINGS.

This covers 'day to day' aspects of use of public funds by the Council and consider:

A. Whether the Council has earmarked the use of public funds for a specific use and can afford it (Budget) **OR** where a potential spend is being considered which has not been budgeted for that the Council can evidence it has been discussed and indeed can afford it.

B. Whether the Council has given its 'authority to spend' i.e., how much and with whom it intends to spend the money (quote/costs/provider) and

C. Whether the Council has given its 'authority to pay' for completed works/purchases.

Each of the three stages above must be minuted. There will be occasions when these stages are minuted at the same meeting. Equally there will be times when these stages are minuted separately across two or three meetings.

QUICK REFERENCE GUIDE TO AUTHORISING USE, SPEND AND PAYMENT OF LSPC PUBLIC FUNDS

NB - All decisions must be made during a Council Meeting unless in an EMERGENCY. It is also acceptable for the Clerk (RFO) to schedule an ad-hoc Meeting to discuss/approve finances as necessary. Any such meetings are to be advertised, have an agenda and be minuted.

A. BUDGET/AFFORDABILITY

1. MEETINGS - WHERE AN EXPENDITURE ITEM HAS BEEN BUDGETED FOR

Use of funds allocated in the budget can be authorised up to the amounts under the relevant heading in that approved budget. All approvals to use the budget/part of must be minuted.

No potential expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure by 10% for items under £100. For items over £100 the variance will be no more than 5% . All potential overspends must be rationalised and minuted.

2. MEETINGS - WHERE AN EXPENDITURE ITEM HAS NOT BEEN BUDGETED FOR

Where potential expenditure has NOT been budgeted the Council must demonstrate it has considered affordability/use of public funds. All approvals must be minuted.

3. IN-BETWEEN MEETINGS - BUDGETED AND UN-BUDGETED

Where a potential expenditure is being considered in-between meetings (**in an EMERGENCY**) the Council must consider whether a budget exists for it or not. To illustrate this Part 1 of an 'Affordability and authority to spend slip' must be completed (over £100 full Council, under £100 Clerk and Chairman). This must be minuted retrospectively at the next Council Meeting.

B. AUTHORITY TO SPEND

1. MEETINGS - WHERE AN EXPENDITURE ITEM CAN RECEIVE AUTHORITY TO SPEND

Spend must not be considered without first checking that the item has been budgeted for or that agreement has been reached for an un-budgeted item and that this has been minuted. Quotes/costs/providers must be considered and authority to spend minuted. (NB 3 quotes required only for items above £500. In exceptional circumstances where obtaining 3 quotes has not been possible, a clear written rationale is to be completed by the Clerk with a copy of 3 dated requests for quotes (allowing 14 days for a quote to materialise unless in an Emergency).

2. WHERE AN EXPENDITURE ITEM NEEDS AUTHORITY TO SPEND IN BETWEEN MEETINGS

If an emergency authority to spend is required for a budgeted or un-budgeted item in between meetings (**in an Emergency**) this is acceptable providing an 'Affordability and authority to spend slip' is completed and approved by the necessary approval parties(over £100 full council, under £100 Clerk and Chairman). Quotes/costs/providers must be considered. It must be minuted retrospectively at the next Council Meeting (NB 3 quotes required only for items above £500. In exceptional circumstances where obtaining 3 quotes has not been possible, a clear written rationale is to be completed by the Clerk with a copy of 3 dated requests for quotes (allowing 14 days for a quote to materialise unless in an Emergency).

C. AUTHORITY TO PAY

1. WHERE AN EXPENDITURE ITEM CAN RECEIVE AUTHORITY TO PAY AT A MEETING

Authority to pay for goods/services **should** take place at a Council Meeting and must be minuted. There will be occasions (although this should only be as in 2 below) when some payments will need to be made 'in-between' meetings.

Payments must not be considered without checking that the item has been budgeted for and that the item has had approval to spend which has been either minuted or evidenced by an 'Affordability and authority to spend' slip.

2. WHERE AN EXPENDITURE ITEM NEEDS AUTHORITY TO PAY IN-BETWEEN MEETINGS

Payments in-between meetings must be **by EXCEPTION only**.

Payment must not be made without checking that the item has been budgeted for and authority to spend previously minuted or an 'Affordability and authority to spend slip' has been completed. All such payments must be ratified and minuted at the next Council meeting.

Invoices must be checked as per 6.3.

The Chair and Vice Chair can approve any payment, if necessary, in between meetings. Such payments must be presented at the following Council meeting for ratification.

The Clerk and Chairman shall have delegated authority to authorise the emergency payment of items ONLY in the following circumstances: -

- i. If the due date for payment is before the next scheduled meeting of the Council, where the RFO (Clerk) certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted at the next appropriate meeting for ratification.
- ii. An expenditure item authorised (continuing contracts and obligations) provided that it is submitted to the Council at the next appropriate meeting for ratification.
- iii. Online shopping provided that the invoice is submitted at the next appropriate meeting for ratification.
- iv. A payment required in order to 'protect public health and safety' provided it is submitted at the next appropriate meeting for ratification.
- v. Funds transfers within the council's banking arrangements up to the sum of £5000, provided that a list of such transfers is submitted to the next appropriate meeting for ratification.

*****NB - PAYMENTS TO RE-IMBURSE COUNCILLORS MUST NOT BE MADE IN-BETWEEN MEETINGS*****

1. Appendix 2 - 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 18d,e and f 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.