



Barrowby Parish Council

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Financial Regulations

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Introduction

These Financial Regulations govern the financial management of Barrowby Parish Council. They are one of the Council's governing documents and shall be read alongside the Council's Standing Orders, Scheme of Delegation, committee Terms of Reference, Code of Conduct, adopted policies, approved budget, banking mandate and relevant legislation.

These Financial Regulations are based on the National Association of Local Councils Model Financial Regulations for Local Councils, adapted for Barrowby Parish Council's structure and working arrangements.

Where these Financial Regulations refer to a statutory requirement, that requirement cannot be suspended or overridden by Council resolution. Where there is any conflict between these Financial Regulations and legislation, legislation shall take precedence.

The Council has separate Clerk/Proper Officer and Responsible Financial Officer roles. The Clerk is responsible for the proper administration of the Council's business. The Responsible Financial Officer is responsible for the proper administration of the Council's financial affairs. The two officers shall work together where financial, governance or operational matters overlap.

The Assistant Clerk does not automatically assume the functions of the Responsible Financial Officer and shall not exercise financial administration, banking, payment, card, payroll, VAT, accounting or audit functions unless separately authorised by Full Council, the Financial Regulations, the banking mandate and any relevant Council resolution.

1. General

1.1 Status of Financial Regulations

These Financial Regulations may only be amended or varied by resolution of Full Council.

Councillors, officers, employees, contractors and volunteers acting on behalf of the Council shall observe these Financial Regulations where relevant to their role.

Councillors shall not instruct officers, employees, contractors or volunteers to act in breach of these Financial Regulations.

Wilful breach of these Financial Regulations by an employee may result in disciplinary proceedings.

1.2 Definitions

In these Financial Regulations:

“Council” means Barrowby Parish Council.

“Clerk” means the Council’s Clerk and Proper Officer.

“RFO” means the Responsible Financial Officer appointed by the Council under section 151 of the Local Government Act 1972.

“Proper practices” means the most recent edition of *Governance and Accountability for Smaller Authorities in England: A Practitioners’ Guide*, issued by the Smaller Authorities Proper Practices Panel or any successor body.

“Approve” means an online or banking action allowing a financial transaction to take place.

“Authorise” means a decision by the Council, a committee, sub-committee or officer, acting within lawful powers and delegated authority, to allow expenditure, a contract, order, payment or other financial action.

“Written” includes email and electronic records, provided an adequate audit trail is retained.

“Must” indicates a statutory or legal requirement.

“Shall” indicates a requirement adopted by the Council.

1.3 Role of the Responsible Financial Officer

The RFO holds a statutory office and is appointed by Full Council.

The RFO shall:

- a. administer the Council’s financial affairs in accordance with legislation, proper practices, these Financial Regulations, Standing Orders, the Scheme of Delegation, approved budgets and Council resolutions;
- b. determine the Council’s accounting records and accounting control systems;
- c. ensure that accounting control systems are observed;
- d. ensure that accounting records are kept up to date;
- e. seek economy, efficiency and effectiveness in the use of Council resources;
- f. produce financial management information required by the Council;
- g. prepare budget monitoring reports, bank reconciliations and year-end accounting statements;
- h. support the Council in meeting internal audit, external audit, AGAR, VAT reclaim, payroll, pension and HMRC requirements; and
- i. advise the Council where proposed expenditure may be unlawful, outside budget, outside delegated authority, or financially imprudent.

1.4 Matters reserved to Full Council

The Council must not delegate decisions relating to:

- a. setting the final budget;**
- b. setting the precept;**

- c. approving the Annual Governance Statement;**
- d. approving the Accounting Statements;**
- e. approving the Annual Governance and Accountability Return;**
- f. borrowing;**
- g. declaring eligibility for the General Power of Competence;**
- h. adopting or amending Standing Orders, Financial Regulations or the Scheme of Delegation;**
- i. addressing formal recommendations from the internal or external auditor;**
- j. authorising loans, leases, hire purchase or other long-term financial commitments;**
- k. approving any expenditure that is not within budget or not otherwise authorised under these Financial Regulations; and**
- l. any matter reserved to Full Council by law, Standing Orders, the Scheme of Delegation, these Financial Regulations or Council resolution.**

The Council does not currently hold the General Power of Competence. The RFO or Clerk shall identify the specific legal power relied upon for new or infrequent expenditure where this is not already clear.

