

SPRINGFIELD PARISH COUNCIL

FINANCIAL REGULATIONS



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In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils– a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC). These Financial Regulations were first adopted by the Council at its Meeting held on 9th February 2015

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 governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's standing orders and any individual financial regulations relating to contracts.
- 1.2 The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk
- 1.3 The council's accounting control systems include measures:
 - for the timely production of accounts;
 - safe and efficient safeguarding of public money;
 - prevention and detection of inaccuracy and fraud;
 - identifying the duties of officers.
- 1.4 These financial regulations demonstrate how the council meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement, the council will review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 A breach of these Regulations by an employee is gross misconduct.
- 1.7 Members of the Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute.
- 1.8 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.
- 1.9 The RFO;
 - acts under the policy direction of the Finance & Policy Committee and the Council;
 - administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - ensures the accounting records of the council are up to date and in accordance with proper practices;
 - assists the council to secure economy, efficiency and effectiveness in the use of its resources; and

- produces financial management information as required by the council.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations¹.
- 1.11 The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the council; and
 - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12 The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are submitted to the council for approval to be written off and shown in the accounting records;
- 1.13 The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (Council Tax Requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the power of well-being; and
 - addressing recommendations in any report from the internal or external auditors, shall be a matter for the Finance & Policy Committee with approval by full council.
- 1.14 In addition the council must:
- determine and keep under regular review the bank mandate for all council bank accounts;
 - approve any grant or a single commitment in excess of £5,000; and
 - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant Committee in accordance with its terms of reference.
- 1.15 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section

¹ Accounts and Audit (England) Regulations 2011/817

27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

2 ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

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.

- 2.1 On a regular basis, a member shall sign bank reconciliations and the original bank statements (or similar document) as evidence of verification.
- 2.2 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.
- 2.3 The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.
- 2.4 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- 2.5 The internal auditor shall:
 - be competent and independent of the financial operations of the council;
 - report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the council.
- 2.6 Internal or external auditors may not under any circumstances:
 - perform any operational duties for the council;
 - initiate or approve accounting transactions; or
 - direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.7 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.8 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.9 The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 Each committee shall review its forecast of revenue, capital receipts and payments annually. Having regard to the forecast, it shall thereafter formulate and submit any final budget request to the Finance & Policy Committee for the following financial year. This shall be no later than the end of November.
- 3.2 The RFO must each year, prepare detailed estimates of receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance & Policy Committee and the council.
- 3.3 The council shall consider annual budget proposals in relation to the committee forecasts of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4 The council shall fix the precept (council tax requirement), and relevant basic amount of precept to be levied for the ensuing financial year not later than the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5 The approved annual budget shall form the basis of financial control for the ensuing year.

4 BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1 Expenditure on revenue items will be delegated to each committee up to the amounts specified in the approved budget.

Such authority is to be evidenced by a Minute or in the circumstance that urgent expenditure is required the clerk will consult with relevant committee members who may authorise expenditure on behalf of the Council to carry out necessary repair work. The clerk shall report the action to the appropriate committee as soon as practicable thereafter.

The proper officer shall have delegated power to agree expenditure of items under £500 if a decision is needed between Council meetings to enable the Clerk or staff to carry out their duties.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the duly delegated committee. 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').
- 4.3 Unspent provisions in committee budgets for revenue or capital projects shall not be carried forward to a subsequent year save those which have been project earmarked.
- 4.4 The salary budgets are to be reviewed annually for the following financial year. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

- 4.5 In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,500. The Clerk shall report such action to the chairman of the relevant committee and the chairman of the council as soon as possible and to the relevant meeting as soon as practicable thereafter.
- 4.6 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7 All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.
- 4.8 The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget.
- 4.9 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5 RESERVE FUNDS

- 5.1 The amount of money held in General and Earmarked Reserves shall be considered during the Council's budgeting process and at the end of each financial year. The RFO will report to the Policy and Finance Committee the levels of Earmarked reserves which will be reviewed these at the same time the final Statements of Accounts are being considered.

