



CARDINHAM PARISH COUNCIL

FINANCIAL GOVERNANCE 2026

(Revised August 2026 Edition)

Prepared in accordance with:

- Local Audit and Accountability Act 2014
- Accounts and Audit Regulations 2015 (as amended)
- Local Government Finance Act 1992
- Public Contracts Regulations
- JPAG Practitioners' Guide
- NALC Model Financial Regulations (April 2024)

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Foreword

These Financial Regulations establish the framework for the proper administration of the Council's financial affairs and support the principles of accountability, transparency, value for money and sound governance.

They supplement the Council's Standing Orders and shall be read alongside all adopted financial policies and statutory guidance.

These Regulations have been prepared from the National Association of Local Councils (NALC) Model Financial Regulations (April 2024), with amendments reflecting the operational requirements of Cardinham Parish Council.

Nothing contained within these Regulations permits the Council to act contrary to statute or recognised proper practices.

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PART ONE

GOVERNANCE

Regulation 1

General

Purpose

These Financial Regulations govern the financial management of Cardinham Parish Council and may only be amended by resolution of the Council. They form one of the Council's principal governance documents and shall be observed in conjunction with the Council's Standing Orders.

1.1 Status

These Regulations apply to every Member, Committee and Officer exercising financial responsibilities on behalf of the Council.

Failure to comply may constitute:

- breach of Standing Orders;
- breach of the Member Code of Conduct;
- breach of employment obligations; or
- breach of statutory duties.

1.2 Employee Responsibilities

Employees are required to comply fully with these Regulations.

Wilful breach may constitute misconduct and may result in disciplinary proceedings.

1.3 Definitions

For the purposes of these Regulations:

Term	Meaning
Accounts and Audit Regulations	Regulations made under the Local Audit and Accountability Act 2014
Authorise	Formal approval permitting an action
Approve	Electronic authorisation enabling payment
Proper Practices	JPAG Practitioners' Guide
Must	Statutory requirement

Term	Meaning
Shall	Council requirement

1.4 Responsible Financial Officer

The Clerk is appointed by the Council as the Responsible Financial Officer (RFO).

The RFO shall:

- administer the Council's financial affairs;
- maintain accounting systems;
- ensure compliance with legislation;
- safeguard public funds;
- maintain accounting records;
- provide financial information to Members;
- promote economy, efficiency and effectiveness in the use of resources.

1.5 Matters Reserved to Full Council

The following functions shall not be delegated:

- approval of the annual budget;
- setting the precept;
- borrowing;
- approval of the Annual Governance Statement;
- approval of the Accounting Statements;
- review of internal controls;
- declaration of eligibility for the General Power of Competence;
- consideration of Internal or External Audit recommendations.

1.6 Additional Matters Reserved

The Council shall also:

- approve the banking mandate;
- authorise grants exceeding £250
- determine employee salary arrangements through the approved process.

Governance Principle

The Council recognises that effective financial governance is fundamental to maintaining public confidence and ensuring that all public money is managed lawfully, transparently and in accordance with recognised proper practices.

Regulation 2

Risk Management and Internal Control

Purpose

The Council recognises that effective risk management and robust internal control are fundamental principles of good governance. These arrangements are intended to safeguard public funds, protect Council assets, ensure legal compliance, promote efficient administration, and support informed decision-making.

The Council shall maintain a comprehensive framework of financial and operational controls proportionate to its size, responsibilities and statutory obligations.

2.1 Duty to Maintain Internal Control

The Council **must** establish and maintain a sound system of internal control designed to:

- safeguard public money;
- protect Council assets;
- ensure lawful financial administration;
- minimise financial and operational risk;
- promote efficient and effective use of resources;
- detect and prevent fraud and error; and
- support continuous improvement in governance.

The system of internal control shall operate throughout the financial year and be subject to regular review by the Council.

2.2 Risk Management Policy

The Clerk and Responsible Financial Officer (RFO) shall prepare and maintain a comprehensive Risk Management Policy covering all Council activities.

The Policy shall identify:

- strategic risks;
- operational risks;
- financial risks;
- legal and regulatory risks;
- information governance risks;
- cyber security risks;
- health and safety risks; and
- reputational risks.

The Council shall formally review and approve the Risk Management Policy at least once in every financial year.

2.3 Risk Assessments for New Activities

Before commencing any new project, service, event or significant activity, the Clerk shall prepare an appropriate written risk assessment for consideration by the Council.

The assessment shall, where appropriate, identify:

- hazards;
- financial implications;
- legal powers;
- insurance considerations;
- operational impacts;
- environmental considerations;
- safeguarding implications;
- data protection requirements; and
- proposed mitigation measures.