1.5 Bank mandate and financial arrangements

The Council shall determine and regularly review the bank mandate for all Council bank accounts.

The bank mandate shall require payments to be approved by two authorised parish councillors.

The RFO shall retain paper or electronic copies of the current bank mandate and shall ensure that changes to authorised signatories are reported to and approved by Full Council.

No councillor, officer or employee shall approve a payment to themselves.

2. Risk management and internal control

2.1 General duty

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

The Council shall review the effectiveness of its system of internal control at least annually before approving the Annual Governance Statement.

2.2 Risk management

The Clerk and RFO shall support the Council in preparing and reviewing risk management arrangements covering the activities of the Council.

The Council shall review its risk management arrangements at least annually.

When considering a new activity, project, service, asset, contractual arrangement or financial commitment, the Clerk and/or RFO shall advise whether a risk assessment, financial appraisal, insurance check, legal power, procurement process or Council approval is required.

2.3 Accounting control systems

The accounting control systems determined by the RFO must include measures to:

- a. ensure that risk is appropriately managed;**
- b. ensure prompt and accurate recording of financial transactions;**
- c. prevent and detect inaccuracy or fraud;**
- d. allow the reconstitution of lost records;**
- e. identify the duties of officers dealing with financial transactions;**
- f. ensure an appropriate separation of responsibilities as far as practicable within the Council's staffing structure;**

- g. provide suitable controls over banking, online payments, debit card use, payroll, VAT, income, invoices, reserves and asset records; and**
- h. provide an auditable evidence trail for financial decisions.**

2.4 Bank reconciliations

The RFO shall prepare bank reconciliations for all Council bank accounts at least quarterly and at financial year-end.

At least once in each quarter, and at financial year-end, a councillor who is not the Chair of the Council and, where practicable, is not one of the bank signatories who approved the relevant transactions, shall verify the bank reconciliations.

The verifying councillor shall sign and date the reconciliation and original bank statement, or electronic equivalent, as evidence of review.

This verification shall be reported to the Finance Committee and noted by Full Council where appropriate.

2.5 Business continuity and access to records

Regular back-up copies shall be made of Council accounting and financial records.

The Council shall ensure that access to key financial systems, banking records, accounting records, passwords, mandates and financial documents is not lost if an employee leaves, is absent or is incapacitated.

No person shall use personal email accounts, personal storage or unapproved systems for Council financial records unless expressly authorised and necessary in exceptional circumstances.

3. Accounts and audit

3.1 Accounting records

All accounting procedures and financial records shall be determined by the RFO in accordance with legislation, proper practices and these Financial Regulations.

The accounting records must be sufficient to explain the Council's transactions and disclose the Council's financial position with reasonable accuracy at any time.

They must include:

- a. day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate;**
- b. a record of the Council's assets and liabilities;**
- c. bank account records;
- d. payroll and pension records;
- e. VAT records and reclaim records;
- f. records of income, expenditure, reserves and budget monitoring; and
- g. supporting invoices, receipts, authorisations and audit trails.

3.2 Annual accounting statements

The RFO shall complete and certify the annual Accounting Statements in the Annual Governance and Accountability Return as soon as practicable after the end of the financial year.

Having certified the Accounting Statements, the RFO shall submit them, with supporting documents where required, to the Council within the timescales required by legislation and proper practices.

The Council shall consider and approve the Annual Governance Statement and Accounting Statements before the statutory deadline.

3.3 Internal audit

The Council must ensure that it has an adequate and effective system of internal audit of its accounting records and system of internal control.

The internal auditor shall be appointed by the Council and shall be competent, independent and free from any actual or perceived conflict of interest.