5.2 Earmarked Funds

The council will keep such sums in earmarked reserves as shall be considered necessary to support future expenditure on specific projects or as funds build up towards significant future revenue expenditure or to meet anticipated liabilities.

5.3 General Funds

- i. The council shall maintain a prudent level of general reserves sufficient to ensure it can meet its on-going commitments, respond to any need for emergency or unplanned expenditure, and overcome any cash flow difficulty which might arise.
- ii. The council will normally aim to maintain general reserves at a minimum of 9 months running costs. Net budgeted annual running costs means the expenditure which each committee has estimated it will spend on its on-going services in the following year, less the income it expects to receive, after any adjustments to the budgets have been made by the Finance & Policy Committee.

6 BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 6.1 The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to individual councillors.
- 6.2 The RFO shall prepare a schedule of payments requiring authorisation, and, together with the relevant invoices, present the schedule to members to sign. The council shall review the schedule for compliance and, having satisfied themselves payments have been made appropriately shall resolve to approve the schedule. A detailed list of all payments shall be an attachment to the minutes of the Council meeting. 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 personal information.
- 6.3 All invoices for payment shall be examined, verified and certified by the officer responsible for the relevant budget and passed to the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents approved expenditure.
- 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 committee meeting.
- 6.5 The RFO shall have delegated authority to make transfers of funds between bank accounts held at the same bank and authorise the payment of items only in the following circumstances:
 - a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of council, where the 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 council.
 - b) An expenditure item authorised under continuing contracts and obligations provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- 6.6 A record of payments made under 6.2 above shall be drawn up and be signed by two members on each occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and/or made.
- 6.7 In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any Policy statement approved by council. Any Revenue or Capital Grant more than £2,000 shall before payment, be subject to ratification by resolution of the council.
- 6.8 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.
- 6.9 The council will aim to rotate the duties of members in these Regulations.

7 INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 7.1 The council will make safe and efficient arrangements for making its payments.
- 7.2 Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the RFO shall give instruction that a payment shall be made.
- 7.3 Payments shall be effected by BACS or other instructions to the council's bankers, or otherwise, in accordance with a resolution of Council or duly delegated Committee.
- 7.4 Payments drawn on the bank account will be in accordance with a schedule presented at Full Council. 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 not be a signatory to the transaction in question.
- 7.5 To indicate agreement of the details shown on the invoice or similar documentation, the signatories shall each initial the payment report.
- 7.6 All payments shall be prepared by the RFO and signed by two bank signatories of the council.
- 7.7 Where necessary payment for items may be made by BACS or other instructions provided that the RFO has given instruction for each payment and this is signed by two authorised bank signatories; any such payments will be reported to council as made.
- 7.8 Where Council or committee agree that payment of goods and services may be made via internet banking evidence by way of a signed report will be retained with the invoice detailing such payment(s) and the members who authorised payment.
- 7.9 Personal identification number (PIN) and password(s), for access to the council's online banking records shall remain confidential to each user and must not be shared with anyone. Each member with authorised access shall note their PIN and Password and will keep those details in a place where they cannot be accessed by any other person or they will be handed to the RFO in a sealed and dated envelope which shall be stored in the council safe. Each of these envelopes must not be opened other than by the councillor or person to who it belongs. If the envelope has been opened, in any circumstance, by a person other than the authorised individual the PIN and/or password(s) shall be changed as soon as practicable. The fact that the sealed envelope has been opened shall be reported to members at the next available meeting of the council. Unless significant risk has been identified the incident will be reported immediately to all members of the Council.
- 7.10 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee. Remembered or saved password facilities must not be used on any computer used for council banking work
- 7.11 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 7.12 The council shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used for financial business.