No significant activity shall commence until the Council has considered the associated risks.

2.4 Annual Review of Internal Control

Prior to approving the Annual Governance Statement, the Council shall undertake a formal review of the effectiveness of its internal control arrangements.

The review shall consider, amongst other matters:

- effectiveness of financial controls;
- adequacy of risk management;
- internal audit findings;
- external audit recommendations;
- insurance arrangements;
- financial reporting;
- cyber security;
- governance policies; and
- compliance with statutory obligations.

The outcome of the review shall be recorded in the minutes of the meeting.

2.5 Accounting Control Systems

The accounting control systems maintained by the Responsible Financial Officer shall be sufficient to ensure that:

- financial risks are appropriately managed;
- every financial transaction is accurately recorded;
- accounting records remain complete and current;
- fraud and financial irregularity are prevented or detected promptly;
- accounting records can be reconstructed if lost;
- financial responsibilities are clearly allocated; and
- adequate segregation of duties exists wherever practicable.

The Council recognises that, owing to its size, complete segregation of duties may not always be possible. Where this is the case, compensating controls shall be introduced to reduce risk.

2.6 Quarterly Verification of Bank Reconciliations

At least once during every quarter, and additionally at the close of each financial year, the Council shall appoint a Member who is:

- not the Chair of the Council; and
- not an authorised bank signatory,

to independently verify each bank reconciliation prepared by the Responsible Financial Officer.

The appointed Member shall:

- examine the reconciliation;
- compare it with the original bank statements or equivalent banking records;
- sign and date both documents as evidence of verification; and
- report any discrepancies immediately to the Council.

The Council shall record completion of the verification process within its minutes.

2.7 Information Technology and Business Continuity

The Council shall maintain appropriate arrangements to ensure the security and availability of electronic financial records.

The Clerk shall ensure that:

- regular electronic backups are undertaken;
- backup copies are stored securely in a separate physical or cloud location;
- appropriate password controls are maintained;
- access rights are reviewed regularly;
- Council information can be recovered following system failure; and
- continuity arrangements exist to ensure access to Council records if an employee leaves, becomes unavailable, or is otherwise unable to perform their duties.

2.8 Continuous Improvement

Risk management shall be regarded as an ongoing process.

The Council shall review emerging risks throughout the year and amend its control measures where necessary.

Significant changes in legislation, financial practices, technology, or operational activities shall trigger an immediate review of relevant risk assessments.

Good Governance Statement

The Council recognises that effective internal control is not solely a financial process but an integral component of sound governance. Members and Officers share collective responsibility for identifying risks, maintaining effective controls, protecting public assets, and ensuring that public funds are administered lawfully, transparently and in accordance with recognised proper practices.

Regulation 3

Accounts and Audit

Purpose

The Council shall maintain proper accounting records and ensure that its financial affairs are conducted in accordance with statutory requirements, recognised proper practices and the principles of openness, transparency and accountability.

The Council recognises that accurate accounting records and effective internal and external audit arrangements are essential safeguards for public funds and fundamental to good governance.

3.1 Accounting Records

The Responsible Financial Officer (RFO) shall determine and maintain the Council's accounting procedures and financial records in accordance with:

- the Accounts and Audit Regulations;
- the Local Audit and Accountability Act 2014;
- proper accounting practices; and
- any guidance issued by the Joint Panel on Accountability and Governance (JPAG).

Accounting records shall be maintained in an orderly, accurate and up-to-date manner at all times.

3.2 Financial Records

The accounting records maintained by the Council shall be sufficient to:

- explain all financial transactions;
- accurately disclose the Council's financial position at any time;
- demonstrate compliance with statutory obligations;
- facilitate effective financial management; and
- provide an adequate audit trail.

In particular, the records shall include:

- a complete day-to-day record of all income received;
- a complete record of all expenditure incurred;
- supporting documentation relating to financial transactions; and
- an accurate register of the Council's assets and liabilities.

3.3 Annual Accounting Statements

The Responsible Financial Officer shall prepare the Council's Annual Accounting Statements as soon as reasonably practicable following the end of each financial year.

The Accounting Statements shall:

- be prepared in accordance with proper practices;
- accurately reflect the Council's financial position;
- be certified by the Responsible Financial Officer; and
- be submitted to the Council together with any supporting documentation required by legislation.

The Council shall approve the Accounting Statements within the statutory timescales.

3.4 Annual Governance and Accountability Return (AGAR)

The Council shall complete and approve the Annual Governance and Accountability Return (AGAR) in accordance with current statutory requirements.

Prior to approval, Members shall consider:

- the effectiveness of internal control;
- the findings of the Internal Auditor;
- compliance with statutory duties;
- governance arrangements;
- accounting records; and
- financial management throughout the financial year.