The internal auditor shall report to Council in writing, or in person, at least once in each financial year.

The internal auditor shall not:

- a. perform operational duties for the Council;
- b. initiate or approve accounting transactions;
- c. provide financial, legal or other advice in relation to future transactions in a way that compromises independence; or
- d. direct the activities of Council employees except to the extent necessary to carry out the audit.

3.4 External audit and electors' rights

The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts, including the inspection period and publication of required notices.

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

Any recommendations from internal or external audit shall be considered by Full Council, or by the Finance Committee for recommendation to Full Council, as appropriate.

4. Budget and precept

4.1 Budget preparation

Before setting a precept, the Council must calculate its council tax requirement by preparing and approving a budget.

The RFO shall prepare a draft budget for the following financial year in consultation with the Clerk, Finance Committee and relevant committees.

The draft budget shall include, as far as practicable:

- a. expected income and expenditure;
- b. staffing costs;
- c. contractual commitments;
- d. utility, insurance and maintenance costs;
- e. known project costs;
- f. asset repair and replacement considerations;
- g. earmarked reserve requirements;
- h. general reserve requirements;
- i. grant income and expenditure where known;
- j. anticipated inflationary or contractual increases; and
- k. any financial risks or pressures identified by the Clerk, RFO or committees.

4.2 Role of the Finance Committee

The Finance Committee shall review budget proposals, monitor payments and receipts against the agreed budget, review financial controls and make recommendations to Full Council in accordance with its Terms of Reference. The Finance Committee shall not set the final budget or precept.

4.3 Committee budget input

Each committee may review and submit budget proposals relevant to its remit within the timetable set by the RFO and Finance Committee.

Committee proposals shall be considered by the Finance Committee before a recommended draft budget is presented to Full Council.

4.4 Budget approval and precept

The Council shall consider the draft budget, reserves position and recommendations from the Finance Committee before setting the budget and precept.

The final budget and precept shall be approved by Full Council.

The RFO shall issue the precept request to the billing authority within the required timescale.

4.5 Section 106 Local Government Finance Act 1992

Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept and must disclose at the start of the meeting that section 106 of the Local Government Finance Act 1992 applies to them.

4.6 Budget monitoring

The RFO shall provide budget monitoring reports to the Finance Committee and/or Council at least quarterly.

Reports shall include income and expenditure to date, budget comparison, balances held, reserves and any actual or potential overspends.

Any actual or anticipated overspend shall be reported to the Council as soon as reasonably practicable.

4.7 Earmarked and general reserves

The Council shall review its reserves as part of the annual budget process.

Any addition to, withdrawal from, or reallocation of earmarked reserves shall be approved by Full Council.

Unspent budgets for completed projects shall not automatically be carried forward.

Unspent funds for partially completed or approved projects may only be carried forward by placing them in an earmarked reserve with the approval of Full Council.

5. Procurement and contracts

5.1 General principles

Members and officers are responsible for obtaining value for money at all times.

Any officer procuring goods, services or works shall seek to obtain best value, taking account of quality, suitability, whole-life cost, reliability, environmental considerations, local need, risk and price.

All procurement shall comply with:

- a. legislation;
- b. the Procurement Act 2023 and Procurement Regulations 2024 where applicable;
- c. these Financial Regulations;
- d. Standing Orders;

- e. the Scheme of Delegation;
- f. the Council's approved budget; and
- g. any specific Council resolution.

5.2 Legal power

The RFO or Clerk shall verify the lawful nature of proposed expenditure before it is incurred.

For new, unusual or significant expenditure, the legal power relied upon shall be reported to the meeting at which the expenditure is authorised and recorded in the minutes.

5.3 No artificial splitting

Contracts, purchases or works must not be split into smaller orders or contracts to avoid procurement thresholds, competition requirements or Council approval.

5.4 Contracts above statutory thresholds

Where the estimated value of a contract is at or above the relevant threshold set by Government from time to time, the Council shall comply with the Procurement Act 2023, the Procurement Regulations 2024 and any successor legislation, including all applicable procurement, transparency, publication, tendering, award and notice requirements.

