



## Financial Regulations

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These Financial Regulations were adopted by the council at its meeting held on 13<sup>th</sup> May 2025.



## **Financial Regulations**

### **1. General**

- A. These Financial Regulations govern the financial management by the Council and may only be amended or varied by resolution of the Full Council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.
- B. 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.
- C. The Council is responsible in law for ensuring that its financial management is both adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions. This must include arrangements for the management of risk.
- D. The Council's accounting control systems must include measures for:
  - i. the timely production of accounts
  - ii. the protection and safeguarding of public money
  - iii. the prevention of inaccuracy and fraud
  - iv. identifying the roles and duties of officers.
- E. At least annually, prior to approving the Annual Governance Statement, the Council must ensure that it reviews the effectiveness of its system of internal control.
- F. Deliberate or wilful breach of these regulations by an employee may give rise to disciplinary proceedings or in the case of a Councillor be cause for action under the Code of Conduct.
- G. The Responsible Financial Officer (RFO) is a statutory office which is appointed by the Council. The Clerk has been duly appointed RFO for the Council and these regulations apply accordingly.
- H. The RFO acts under the policy direction of the Council and administers the Council's financial affairs in accordance with the relevant legislation, regulation and guidance and:
  - i. operates the Council's accounting records and accounting control systems
  - ii. ensures the accounting control systems are observed
  - iii. maintains up to date accounting records for the Council.
  - iv. assists the Council to secure economy, efficiency and effectiveness in the use of resources.
  - v. produces financial management information as required by the Council.
- I. The accounting records produced by the RFO shall be sufficient to show and clearly explain the Council's transactions and to ensure that any income and expenditure account, statement of balances, record of receipts and payments or other additional management information prepared from time to time shall comply with the accounts and audit regulations.
- J. The accounting records prepared by the RFO shall specifically contain the day-to-day entries of all sums of money received and expended by the Council and the matters to which the income and expenditure 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 in relation to any contribution grant or subsidy.
- K. The accounting control systems shall include:

- i. procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable, and as accurately and as reasonably as possible.
- ii. procedures to enable the prevention and detection of inaccuracies and fraud, and to enable the reconstruction of lost records.
- iii. the identification of the duties of officers dealing with financial transactions and any division of responsibilities of these officers in relation to significant transactions.
- iv. day to day entries of all sums of money received or expended by the Council and the matters to which the income and expenditure account relate.
- v. a record of the assets and liabilities of the Council.
- vi. a record wherever relevant of the Council's expenditure in relation to claims made or to be made for any contribution, grant or subsidy.
- vii. procedures to ensure that uncollectable amounts, including any bad debt, are only submitted to the Council to be written off with the approval of the RFO and that such approvals by the RFO and Council are shown in the records.
- viii. measures to ensure the management of risk

L. The Council may not delegate responsibility for setting the Budget or Precept, approving accounting statements, approving the Annual Governance Statement, borrowing, writing off bad debts, declaring eligibility for the power of General Competence, or addressing recommendations in a report from the internal or external auditor.

M. The Council must:

- i. determine and keep under review the bank mandates for all Council accounts.
- ii. approve any grant or single commitment in excess of £5000
- iii. have regard for the recommendations from the HR Committee regarding the setting of Annual Salaries, and other personnel issues in accordance with its terms of reference.

N. Reference to the Accounts and Audits Regulations is to regulations issued under Section 27 of the Audit Commission Act 1998 or any subsequent superseding legislation unless otherwise specified.

## 2. Accounting and Audit

- A. All accounting procedures and financial record keeping shall be administered by the RFO in accordance with the Account and Audit regulations and appropriate guidance.
- B. On a regular basis, and at least quarterly, and at the end of the financial year a member other than the Chairman, who is not a cheque signatory, shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The Councillor shall sign the reconciliations and the original statements as evidence of verification. On conclusion this shall be reported, including any exceptions, to the Full Council for noting.
- C. The RFO shall complete the annual statement of accounts, annual report and any related documents contained in the Annual Return 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 timescale within the Account and Audit Regulations.
- D. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records and its system of internal control. The Clerk (RFO) or any member of the Council shall if the internal auditor requires make available such records and documents as appear to the Council to be necessary for the purpose of the audit and shall as directed by

Council supply the internal or external auditor with such information and explanation as the Council consider necessary for that purpose.