3.5 Internal Audit

The Council **must** maintain an adequate and effective internal audit function independent of its day-to-day financial administration.

The Internal Auditor shall provide the Council with objective assurance regarding:

- financial management;
- internal controls;
- governance arrangements;
- risk management; and
- compliance with legislation and proper practices.

3.6 Appointment of the Internal Auditor

The Internal Auditor shall be appointed by resolution of the Council.

The appointed auditor shall:

- possess appropriate knowledge and experience;
- be demonstrably independent of the Council's financial administration;
- have no management responsibility within the Council; and
- be free from any actual or perceived conflict of interest.

The appointment shall be reviewed periodically by the Council.

3.7 Duties of the Internal Auditor

The Internal Auditor shall undertake such examinations as are necessary to evaluate the effectiveness of the Council's:

- governance framework;
- accounting systems;
- financial controls;
- procurement arrangements;
- risk management procedures;
- asset management;
- compliance with Financial Regulations; and
- compliance with proper practices.

The Internal Auditor shall report directly to the Council.

At least one formal written Internal Audit Report shall be presented during each financial year.

3.8 Independence of the Internal Auditor

The Internal Auditor shall remain independent at all times.

Accordingly, the Internal Auditor shall **not**:

- undertake operational duties on behalf of the Council;
- authorise financial transactions;
- initiate accounting entries;
- participate in financial decision-making;
- provide legal or financial advice relating to future Council decisions; or
- direct the work of Council employees other than where assistance is reasonably required during an audit.

For the purposes of these Regulations, "independence" shall have the meaning attributed by the current JPAG *Practitioners' Guide*.

3.9 Access to Records

Every Member and Officer shall make available to the Internal Auditor or External Auditor any documents, records or explanations reasonably required for the proper discharge of their statutory functions.

The Council shall cooperate fully with all audit requirements.

3.10 Public Inspection of Accounts

The Responsible Financial Officer shall make all arrangements necessary to enable the exercise of electors' rights in accordance with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations.

This shall include:

- publication of the required statutory notices;
- making accounting records available for inspection during the prescribed period;
- providing access to supporting documentation where required by law; and
- responding appropriately to lawful requests for inspection.

3.11 Audit Reports

The Responsible Financial Officer shall bring to the attention of all Members, without undue delay:

- Internal Audit Reports;
- External Audit Reports;
- Auditor recommendations;
- Statutory notices; and
- any correspondence requiring consideration by the Council.

The Council shall formally consider each report and determine any actions necessary to address recommendations or identified weaknesses.

3.12 Audit Action Plan

Where recommendations are made by either the Internal Auditor or External Auditor, the Responsible Financial Officer shall prepare an Action Plan for consideration by the Council where appropriate.

The Action Plan shall:

- identify each recommendation;
- specify the proposed corrective action;
- identify the responsible officer; and
- indicate the anticipated completion date.

Progress shall be reported to the Council until all agreed actions have been completed.

Good Governance Statement

The Council acknowledges that transparent accounting arrangements and an independent audit process are fundamental safeguards for public funds. Members and Officers shall cooperate fully with both internal and external auditors and shall ensure that all accounting records accurately reflect the Council's financial activities, thereby maintaining public confidence and demonstrating compliance with recognised proper practices.

PART TWO

FINANCIAL PLANNING

Regulation 4

Budget and Precept

Purpose

The annual budget is one of the Council's most important statutory responsibilities. It establishes the financial framework within which the Council delivers services, manages public assets and fulfils its statutory functions.

The Council shall prepare, approve and monitor its budget in accordance with the Local Government Finance Act 1992, recognised proper practices and these Financial Regulations.

4.1 Annual Budget

Before setting the annual precept, the Council **must** determine its Council Tax Requirement by preparing and approving a detailed budget for the forthcoming financial year.

The approved budget shall:

- identify all anticipated income and expenditure;

- provide sufficient resources to deliver approved services;
- reflect the Council's strategic priorities;
- make appropriate provision for reserves;
- provide for future asset maintenance and replacement; and
- demonstrate prudent financial management.

The budget shall form the basis of all expenditure throughout the financial year.

4.2 Staffing Budgets

Provision for salaries, wages and associated employment costs shall be reviewed by the Council annually, normally during October, in preparation for the following financial year.

The Responsible Financial Officer shall advise Members of:

- national salary awards;
- pension contributions;
- National Insurance liabilities;
- contractual obligations; and
- any anticipated changes affecting employment costs.

The approved staffing budget shall be evidenced by a signed schedule retained with the Council's financial records.