The statutory thresholds are inclusive of VAT unless legislation or official guidance states otherwise.

The Council shall seek professional advice where required before commencing any procurement likely to fall within the statutory procurement regime.

5.5 Contracts below statutory thresholds

Where the estimated value is below the statutory procurement thresholds, the Council shall normally obtain prices as follows:

- a. **Up to £500 excluding VAT:** the Clerk or RFO shall seek to achieve value for money. Formal quotes are not required but evidence of price, reasonableness or supplier suitability shall be retained where practicable.
- b. **£500 to £5,000 excluding VAT:** the Clerk or RFO shall try to obtain three estimates, which may include online prices, catalogue prices, written estimates, previous prices from regular suppliers, or other evidence of value for money.
- c. **Over £5,000 excluding VAT:** the Clerk or RFO shall seek at least three fixed-price quotes unless an exemption applies.
- d. **Over £30,000 including VAT: the Council shall comply with any applicable below-threshold publication, transparency or notice requirements under the Procurement Act 2023, Procurement Regulations 2024 or successor legislation.**
- e. **Over £60,000 including VAT:** the Council shall normally seek formal tenders from at least three suppliers or advertise an open invitation to tender, unless Full Council resolves that an alternative lawful procurement route is justified.

5.6 Exceptions to competition

The requirement to obtain competitive prices may be waived where the proposed contract relates to:

- a. specialist professional services, such as legal advice in a dispute;
- b. urgent health and safety works;
- c. emergency repairs;
- d. repairs to or parts for existing machinery, equipment or systems;
- e. works, goods or services that are a genuine extension of an existing contract;
- f. goods or services available from only one supplier;
- g. goods or services sold at a fixed price;
- h. circumstances where seeking competition would be impractical, disproportionate or would not achieve value for money.

Any waiver shall be justified in writing and reported to the Council or relevant committee.

A waiver from competition does not remove the requirement for expenditure to be authorised within budget and in accordance with delegated authority.

Avoidance of competition is not a valid reason for waiving procurement requirements.

5.7 Acceptance of tenders, quotes and estimates

The Council is not obliged to accept the lowest or any tender, quote or estimate.

Where a tender, quote or estimate is not accepted on price alone, the reason shall be recorded.

5.8 Conflicts of interest

Councillors and officers shall declare any personal, financial, family or business interest in a supplier, contractor or procurement process.

A person with a conflict of interest shall not participate in the procurement process unless the Council has considered the matter and determined that participation is lawful and appropriate.

5.9 No individual councillor authority

No individual councillor, or informal group of councillors, may issue an order, instruct a contractor, enter into a contract, vary a contract, approve expenditure or commit the Council to expenditure unless specifically authorised by Council resolution or lawful delegated authority.

5.10 Purchase orders

The Council does not currently operate a formal purchase order system.

Authorisation shall instead be evidenced by:

- a. Council or committee minutes;
- b. delegated decision records;
- c. written approval under delegated authority;
- d. email approval where permitted;
- e. approved schedules of payments;
- f. contract documents; or
- g. other auditable evidence retained by the Clerk or RFO.

5.11 Authorisation of expenditure

Individual purchases within an approved budget may be authorised as follows, provided procurement requirements have been met:

- a. the Clerk or RFO may authorise expenditure up to £500 excluding VAT within an approved budget;
- b. the Clerk, in consultation with the Chair of the Council or Chair of the relevant committee, may authorise expenditure up to £2,000 excluding VAT within an approved budget;
- c. a committee may authorise expenditure only where this is expressly permitted by its Terms of Reference, the approved budget and Council resolution;
- d. Full Council shall authorise expenditure over £5,000 excluding VAT;
- e. Full Council shall authorise any expenditure outside an approved budget unless expressly permitted by these Financial Regulations in an emergency.