- E. The Internal Auditor shall:
  - i. be competent and independent of the financial operations of the Council.
  - ii. report to the Council in writing or in person on a regular basis with a minimum of one written annual report during each financial year
  - iii. demonstrate competence, objectivity and independence by being free from any actual or perceived conflict of interest, including those arising from family interests and other close relationships.
  - iv. have no involvement in the financial decision making, management or control of the Council
  - v. have due regard to Accounting and Audit Regulations
- F. The RFO shall make arrangements the exercise of elector's rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and publish and display such notices as required by the Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- G. The RFO shall without undue delay bring to the attention of all Councillors any correspondence or report from either the Internal or External auditor.

### **3. Budgeting and Forward Planning.**

- A. Each Committee shall review its forecast of revenue and capital receipts and payments and having regard to this forecast shall formulate and submit proposals for the forthcoming financial year to the Full Council, including any proposed amendments to the forecast, no later than the December meeting of Full council.
- B. The RFO shall prepare each year, no later than the December meeting of Full Council, detailed estimates of all receipts and payments, including the use of reserves and all projected sources of funding for the forthcoming financial year in the form of a Budget. This will then be considered by the Finance Working Group and by Full Council.
- C. The Council shall fix the precept (Council Tax Requirement) and relevant basic amount of Council Tax to be levied for the ensuing financial year by the January Meeting of Council. The RFO shall issue the precept to MBC and supply each member with a copy of the approved annual budget.
- D. The approved annual budget shall form the basis of financial control for the ensuing year.

### **4. Budgetary Control and Spending Authority.**

- A. The RFO will provide the Council with up-to-date financial information, including a detailed statement of receipts and payments along with detailed actual budgetary figures on at least a quarterly basis. This shall include projected and actual spend against budget headings and an explanation of variances.
- B. Delegated expenditure may be authorised within the amounts set out for that class of expenditure set out within the approved budget. Where such expenditure would be below £1000 the RFO may take the necessary action to make payment in conjunction with the Chair of the Council or relevant Committee Chair. Where such expenditure is higher than £1000 a specific authorisation must be provided. This can be by a committee (or Council) minute or by an authorisation signed by the Chair of the Council, or Committee. Instances of delegated payment shall be reported to Council at the earliest opportunity.
- C. No expenditure may be authorised that exceeds the appropriate revenue or capital budget, other than by resolution of Full Council, or the appropriate Committee. Where there is a

projected shortfall, the Council may, having considered the overall financial situation and the public interest undertake a virement.

- D. The Salary budget shall be reviewed annually in October for the following financial year, and such review shall be evidenced by a written schedule signed by the RFO and the Chair of the Council (or HR Committee).
- E. In case of extreme risk to the delivery of Council Services the RFO may authorise expenditure which in their judgement is necessary to secure the delivery of services, including repairs or replacements and other appropriate works up to a limit of £500, whether or not there is a budgetary provision. This action will be reported to the Council Chair and then Full Council at the earliest opportunity.
- F. No expenditure will be authorised for capital works, or contract entered into unless the Council is satisfied that the necessary funds are available, and any borrowing approvals have been obtained. All capital works shall be administered in accordance with the Council's Standing Orders, Financial Regulations and Contract and Procurement regulations.

## **5. Banking Arrangements and Authorisation of Payments**

- A. The Council's banking arrangements, including bank mandates shall be made by the RFO and approved by Full Council. They shall be regularly reviewed for security and efficiency.
- B. The RFO shall prepare a schedule of payments requiring authorisation and the accompanying invoices for the Finance and General Policy Committee and then Full Council. The Committee and Council shall having scrutinised the scheduled for compliance and being satisfied will authorise payment by a resolution of the Committee or Council. A detailed list of payments shall be contained within the minutes. of the relevant meeting. Personal payments, including salaries, expenses and payments made for termination of contract of employment may be summarised to avoid disclosing exempt information.
- C. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which they relate has been received or carried out and represents expenditure previously approved by the Council. The RFO shall examine the invoices for arithmetical accuracy and apportion them to the appropriate expenditure heading. The RFO shall take all reasonable steps to ensure that all invoices submitted and in order are submitted for payment at the next available cycle of meetings.
- D. The RFO shall have delegated authority to make payment where this is necessary to avoid an interest charge under the late payment of Commercial Debts (Interest) Act 1998 and the due date for payment is prior to the next cycle of meetings, where the RFO shall certify that there is no dispute or other reason to delay payment, provided that such payments shall be duly noted and authorised by the next appropriate Full Council Meeting. The RFO may also make payments under Standing Order 5.5) or carry out fund transfer within the Council's banking arrangements of up to £10,000 subject to the list of such transactions being reported to the Finance and General Policy Committee (where such exists) and Full council at the earliest opportunity.
- E. For each financial year the RFO shall compile a list of regular payments arising from a continuing contract, or statutory duty such as PAYE, NI, and regular maintenance contracts, for which the Council may authorise payment for the year provided these are within budgeted amounts and that a list of such payments is submitted to the next meeting of the Finance Working Group and Full Council.