4.3 Preparation of Draft Budget

No later than December each year, the Responsible Financial Officer shall prepare a comprehensive draft budget for consideration by the Council.

The draft budget shall include detailed estimates of:

- operational expenditure;
- anticipated income;
- contractual commitments;
- maintenance costs;
- loan repayments (where applicable);
- insurance;
- grants;
- reserves;
- anticipated capital expenditure; and
- future replacement of Council assets.

When preparing estimates, consideration shall be given to the expected useful life of Council assets and the likely costs of repair, renewal or replacement.

4.4 Unspent Budgets

Budget allocations approved for completed projects shall not normally be carried forward into the following financial year.

Where a project remains incomplete, unspent funds may only be carried forward by resolution of the Council through the creation or continuation of an appropriately designated earmarked reserve.

4.5 Committee Budget Proposals

Where committees have delegated financial responsibilities, each committee shall review its anticipated expenditure requirements and submit recommendations to the Council no later than the end of November each year.

The Council shall consider all recommendations before approving the final budget.

4.6 Consideration of Budget Forecasts

The Council shall consider:

- projected income;
- projected expenditure;
- inflationary pressures;
- statutory obligations;
- anticipated capital projects;
- financial risks;
- adequacy of reserves; and
- longer-term financial sustainability.

Members shall ensure that the approved budget provides sufficient resources to discharge all statutory duties whilst representing value for money for local taxpayers.

4.7 Setting the Precept

Having approved the annual budget, the Council shall determine its Council Tax Requirement and formally resolve the amount of precept to be demanded from the billing authority.

The Council shall normally determine the precept no later than the end of December preceding the financial year to which it relates.

4.8 Restrictions on Voting

Any Member who is in arrears with Council Tax by more than two months shall comply with Section 106 of the Local Government Finance Act 1992.

Such a Member:

- shall declare the existence of the statutory restriction before consideration of the budget or precept; and
- shall not vote upon the relevant matter.

The declaration shall be recorded within the minutes of the meeting.

4.9 Submission of the Precept

Following approval by the Council, the Responsible Financial Officer shall issue the approved precept to the billing authority within the prescribed statutory timescale.

Each Member shall receive a copy of:

- the approved budget;
- supporting estimates; and
- the final precept calculation.

4.10 Budget Monitoring

The approved budget shall be used throughout the financial year to monitor the Council's financial performance.

The Responsible Financial Officer shall present regular budget monitoring reports showing:

- approved budget;
- expenditure to date;
- income received;
- committed expenditure;
- remaining budget provision; and
- significant variances.

Where significant overspends or underspends are identified, the Responsible Financial Officer shall provide an explanation together with recommendations where appropriate.

4.11 Earmarked Reserves

The establishment, amendment or use of any earmarked reserve shall require approval by resolution of the Council.

The purpose of each reserve shall be clearly identified within the Council's financial records.

The Council shall review all earmarked reserves annually during the budget-setting process to ensure that they remain appropriate, adequately funded and consistent with the Council's financial objectives.

Financial Management Principles

When determining the annual budget and precept, Members shall have regard to:

- affordability for local taxpayers;
- financial sustainability;
- statutory obligations;
- value for money;
- prudent management of reserves;
- future liabilities;
- anticipated risks; and
- the Council's strategic priorities.

The Council shall seek to maintain a balanced budget that supports the effective delivery of services whilst safeguarding the long-term financial resilience of the authority.

Good Governance Statement

The annual budget is the principal financial policy of the Council. Through prudent budgeting, responsible use of reserves and effective monitoring of expenditure, the Council seeks to ensure that public money is managed transparently, lawfully and in the best interests of the parish.

PART THREE

PROCUREMENT AND EXPENDITURE

Regulation 5

Procurement

Purpose

The Council shall obtain best value when procuring goods, services and works while ensuring openness, fairness, transparency and compliance with statutory procurement requirements.

Procurement shall be undertaken in a manner that safeguards public money, promotes competition wherever appropriate, avoids conflicts of interest and delivers value for money for the residents of Cardinham Parish.

5.1 General Principles

Members and Officers involved in procurement shall ensure that:

- public funds are spent economically and efficiently;
- value for money is obtained;
- procurement processes are transparent and proportionate;
- suppliers are treated fairly and consistently;
- conflicts of interest are declared and managed;
- purchasing decisions are capable of independent audit; and
- all expenditure is supported by an identifiable legal power.

Competitive purchasing shall normally be undertaken wherever practicable.

5.2 Verification of Legal Powers

Before any significant purchase is authorised, the Responsible Financial Officer shall satisfy themselves that the Council possesses the necessary statutory power to incur the expenditure.