5.12 Emergency expenditure

In cases of serious risk to the delivery of Council services, public safety, Council assets, legal compliance, business continuity or the Council's interests, the Clerk may authorise expenditure up to £2,000 excluding VAT.

Where the urgent matter has financial implications, the Clerk shall consult the RFO where reasonably practicable before the decision is taken.

Where the urgent matter falls primarily within the RFO's statutory or operational responsibilities, the RFO may take necessary financial action after consulting the Clerk and Chair where reasonably practicable.

Emergency expenditure shall be recorded in writing and reported to the next appropriate meeting of the Council.

5.13 Major projects

No expenditure shall be authorised and no contract entered into in relation to a major project unless the Council is satisfied that:

- a. the necessary funds are available;
- b. the legal power has been identified;
- c. procurement requirements have been considered;
- d. risks have been considered;
- e. any necessary permissions, licences or approvals have been obtained or are being progressed;
- and
- f. where borrowing is required, the necessary borrowing approval has been obtained before entering into any commitment.

6. Banking and payments

6.1 Banking arrangements

The Council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by Full Council.

Banking arrangements shall not be delegated to a committee.

The Council currently banks with Virgin Money.

The arrangements shall be reviewed at least annually for security, efficiency and suitability.

6.2 Payment controls

The Council must have safe and efficient arrangements for making payments to safeguard against fraud, error and unauthorised expenditure.

Even where expenditure has been authorised, the payment must also be approved in accordance with these Financial Regulations and the bank mandate.

Only authorised payments shall be approved to allow funds to leave the Council's bank account.

6.3 Invoice checks

All invoices for payment shall be examined by the RFO for:

- a. arithmetical accuracy;
- b. supplier details;
- c. VAT treatment;
- d. appropriate budget heading;
- e. receipt of goods, works or services;
- f. evidence that the expenditure was authorised;
- g. compliance with procurement requirements; and
- h. any duplicate, unusual or unexpected payment risk.

The RFO may query or withhold an invoice from payment where there is insufficient evidence, dispute, error or concern.

6.4 Schedule of payments

The RFO shall prepare a schedule of payments requiring authorisation. The schedule shall be presented to Full Council unless Full Council has expressly delegated payment authorisation to a committee. A detailed list of payments shall be included within, or attached to, the minutes.

6.5 Two councillor approval

All online payments shall require approval by two authorised parish councillors in accordance with the bank mandate.

The RFO may prepare, process, upload or set up payments in accordance with Council authorisation and these Financial Regulations, but the release of funds shall require two councillor approvals.

No councillor shall approve a payment where they have a personal, financial, family or business interest in the payment.

6.6 Regular payments

For each financial year, the RFO may prepare a schedule of regular payments due under continuing contracts or obligations, such as:

- a. salaries;
- b. PAYE;
- c. National Insurance;
- d. pension contributions;
- e. utilities;
- f. insurance;
- g. rent, rates or licences;
- h. regular maintenance contracts;
- i. subscriptions; and
- j. other routine contractual payments.

The Council may authorise such payments in advance for the year, provided the payments are within budget and reported to Council or Finance Committee as part of regular financial reporting.

6.7 Delegated payment authority

The Clerk and RFO may arrange payment under delegated authority in the following circumstances:

- a. payments up to £500 excluding VAT within an agreed budget and supported by evidence of authorisation;
- b. payments up to £2,000 excluding VAT in cases of serious risk to the delivery of Council services, public safety, Council assets, legal compliance or business continuity;
- c. payments necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date falls before the next scheduled meeting and there is no dispute or reason to delay payment;
- d. payments required to meet statutory, payroll, pension, HMRC, audit, banking or regulatory deadlines.

All payments made under delegated authority shall be reported to the next appropriate meeting.

6.8 Transfers between Council accounts

Transfers between Council bank accounts may be arranged by the RFO in accordance with the bank mandate and Council-approved banking arrangements.

Transfers up to £10,000 may be made by the RFO for cashflow or reserve management purposes, provided they are reported to the next appropriate meeting.