## 6. Payment of Accounts

- A. The Council will make safe and efficient arrangements for payment. Following authorisation by the Council, or a duly authorised Committee, or if delegated, the RFO shall give instruction that a payment be made.
- B. All payments shall be affected by Cheque or by BACS or other instructions to the Council's bankers, or otherwise in accordance with a resolution of Council. Where payments are made by BACS, they should be checked by another member of staff to ensure the figures are accurate and the bank details match the invoice.
- C. Cheques or orders for payment drawn on the bank account in accordance with the schedule agreed at Council or Committee shall be signed by two members of Council in accordance with a resolution instructing the payment. A member who has any disclosable interest in connection with the beneficiary of a payment should take no part in the decision, and must not be a signatory, unless a dispensation is granted.
- D. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil, or invoice or other documentation the signatories shall initial the cheque counterfoil.
- E. Cheques should normally be presented for payment at or immediately before or after a Council, or Committee meeting. Where this is not possible it should be reported to the relevant body at the earliest opportunity.
- F. The Council may if it wishes make payment for utility bills by direct debit, including NNDR, providing that such instructions are signed by two members, retained and renewed by resolution of the Full Council at least every 2 years. Additionally, if the Council thinks it appropriate payment for certain items especially salaries may be made by bankers Standing Order provided that the instructions are signed by two Councillors and retained. The approval shall be subject to renewal at least every 2 years. In both cases the payments shall be reported to Council as made.
- G. If thought appropriate by the Council, payment for certain items may be made by BACS or Chaps provided that the instructions for each payment are signed or otherwise evidenced by 2 authorised bank signatories, are retained and reported to Committee or Council as made. The use of BACS or CHAPS shall be renewed at least every 2 years.
- H. If thought appropriate by the Council payment for certain items may be made by internal banking transfer provided evidence is retained showing which members authorised the payment.
- I. Where a computer requires the use of a personal PIN or password for access to the Council records on that computer a note shall be made of the PIN and/or password and shall be handed to and retained by the Chairman of the Council in a dated sealed envelope, which may only be opened in the presence of 2 other Councillors. Once opened the PIN and password shall be changed as soon as practicable. The fact of the opening and the circumstances shall be reported to all members immediately and formally to the next Full Council Meeting. This will not apply to a member's home computer only used for remote authorisation of bank payments. The disclosure by any Councillor or Employee of a PIN or Password to a person not duly authorised in writing by the Council or a delegated Committee is prohibited.
- J. Regular back- up copies of the records on any computer shall be made and securely stored away from the computer in question, preferably off site, and the Council and any members using computers for financial transactions shall ensure that all anti-viral, anti-spyware firewalls and other appropriate high levels of security are utilised.