- 7.13 Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts.
- 7.14 Bank Reconciliations once completed will be examined by a member of the council who is an authorised signatory on the account and signed as correct (or otherwise).
- 7.15 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier.
- 7.16 Debit Cards issued will be specifically restricted to the Clerk/RFO and Premises Manager who will be restricted to a single transaction maximum value of £1,000 unless authorised by council or finance committee in writing before any order is placed.
- 7.17 Any corporate credit card or trade card account opened by the council will be specifically managed by the Clerk/RFO and shall be subject to automatic payment in full at each month-end. Corporate credit cards shall not be used for personal circumstance at any time.
- 7.18 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement. The RFO shall maintain as petty cash float for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
- a) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - b) *Once the petty cash float has depleted, petty cash will cease.***

8 PAYMENT OF SALARIES

- 8.1 As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.
- 8.2 Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.
- 8.3 No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the relevant committee.
- 8.4 Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

- 8.5 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have been paid.
- 8.6 Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

9 LOANS AND INVESTMENTS

- 9.1 All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for Borrowing Approval, and subsequent arrangements for the Loan shall only be approved by full council.
- 9.2 Any financial arrangement which does not require formal Borrowing Approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 9.3 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with council policy.
- 9.4 The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices, and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 9.5 All investments of money under the control of the council shall be in the name of the council.
- 9.6 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 9.7 Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Banking Arrangements and Authorisation of Payments) and Regulation 6 (Instructions for the Making of Payments).

10 INCOME

- 10.1 The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.
- 10.2 Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 10.3 The council will review all fees and charges at least annually, following a report of the RFO.
- 10.4 Any sums found to be irrecoverable, and any bad debts shall be reported to the council and shall be written off in the year.
- 10.5 All sums received on behalf of the council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary.

- 10.6 The origin of each receipt shall be entered on the paying-in slip or accounting report.
- 10.7 Personal cheques shall not be cashed out of money held on behalf of the council.
- 10.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 10.9 Where any significant sums of cash are regularly received by the council, the RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 10.10 Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

11 ORDERS FOR WORK, GOODS AND SERVICES

- 11.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 11.2 All members and officers are responsible for always obtaining value for money. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11(i) below.
- 11.3 A member may not issue an official order or make any contract on behalf of the council.
- 11.4 The RFO shall verify any proposed purchase before the issue of any order.

12 CONTRACTS

- 12.1 Procedures as to contracts are laid down as follows:
 - a. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage and telephone services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;

- v. for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where it is intended to enter a contract exceeding £80,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the RFO/Clerk shall invite tenders from at least three firms.
 - c. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
 - d. Such 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. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. 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.
 - e. 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.
 - f. If less than three tenders are received for contracts above £80,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
 - g. Any invitation to tender issued under this regulation shall be subject to Standing Order 17 and shall refer to the terms of the Bribery Act 2010.
 - h. When it is to enter into a contract of less than £80,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk/RFO or employee shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the Clerk or RFO shall strive to obtain 3 estimates.

Invitations to provide quotations for goods and work that fall within the Public Contracts Regulation 2015, shall be placed on the Government Contract Finder Website.

- i. The council shall not be obliged to accept the lowest or any tender, quote, or estimate.
- j. Should it occur that 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, provided that the specification does not change, 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.

13 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 13.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 13.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk to the contractor in writing, the council being informed where the final cost is likely to exceed the financial provision.

14 STORES AND EQUIPMENT

- 14.1 The officer in charge of each budget area shall be responsible for the care and custody of stores and equipment in that section.
- 14.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 14.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

15 ASSETS, PROPERTIES AND ESTATES

- 15.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 15.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.
- 15.3 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law, In each case a Report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 15.4 No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case.

- 15.5 Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a Report in writing shall be provided to council with a full business case.
- 15.6 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

16 INSURANCE

- 16.1 Following the annual risk assessment (per Financial Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.
- 16.2 The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 16.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to council at the next available meeting.
- 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 by the duly delegated committee.

17 CHARITIES

- 17.1 Where the council is sole managing trustee of a charitable body the Clerk and 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 and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

18 RISK MANAGEMENT

- 18.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

19 SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

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

Taken from © **NALC 2014** model and adapted
for Springfield Parish Council

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