Transfers above £10,000 shall require prior approval by Full Council unless required urgently to protect Council funds or meet banking/security requirements.

6.9 Personal payments

Personal payments, including salaries, wages, expenses, pension payments, HMRC payments and any payment relating to employment, may be reported in summary form to avoid disclosing personal information.

7. Electronic payments and online banking

7.1 Online banking access

The RFO shall be the primary administrator for online banking unless the Council resolves otherwise.

The bank mandate shall identify those councillors authorised to approve online transactions.

All authorised signatories shall have access to view the Council's bank accounts online where the bank permits this and where it supports effective financial oversight.

7.2 Security

No employee or councillor shall disclose any PIN, password, security device, banking code or authentication method to any person.

Each authorised user shall have their own banking access credentials where the bank provides this facility.

Remembered password facilities shall not be used for Council banking unless held within a secure password manager requiring separate identity verification.

Computers and devices used for Council banking shall have appropriate security protections.

7.3 Changes to supplier bank details

Supplier bank details may only be created or changed upon written notification from the supplier.

The RFO shall take reasonable steps to verify that any change is genuine before making payment.

This may include checking against previous records, contacting the supplier using existing known contact details, or seeking independent verification.

Changes to supplier bank details shall be treated as a potential fraud risk.

7.4 Direct debits and standing orders

Regular payments may be made by direct debit or standing order where approved by Council.

The approval of direct debits and standing orders shall be reviewed by Council at least every two years.

All direct debit and standing order payments shall be reported through normal financial reporting.

7.5 BACS and CHAPS

Payment may be made by BACS, Faster Payment or CHAPS where authorised by Council and approved online by two authorised councillors in accordance with the bank mandate.

Use of BACS, Faster Payment or CHAPS shall be reviewed by Council at least every two years.

8. Cheque payments

The Council shall normally make payments by online banking.

Where cheque payment is necessary, cheques shall be signed by two authorised councillor signatories in accordance with the bank mandate.

A signatory having a family, business or financial relationship with the beneficiary shall not sign the cheque.

Cheque payments shall be reported to the next Council meeting.

9. Debit card and card payments

9.1 Debit card

The Council may hold one debit card for Council business.

The debit card shall be held by the RFO only.

The debit card shall be restricted to a single transaction maximum of £500 unless prior approval is given by Full Council before the order is placed.

The debit card shall only be used:

- a. for Council business;
- b. within approved budgets;
- c. where expenditure has been authorised;
- d. where procurement requirements have been met; and
- e. where a receipt, invoice or other evidence can be obtained.

Debit card transactions shall be reported to the next appropriate meeting.

The debit card shall not be used to avoid the requirement for prior authorisation of expenditure.

9.2 Credit cards and prepaid cards

The Council does not currently use a corporate credit card or prepaid card.

No corporate credit card or prepaid card shall be obtained unless authorised by Full Council and these Financial Regulations are reviewed or amended as necessary.

9.3 Personal cards

Personal credit or debit cards of councillors or staff shall not normally be used for Council expenditure.

Where exceptional use is unavoidable, reimbursement shall be limited to expenditure that was necessary, reasonable, within budget, supported by receipts and authorised in accordance with these Financial Regulations.

10. Petty cash and cash handling

The Council shall not maintain a petty cash float.

All cash received on behalf of the Council shall be banked intact.

Any minor cash expenditure incurred by the Clerk or RFO shall be reimbursed through the normal expenses process, supported by receipts and reported through financial records.

Where cash is received at events or through Council activities, the RFO shall ensure that:

- a. income is recorded;
- b. cash is counted by more than one person where practicable;
- c. cash is reconciled to booking, ticket, donation or other records where applicable;
- d. cash is banked promptly; and
- e. appropriate security arrangements are in place.

11. Payment of salaries, pensions, tax and allowances

11.1 Payroll

As an employer, the Council must make arrangements to comply with PAYE, National Insurance, pension and employment legislation.

The RFO shall administer payroll, pension and HMRC payments or ensure that suitable payroll arrangements are in place.