- K. 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 these accounts. The bank mandate will clearly state the number of payments that can be instructed by the service administrator alone, or by the service administrator with a stated number of approvals. Access to any internet banking accounts will be directly to the access page and not through a search engine or email link. Remembered or saved passwords should not be used on any computer used for the Council's banking, and a breach of this regulation will be treated seriously.
- L. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by 2 members.
- M. The Full Council may authorise the issuance of a pre-paid debit card to the RFO for their use only. Should an additional card request be made a business case would be required. The financial limit of the card should not exceed £1000, with a single transaction limit of £500. Unless a higher transaction value is authorised by the Council prior to use. The RFO shall be responsible for the safe keeping and usage of the card, and for maintaining the confidentiality of the PIN number and CVN. The card should be kept in the locked back office unless physically needed for payment purposes and returned immediately thereafter. Any loss or theft must be reported immediately to the bank. In the event of the RFO leaving employment the card must be returned to the Chairman and destroyed and the bank advised to cancel the card.
- N. Cash withdrawals are only permitted with the prior approval of the Full Council. When making a cash withdrawal this must be reconciled with the monthly card statement. The Card may only be used for business purposes and in conjunction with the RFO's job role. All transactions must be recorded on a monthly spreadsheet, which along with the accompanying receipts will be checked by another member of staff and subsequently reviewed and authorised by 2 Councillors. The transaction receipts will be reconciled monthly with the bank statement. In the event of a discrepancy the Chairman of the Council will be informed, and an investigation initiated.
- O. The cardholder is responsible for obtaining and submitting receipts for all transactions. Failure to do so could lead to the cardholder being held liable for the sum of the relevant transaction. If the cardholder misuses the card or acts fraudulently this may result in disciplinary or criminal action.

## **7. Payment of Salaries**

- A. As an employer the Council shall make arrangements to fully meet the statutory requirements placed on all employers by PAYE and NI legislation. The payment of all salaries shall be in accordance with payroll records and the PAYE and NI regulations currently applicable. Salary rates shall be as agreed by Full Council, or a duly delegated Committee.
- B. The payment of salaries and the payment of deductions from salary, such as may be required to be made for tax, NI, and pension contributions, or similar statutory or discretionary deductions must be made in accordance with payroll records on the appropriate dates stipulated in the contract of employment, provided that each payment is duly reported to the next available Full Council Meeting.
- C. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the HR Committee.
- D. Each payment made 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 record is not open to inspection or review, under the Freedom of Information Act 2000 or otherwise, other than:

- i. any Councillor who can demonstrate a need to know.
- ii. by the Internal or External Auditor.
- iii. by any person authorised under the Audit Commission Act 1998 or any superseding legislation.

E. The total of such payments in any calendar month shall be reported with all other payments as made as may be required by these Financial Regulations to ensure that only payments due for the period have actually been paid

F. Any termination payments made shall be supported by a clear business case and reported to Full Council. Only the Full Council shall have the power to authorise such a payment.

G. Before the employment of interim staff the Council must consider a full business case.

## **8. Loans and Investments**

- A. All borrowings shall be affected in the name of the Council after obtaining the necessary borrowing approval. Any application for borrowing approval shall have its terms and purpose approved by the Full Council. The authorisation to proceed with the application and the subsequent loan arrangements must also be approved by Full Council
- B. Financial arrangements that do not require formal borrowing approval such as Hire Purchase or the leasing of tangible assets shall be subject to approval by the Full Council. The proposal shall in each case be accompanied by a report considering the value for money of the proposed transaction.
- C. 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. The Council will arrange with the Council's banks and investment advisors to provide a copy of the statement for each account to the Chairman of the Council at the same time as one is issued to the RFO.
- D. To guide the Council's actions, it shall consider the need for an Investment Strategy and Policy in accordance with relevant regulations, and guidance, which will be reviewed at least annually.
- E. All investments of monies under the Council's control shall be in the name of the Council and all investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- F. Payments in respect of short term or long-term investments, including transfers between accounts held at the same bank or branch shall be made in accordance with Regulations 5 and 6.

## **9. Income**

- A. The payment of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- B. The Council will review its fees and charges on at least an annual basis, having considered the financial security of the Council and the broader public interest. The RFO having been notified by the Council of any changes shall be responsible for the collection of all accounts due to the Council.
- C. Any sums found to be irrecoverable shall be reported to Full Council and be written off in the year.
- D. All sums received on behalf of the Council shall be banked as soon as practicable by the RFO, and the origin of each receipt entered on the paying in slip.
- E. Where any significant cash sums are received the RFO shall ensure more than one person is present when the cash is counted in the first instance and that reconciliation between the

cash received and the bank account takes place. The Council shall consider appropriate security and safety measures are taken to safeguard those handling significant cash payments.

- F. Personal Cheques shall not be cashed out of money held by the Council
- G. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made at least annually, coinciding with the financial year end.