Where expenditure relates to a new or infrequently exercised power, the statutory authority relied upon shall be reported to the meeting at which the expenditure is authorised and recorded within the minutes.

5.3 Compliance with Standing Orders

Every contract entered into by the Council shall comply with:

- these Financial Regulations;
- the Council's Standing Orders;
- all applicable legislation; and
- recognised proper practices.

No exception shall be made other than in circumstances specifically permitted by these Regulations or where immediate action is required to protect persons, property or essential Council services.

5.4 Statutory Procurement Requirements

Where the estimated value of a proposed contract exceeds any procurement threshold established by Parliament, the Council shall comply fully with the applicable procurement legislation, including requirements relating to:

- advertisement of opportunities;
- competitive tendering;
- evaluation procedures;
- award notices;
- transparency obligations; and
- statutory record keeping.

5.5 Procurement Thresholds

Unless otherwise provided by law or these Regulations, procurement shall normally follow the requirements shown below.

Estimated Contract Value (including VAT)	Procurement Requirement
Up to £200	Clerk may authorise under delegated authority where budget provision exists.
£200 – £1,000	Obtain, where practicable, three estimates (including published or online prices).
Above £1,000	Obtain at least three written fixed-price quotations.
Above £2,000	Formal tender process involving at least three approved suppliers.
Above statutory procurement threshold	Full compliance with applicable procurement legislation.

These thresholds represent the Council's minimum requirements and do not prevent more competitive procedures being adopted where appropriate.

5.6 Formal Tendering

For contracts exceeding **£2,000 (including VAT)**, the Clerk shall invite formal tenders from at least three suppliers approved by the Council.

Tendering shall be conducted in accordance with **Appendix A – Tender Procedure**.

5.7 Contracts Exceeding Statutory Thresholds

Where the estimated contract value exceeds the applicable statutory procurement threshold, the Council shall ensure compliance with all legislative requirements concerning:

- publication of procurement opportunities;
- statutory notices;
- evaluation methodology;
- award procedures; and

- post-award transparency obligations.

5.8 Quotations

For contracts exceeding **£1,000 (including VAT)**, the Clerk shall obtain a minimum of three written fixed-price quotations before a recommendation is made to the Council.

5.9 Estimates

For purchases between **£200 and £1,000 (including VAT)**, the Clerk shall obtain, where reasonably practicable, at least three estimates.

Estimates may include:

- written supplier estimates;
- published catalogues;
- online pricing; or
- recent quotations from regular suppliers.

5.10 Low Value Purchases

For purchases below **£200**, the Clerk shall continue to seek value for money and ensure expenditure remains within the approved budget.

5.11 Artificial Splitting of Contracts

Contracts shall **not** be divided into smaller elements for the purpose of avoiding:

- quotation requirements;
- tender procedures;
- delegated authority limits; or
- statutory procurement legislation.

Any deliberate avoidance of procurement requirements shall constitute a serious breach of these Regulations.

5.12 Exemptions from Competitive Procurement

Competitive quotations need not be obtained where expenditure relates to:

- specialist legal or professional services;
- repairs to existing machinery or equipment;
- proprietary replacement parts;
- extensions to existing contracts where this represents best value;
- goods or services available only from a single supplier; or
- goods supplied at nationally fixed prices.

The reason for relying upon any exemption shall be clearly recorded.

5.13 Waiver of Procurement Requirements

Any proposal to waive these procurement requirements shall be supported by a written report explaining:

- the reasons for the proposed waiver;
- the risks involved;
- the legal implications; and
- why competition is not appropriate.

The avoidance of competition for administrative convenience shall **not** constitute sufficient justification.

5.14 Acceptance of Tenders

The Council shall not be obliged to accept:

- the lowest quotation;
- the highest-scoring tender; or
- any quotation or tender received.

In determining value for money, the Council may consider:

- quality;
- experience;
- technical capability;
- reliability;
- whole-life cost;
- environmental considerations; and
- previous performance.

5.15 Delegated Purchasing Authority

Subject to approved budgets, purchasing authority shall be delegated as follows.

Authority	Financial Limit
Clerk	Up to £200 including VAT
Clerk in consultation with the Chair	Up to £500 including VAT
Delegated Committee	Up to £500 within approved budget
Full Council	Above £500

All delegated decisions shall be supported by an appropriate audit trail.

5.16 Authority to Commit the Council

No individual Councillor, or informal group of Councillors, may:

- place an official order;
- commit the Council to expenditure;
- enter into a contract; or
- represent that the Council has agreed to purchase goods or services,

unless authorised by resolution of the Council or under properly delegated authority.

5.17 Budgetary Control

No expenditure shall be authorised which exceeds the approved budget unless:

- approved by resolution of the Council; or

- authorised under the emergency provisions contained within these Regulations.