11.2 Salary approval

Salary rates, pay scales, contractual terms and changes to gross pay shall be approved by the Council or Staffing Committee in accordance with delegated authority and employment policies.

No changes shall be made to an employee's gross pay, emoluments, contractual hours, terms or conditions without the prior authority of the Council or duly authorised committee.

11.3 Salary payments

Payment of salaries shall be made after deduction of tax, National Insurance, pension contributions and any other statutory or authorised deductions.

Payroll payments shall be made on the dates set out in employment contracts or otherwise agreed by Council.

11.4 Payroll records

Payroll reports and supporting records shall be retained confidentially.

The total payroll cost shall be reported in the accounting records.

Personal salary information shall be handled in accordance with data protection requirements.

11.5 Termination payments

Any termination payment shall be supported by a confidential report setting out the legal, employment and financial basis for the payment.

Termination payments shall only be authorised by Full Council unless lawful delegated authority has been expressly approved.

11.6 Interim staff

Before employing interim staff, agency staff or contractors to cover staffing functions, the Council shall consider the business need, cost, budget, legal status, employment implications and value for money.

12. Loans, leases, hire purchase and investments

12.1 Borrowing

Any application for approval to borrow money and any subsequent loan arrangement must be authorised by Full Council and recorded in the minutes.

All borrowing shall be in the name of the Council and shall comply with any required approval process.

12.2 Leases and hire purchase

Any lease, hire purchase agreement, finance agreement or financial arrangement which creates a continuing financial commitment must be authorised by Full Council following a written report on cost, affordability, legal power and value for money.

12.3 Investments

The Council shall consider whether an Investment Strategy or Policy is required in accordance with statutory guidance and proper practices.

All investments of money under the control of the Council shall be in the name of the Council.

The Council does not currently hold investments other than bank balances and reserves held as part of its normal financial management.

12.4 Reserves

The Council holds reserves as agreed through the budget process.

The level and purpose of reserves shall be reviewed at least annually as part of budget setting.

13. Income

13.1 Responsibility for income

The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

The RFO shall ensure that income due is invoiced, collected, recorded and banked promptly.

13.2 Fees and charges

The Council shall review fees and charges at least annually as part of the budget-setting process or at another appropriate time.

The Clerk and RFO may make recommendations to the Council or relevant committee regarding fees and charges.

13.3 Bad debts

Any sums found to be irrecoverable shall be reported to Council by the RFO.

Bad debts shall only be written off with Council approval.

The approval shall be shown in the accounting records.

13.4 Banking income

All sums received on behalf of the Council shall be deposited intact with the Council's bank.

The origin of each receipt shall be recorded.

Personal cheques shall not be cashed from money held on behalf of the Council.

13.5 VAT

The Council is not VAT registered.

The RFO shall ensure that VAT is correctly recorded and reclaimed, where recoverable, in accordance with statutory arrangements applicable to parish councils and proper practices.

VAT shall not be reclaimed where it is not lawfully recoverable.

14. Payments under contracts for building or construction works

Where contracts provide for payment by instalments, the RFO shall maintain a record of such payments.

Payments shall be made in accordance with the contract and only where supported by appropriate certificates, evidence of work completed, invoices or professional confirmation.

Any variation to a contract shall be authorised before the work is carried out, unless urgent action is required to protect public safety, Council assets or legal compliance.

Variations shall be recorded and reported to Council.

The Council shall consider whether specialist professional advice is required for significant building, construction, engineering or property works.

15. Stores, equipment and stock

The Clerk and RFO shall ensure that appropriate records are kept of significant stores, equipment and stock owned by the Council.

Equipment shall be stored securely and used only for Council purposes unless otherwise authorised.

Disposal of equipment shall be dealt with under the asset provisions of these Financial Regulations.

16. Assets, property and estates

16.1 Asset register

The RFO shall maintain the Council's asset register in accordance with proper practices.

The asset register shall be reviewed at least annually by Council.

The Council's asset register is maintained through Scribe or such other system as the Council approves.