## **10. Orders for Work, Goods and Services**

- A. An official order or letter shall be issued for all work, goods or services, unless a formal contract is to be prepared, or an official order would be inappropriate. Copies of the orders shall be retained by the RFO.
- B. All members and officers are responsible for obtaining value for money (not necessarily the lowest price) at all times. The RFO or other delegated officer issuing an official order shall ensure in as far as is practicable that the best available terms are obtained in respect of each transaction, usually by obtaining 3 or more quotations from appropriate suppliers, subject to the application of the de minimums rule in Regulation 11.
- C. A member may not issue an official order or make a contract on behalf of the Council.
- D. The RFO shall verify the lawful nature of any proposed purchase before the issuance of any order and in the case of new or infrequent payments ensure that the statutory authority for the purchase is reported to the meeting approving the order and duly recorded in the minutes.

## **11. Contracts**

- A. **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.
  - a) The procedures as to contracts and procurement are laid down as follows:
    - a. All contracts shall comply with these Financial Regulations and no exceptions shall be made otherwise than in an emergency provided and that this regulation need not apply to contracts relating to items i) to vi) below:
      - i. for the supply of gas, electricity, water, sewerage and telephony.
      - ii. for the supply of specialist services such solicitors, accountants, surveyors or planning consultants.
      - iii. for work to be executed or goods and materials to be supplied which consist of repairs to or parts of existing machinery, equipment or plant
      - iv. for work to be executed or goods and materials to be supplied which constitute the extension of an existing contract by the Council.
      - v. for additional work carried out by the external auditor up to an estimated value of £500. Where the proposed work exceeds this the RFO shall act after consultation with the Chair of the Council.
      - vi. for goods and materials proposed to be purchased which are proprietary articles and/ or only sold at a fixed price.
    - b. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**

- c. Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 11.a) obtain prices as follows:
  - i. Where the value of work is below £30,000 in value, the RFO or delegated officer will seek 3 quotations for the supply of the contract. Where the contract value is above £100 and below £3000 the RFO shall endeavour to seek 3 quotations but may proceed on the basis of one provided the RFO and Members are satisfied with the robustness of the contract. (De minimums)
  - ii. Where for whatever reason insufficient quotations or tenders are received for a contract up to the level of £30,000 the RFO shall place a notice of the proposed work and give at least 3 weeks public notice of such intention in the same manner as public notice of a meeting is given. Should it occur that no quotation or tender is received, or the Council or duly delegated Committee chooses not to accept a quotation or tender the contract shall not be let and the Council or Committee must reconsider its position, including whether to readvertise or to re specify the contract.
  - iii. For contracts estimated to exceed [£30,000] including VAT, the Clerk shall {seek formal tenders from at least [three] suppliers agreed by [the council]} OR {advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation}. Tenders shall be invited in accordance with Appendix 1.
  - iv. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**
  - v. **Contracts must not be split to avoid compliance with these rules.**
- B. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council {or relevant committee}. Avoidance of competition is not a valid reason.
- C. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- D. Due regard should be had to the Procurement Regulations the Council may adopt from time to time.

## **12. Payments Under Contracts for Building or Other Construction Projects**

- A. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certification of the architect or other consultants engaged to supervise the project, subject to any percentage withholding as may be agreed by the particular contract
- B. 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 by 5% or more a report shall be submitted to the Full council.
- C. Any variation to a contract by addition or omission must be approved by Full Council and duly notified by the RFO to the contractor in writing. Where the final cost is likely to exceed the financial provision, the Full Council shall be informed at the earliest opportunity.

## **13. Assets, Properties and Estates**

- A. The RFO shall make appropriate arrangements for the custody of all 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, including the location, extent, plan, purchase details,

nature of the interest, tenancies granted, rents payable, and purpose for which the land is held and any other relevant information in accordance with the Accounts and Audit Regulations.

- B. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the Full Council, or delegated Committee, together with any other consents required by law, save where the estimated value of any one item of tangible moveable property does not exceed £250. Such proposals must be accompanied by an appropriate business case.
- C. No real property, interests in land, shall be purchased, acquired, sold, leased, or otherwise disposed of without the authority of the Full Council, together with any other consents required by law. In each case a written report shall be provided in respect of the valuation and surveyed condition of the property, including any planning history and covenants, together with a proper business case and evidence of the appropriate level of consultation with the public.
- D. 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, and where appropriate a health and safety inspection conducted.
- E. The RFO is responsible for the care custody and maintenance of adequate supplies and equipment, to ensure operational requirements are met and should monitor such supplies as to ensure this continues to be the case.