5.18 Emergency Expenditure

Where immediate expenditure is necessary to protect:

- public safety;
- Council property;
- essential Council services; or
- the Council from significant financial loss,

the Clerk may authorise emergency expenditure of up to **£500 (including VAT)**.

Such expenditure shall be reported to the Chair as soon as practicable and formally reported to the next meeting of the Council for retrospective noting.

5.19 Major Projects

The Council shall not enter into any contract relating to a major project unless satisfied that:

- adequate funding exists;
- borrowing approvals (where required) have been obtained;
- procurement requirements have been satisfied; and
- the financial implications have been fully considered.

5.20 Official Orders

An official purchase order or formal letter of instruction shall normally be issued for all expenditure exceeding **£250 (including VAT)** unless:

- a formal contract has already been executed; or
- an official order would clearly be inappropriate.

Evidence of delivery shall be retained with the financial records.

5.21 Security of Ordering Systems

The Responsible Financial Officer shall ensure that all purchasing systems are operated securely.

Access to ordering systems shall be restricted to authorised persons and appropriate controls shall be maintained to prevent misuse, fraud or unauthorised commitments.

Good Governance Statement

The Council recognises that effective procurement safeguards public money, promotes public confidence and ensures that expenditure is lawful, transparent and capable of independent audit. Members and Officers shall always seek value for money whilst maintaining the highest standards of integrity, fairness and accountability throughout the procurement process.

PART FOUR

BANKING AND PAYMENT CONTROLS

Regulation 6

Banking and Payments

Purpose

The Council shall maintain secure, efficient and transparent banking arrangements that safeguard public funds and provide an effective system for authorising, processing and recording all financial transactions.

All payments shall be supported by an identifiable audit trail and shall be subject to appropriate authorisation and verification procedures. The Council recognises that strong banking controls are a fundamental component of effective financial governance and fraud prevention.

6.1 Banking Arrangements

The Council shall maintain banking facilities with a financial institution approved by resolution of the Council.

Responsibility for administering the Council's banking arrangements shall rest with the Responsible Financial Officer (RFO), subject to the overall direction of the Council.

The Council shall:

- approve all banking arrangements;
- approve the authorised bank mandate;
- determine authorised bank signatories;
- review banking arrangements at least annually; and
- ensure that banking arrangements remain appropriate for the Council's operational and security requirements.

Responsibility for approving banking arrangements shall not be delegated to a committee.

6.2 Payment Controls

The Council shall maintain secure arrangements for making payments in order to minimise the risk of:

- fraud;
- financial error;
- unauthorised expenditure;
- duplicate payments; and
- cyber-enabled financial crime.

Wherever reasonably practicable, every payment shall involve more than one individual through dual authorisation or dual approval procedures.

Authorisation of expenditure does not, in itself, authorise payment. Every payment shall be separately approved before funds are released.

6.3 Verification of Invoices

Before any payment is authorised, every invoice shall be examined to ensure that:

- the invoice is mathematically accurate;
- the goods or services have been received;
- the expenditure has previously been authorised;
- the invoice has been allocated to the correct budget heading;
- VAT has been correctly identified where applicable; and
- payment represents proper expenditure by the Council.

The Responsible Financial Officer shall certify each invoice before payment is submitted for approval.

6.4 Confidential Payments

Payments containing confidential personal information, including:

- salaries;
- wages;
- pension contributions;
- employment expenses; and
- termination payments,

may be presented in summary form where necessary to comply with data protection legislation whilst maintaining an adequate audit trail.

6.5 Methods of Payment

Unless the Council resolves otherwise, payments shall normally be made by:

- online banking;
- electronic bank transfer; or
- cheque.

The Council may authorise alternative payment methods where these provide appropriate security and audit arrangements.

6.6 Schedule of Regular Payments

At the beginning of each financial year, the Responsible Financial Officer may prepare a schedule of recurring payments arising from continuing contractual or statutory obligations.

Such payments may include:

- employee salaries;
- PAYE and National Insurance;
- pension contributions;
- utility charges;
- insurance premiums;
- broadband and telephone services;

- maintenance contracts;
- subscriptions;
- business rates; and
- similar recurring liabilities.

The Council may approve the annual schedule by resolution, thereby authorising payment throughout the year without requiring separate approval on each occasion.

6.7 Verification of Regular Payments

Each payment made under an approved schedule of regular payments shall be verified by two Members.

Evidence of verification shall be retained to minimise the risk of duplicate or erroneous payments.

6.8 Reporting of Regular Payments

All payments made under delegated annual authority shall be reported to the next ordinary meeting of the Council for information.