16.2 Acquisition and disposal

The acquisition or disposal of land, buildings or significant assets shall be authorised by Full Council.

The Clerk or RFO may arrange the purchase or disposal of minor assets up to £500 excluding VAT where this is within budget, lawful, represents value for money and is appropriately recorded.

Assets shall not be disposed of to councillors, officers, employees, relatives or connected persons without Full Council approval and a clear audit trail.

16.3 Insurance

The RFO, in consultation with the Clerk, shall ensure that the Council's asset register is available for insurance review and renewal.

The Council shall ensure that all insurable risks are reviewed annually.

16.4 Custody of documents

The Clerk shall have custody of title deeds, leases, licences, contracts and other legal documents unless the Council resolves otherwise.

The RFO shall retain financial records relating to assets, insurance and valuation.

17. Insurance

The RFO, in consultation with the Clerk, shall administer insurance arrangements and renewals.

The Council shall review insurance cover at least annually.

The review shall include, where relevant:

- a. buildings;
- b. play areas and open spaces;
- c. public liability;
- d. employer's liability;
- e. fidelity guarantee;
- f. vehicles or equipment;
- g. cyber or data risks;
- h. volunteers;
- i. events;
- j. working groups;
- k. street furniture, defibrillators, trees or other community assets; and
- l. any new activity, asset or project.

The Clerk and RFO shall notify insurers of material changes, new risks, incidents or claims as required.

No new activity, event, asset or project shall proceed unless insurance implications have been considered.

18. Suspension and revision of Financial Regulations

These Financial Regulations shall be reviewed at least annually by the RFO, Clerk, Finance Committee and Council.

The Council may amend these Financial Regulations by resolution of Full Council.

The Council may suspend any part of these Financial Regulations by resolution, except where the regulation reflects a statutory requirement, legal requirement, proper practice or essential financial control.

Any proposed suspension shall state the reason, scope and duration of the suspension and shall be recorded in the minutes.

These Financial Regulations shall be reviewed earlier if required by:

- a. changes in legislation;
- b. changes in proper practices;
- c. changes in NALC guidance;
- d. changes in Council structure;
- e. changes in banking arrangements;
- f. changes in staffing or the Clerk/RFO split;
- g. audit recommendations;

- h. significant financial control concerns; or
- i. Council resolution.

Appendix 1 — Tender process

A1.1 Invitation to tender

Where a formal tender process is required, the Clerk or RFO shall prepare, or arrange preparation of, an invitation to tender.

The invitation to tender shall normally include:

- a. a clear specification;
- b. contract requirements;
- c. timescales;
- d. submission deadline;
- e. evaluation criteria;
- f. insurance requirements;
- g. health and safety requirements;
- h. safeguarding or data protection requirements where relevant;
- i. requirements relating to conflicts of interest;
- j. arrangements for site visits where applicable;
- k. contract terms or draft agreement where available; and
- l. instructions for submission.

A1.2 Contact during tender process

Prospective contractors shall not contact councillors or staff to encourage or support their tender outside the prescribed process.

Any questions shall be directed to the named officer.

Where clarification is provided to one tenderer and it is relevant to all tenderers, the clarification shall be shared with all tenderers where practicable.

A1.3 Receipt and opening of tenders

Tenders shall be submitted in the format required by the invitation to tender.

Tenders shall remain unopened until the deadline has passed.

Tenders shall be opened by the Clerk or RFO in the presence of at least one councillor, or by another process approved by Council which protects confidentiality and provides an audit trail.

A record shall be kept of tenders received.

A1.4 Evaluation

Tenders shall be evaluated against the stated criteria.

The Council shall consider value for money, quality, suitability, deliverability, experience, risk, compliance with specification and price.

The Council is not required to accept the lowest tender.

A1.5 Award

The award of a contract shall be authorised by Full Council or by a committee only where the committee has express delegated authority to do so.

The decision and reasons shall be recorded in the minutes or other appropriate record.

Any required notices or transparency requirements shall be completed in accordance with legislation.