## **14. Reserves**

- A. As is required by Sections 32 and 43 of the Local Government Finance Act 1992 the Council will have regard to the level of reserves required for meeting estimated future expenditure or dealing with unforeseen contingencies when setting the budget.
- B. Reserves can be categorised as general or earmarked
- C. A General Reserve is a fund which does not have any restrictions upon its use, and which can be used to smooth uneven cash flows, allow for virement to support the budget if required or deal with unforeseen contingencies. The level of a General Reserve is a matter of judgement and the primary means of establishing maintaining and replenishing such a Reserve at an appropriate level is a key part of the annual budgetary process.
- D. In particular the Council must build and maintain sufficient balances to cover the key risks it faces in its latest Financial Risk Assessment.
- E. In extreme circumstances where the General Reserve is exhausted, and the Council cannot meet its operational obligations due to unforeseen spending pressures within a particular financial year the Council may draw from its earmarked reserves to provide short term resources.
- F. At no time can the minimum balance in the General Reserve fall below that sufficient to pay 2 months salaries to staff.
- G. Earmarked Reserves will be established as needed and may be used for a number of purposes, such as the renewal of equipment or assets to enable an effective spending programme over time, or the gathering of resources towards a long-term project that cannot be delivered within one or two financial years. Other purposes could include the establishment of an Insurance reserve to cover excess claims.
- H. Any decision to set up an earmarked reserve, or to make expenditure from such a reserve shall be made by Full Council. Neither General or Earmarked reserves should be used to subsidise revenue expenditure or keep the Council Tax down. Where such funds are used to provide short term support, they should be replenished by the next financial year. When the

purpose of an earmarked fund is exhausted any remaining funds should be transferred to other projects or to the General Reserve.

- I. The RFO shall maintain a schedule of all Earmarked Reserves and the purpose for which they are held
- J. The Council shall from time to time consider whether it is prudent or necessary given the ongoing Budget out-turns whether it would be appropriate to consider transferring funds from a revenue budget to either the General or an Earmarked Reserve. It should also monitor the balance of benefits between investing its funds to earn interest and maintaining adequate reserves or paying down debt. As a guideline the Council will seek to maintain a level in the General Reserve adequate to cover 6 months expenditure.

## **15. Insurance**

- A. Following the annual risk assessment the RFO shall affect all insurances and negotiate claims on behalf of the Council.
- B. The RFO shall give prompt notification to the Council of all risks, properties, or vehicles, which require to be insured and any alterations affecting existing insurances.
- C. The RFO shall keep a record of all insurances effected by the Council and property and risks covered thereby and annually review it
- D. 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 Full Council at the earliest opportunity.
- E. All appropriate Members and Officers shall be included in a suitable form of security or fidelity guarantee insurance covering the maximum risk exposure as determined by the Full Council on an annual basis.

## **16. Charities**

- A. Where the Council is acting as the sole managing trustee of a charitable body the RFO shall ensure that separate accounts are kept of the funds held on a charitable basis separate financial report made in such form as may be appropriate, and which shall accord with charitable law and legislation or be required by the Charity Commission. The RFO shall arrange for any audit or independent examination as may be required in charity law or by any governing document.

## **17. Risk Management**

- A. The Council is responsible for putting in place arrangements for the management of the Council's risk. The RFO shall prepare for approval or amendment by the Council a risk management policy in respect of all of the Council's activities. The Risk Policy Statement and consequent risk management arrangements shall be reviewed at least annually.
- B. Whenever the Council is considering a new area of activity an appropriate risk assessment and management proposals shall be prepared by the RFO for consideration by the Council.
- C. As part of the Risk Management process the RFO will monitor any changes in legislation or guidance that requires the updating either of the Risk Management documents or the broader Financial Regulations.

## **Appendix 1 - Tender Process**

- A. 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.
- B. 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.
- C. 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.
- D. 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.
- E. Any invitation to tender issued under this regulation shall be subject to Standing Order [insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- F. 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.

This policy was approved by Full Council and will be reviewed annually.