The report shall include sufficient detail to enable Members to monitor expenditure effectively while respecting the confidentiality of personal information where appropriate.

6.9 Delegated Authority to Authorise Payments

The Responsible Financial Officer shall have delegated authority to authorise payments only in the following circumstances.

Circumstances	Maximum Amount
Budgeted expenditure	Up to £200 including VAT
Emergency expenditure affecting public safety or Council services	Up to £500 including VAT
Contractual payments falling due before the next Council meeting	As required
Transfers between Council bank accounts	Up to £1,000
The Responsible Financial Officer shall certify that:	

- adequate budget provision exists;
- no dispute exists regarding payment;
- payment cannot reasonably be deferred; and
- the payment complies with these Regulations.

All payments authorised under delegated powers shall be reported to the next Council meeting.

6.10 Schedule of Payments for Approval

The Responsible Financial Officer shall prepare a schedule of payments requiring approval at each Council meeting.

The schedule shall normally include:

- supplier name;
- description of expenditure;
- invoice reference;
- gross amount;

- VAT (where applicable);
- budget heading; and
- total payment.

Supporting invoices shall be made available to Members before approval.

The Council shall consider the schedule and, if satisfied that all payments are proper, authorise payment by formal resolution.

The person chairing the meeting shall initial the approved schedule immediately beneath the final payment item to prevent subsequent alteration.

A complete record of payments authorised shall be incorporated into, or appended to, the minutes of the meeting.

6.11 Separation of Duties

Where practicable, responsibility for:

- ordering goods;
- certifying invoices;
- authorising expenditure;
- approving payments; and
- reconciling bank accounts

shall be separated between different individuals.

Where the Council's size makes complete segregation impracticable, compensating controls, including Member oversight and regular internal audit, shall be maintained.

6.12 Prevention of Fraud

Members and Officers shall remain vigilant against fraud and financial crime.

Particular attention shall be given to:

- invoice fraud;
- mandate fraud;
- duplicate payments;
- phishing attacks;
- supplier impersonation;
- false banking instructions; and
- unauthorised payment requests.

Any suspected irregularity shall immediately be reported to the Responsible Financial Officer and the Chair of the Council.

Where appropriate, the matter shall also be referred to the Internal Auditor, External Auditor, Police or other competent authority.

Financial Management Principles

The Council shall ensure that:

- every payment is lawful;
- expenditure remains within approved budgets;
- payments are accurately recorded;

- sufficient evidence supports every transaction;
- banking arrangements remain secure;
- appropriate authorisation is obtained before funds leave the Council's accounts; and
- complete audit trails are maintained for all financial transactions.

Good Governance Statement

Public confidence depends upon the secure administration of the Council's finances. Robust banking arrangements, effective payment controls and transparent financial reporting provide assurance that public funds are protected against fraud, error and misuse whilst ensuring compliance with statutory obligations and recognised proper practices.

Regulation 7

Electronic Payments

Purpose

The Council recognises that electronic banking provides an efficient means of administering its finances but also presents specific risks associated with cyber security, fraud and unauthorised transactions.

Electronic payment systems shall therefore be operated in accordance with these Regulations to ensure that all electronic transactions are secure, properly authorised, fully auditable and protected against fraud and financial crime.

7.1 Online Banking Administration

Where internet banking facilities are used, the Responsible Financial Officer (RFO) shall act as the Council's designated **Service Administrator**, responsible for the day-to-day administration of the banking platform.

The Council shall approve the bank mandate identifying those Members authorised to approve electronic transactions.

At all times:

- a minimum of two authorised persons shall participate in the online payment approval process;
- no payment shall be authorised by a single individual acting alone; and
- no Member shall authorise a payment made to themselves.

7.2 Access to Banking Information

All authorised bank signatories shall have secure online access to view the Council's bank accounts and transaction history.

Viewing access does not, of itself, confer authority to initiate or approve payments.

7.3 Security of Passwords and Credentials

No Member or Officer shall disclose:

- passwords;
- PIN numbers;
- authentication codes;
- security tokens; or
- other banking credentials

to any person unless expressly authorised by resolution of the Council.

All security credentials shall be treated as confidential and stored securely.

7.4 Preparation of Electronic Payments

The Responsible Financial Officer shall prepare all electronic payments for approval.

The payment schedule shall be accompanied by:

- copies of invoices;
- supporting documentation;
- payment references; and
- any additional information reasonably required by the approving Members.

The documentation shall normally be circulated electronically before approval is sought.

7.5 Absence of the Service Administrator

Where the Responsible Financial Officer is unavailable for a prolonged period, an authorised bank signatory may prepare urgent payments necessary to maintain the Council's operations.

Any such action shall:

- be reported to the Responsible Financial Officer upon their return; and
- be reported to the next meeting of the Council.

7.6 Approval of Online Payments

Before approving an electronic payment, authorised Members shall verify:

- the supplier;
- the payment amount;
- the invoice;
- the banking details;
- budget provision; and
- the legality of the expenditure.

Each payment shall require approval by two authorised signatories using the Council's online banking system before funds are released.

7.7 Audit Trail

Evidence shall be retained showing:

- who approved each electronic payment;

- the date and time of approval;
- confirmation that the payment was processed; and
- supporting invoice documentation.

Electronic confirmation of payment shall be retained with the associated invoice for audit purposes.

7.8 Reporting to Council

A complete list of all electronic payments made since the previous meeting shall be presented to the next ordinary meeting of the Council.

The report shall form part of the Council's financial records.

7.9 Variable Direct Debits

Subject to approval by the Council, payments for recurring services may be made by Variable Direct Debit.

Examples include:

- electricity;
- water;
- broadband;
- telephone services;
- business rates;
- refuse collection;
- pension contributions;
- HM Revenue & Customs; and
- similar recurring obligations.

Each Variable Direct Debit shall:

- be approved by two authorised Members;
- be supported by appropriate documentation; and
- be reviewed by the Council at least every two years.

7.10 BACS and CHAPS Payments

Payments by BACS or CHAPS may be used where authorised by resolution of the Council.

Each payment shall:

- require dual electronic approval;
- retain a complete audit trail; and
- be reported to the next Council meeting.

Approval for the continued use of these payment methods shall be reviewed at least once every two years.

7.11 Standing Orders

Regular payments of fixed amounts may be made by Bank Standing Order where approved by the Council.

Standing Orders shall:

- require approval by two authorised Members;
- be fully documented;
- be reported to the Council; and
- be reviewed at least every two years to ensure their continued necessity and accuracy.

7.12 Verification of Supplier Banking Details

Any request to alter supplier banking information shall be treated as presenting a significant fraud risk.

Before any amendment is made, the Responsible Financial Officer shall independently verify the new banking details using contact information already held by the Council.

Verification shall **not** rely solely upon:

- information contained within the email requesting the change;
- revised invoices;
- electronic signatures; or
- other documentation supplied with the request.

Supplier banking details shall be reviewed periodically and confirmed with suppliers at least every two years.

7.13 Cyber Security

Every computer or device used for Council banking shall be protected by appropriate cyber security measures, including:

- current anti-virus software;
- anti-malware protection;
- firewall protection;
- operating system updates;
- secure user authentication; and
- regular security updates.

Members and Officers shall remain alert to phishing attacks, malware, ransomware and other cyber threats.

7.14 Password Management

Browser-based remembered passwords shall not be used for Council banking unless protected within an independently authenticated secure password management system.

Strong passwords shall:

- be unique;
- be changed where compromise is suspected;
- never be shared; and
- be protected using multi-factor authentication wherever available.

7.15 Fraud Prevention

Members and Officers shall exercise particular vigilance in relation to:

- invoice redirection fraud;

- business email compromise;
- fake supplier requests;
- phishing emails;
- impersonation scams;
- payment diversion fraud; and
- unauthorised online banking access.

Any suspected cyber incident shall immediately be reported to:

- the Responsible Financial Officer;
- the Chair of the Council; and
- where appropriate, the Council's banking provider and relevant authorities.

Electronic Banking Principles

The Council shall ensure that:

- every electronic payment is capable of independent verification;
- appropriate segregation of duties is maintained wherever practicable;
- dual authorisation is used for payment approval;
- banking credentials remain secure;
- cyber security arrangements remain proportionate to current risks; and
- complete audit trails are retained for every electronic transaction.

Good Governance Statement

Electronic banking offers significant operational benefits but also presents increased exposure to cyber-enabled fraud. The Council is committed to maintaining secure payment systems, robust verification procedures and effective cyber security measures to ensure that all electronic transactions are lawful, transparent and fully auditable.

Regulation 8

Cheque Payments

Purpose

Although the Council's preferred method of payment is electronic banking, the use of cheques may occasionally remain necessary. Where cheque payments are used, they shall be subject to robust authorisation procedures to ensure that public funds remain protected and that every transaction is capable of independent verification.

Cheque payments shall be exceptional rather than routine and shall be administered in accordance with these Regulations.

8.1 Authority to Sign Cheques

Every cheque or written order for payment shall:

- relate to expenditure previously authorised by the Council or under delegated authority;
- be supported by appropriate documentation;
- be signed by **two authorised Members**; and
- comply with the Council's approved banking mandate.

No cheque shall be signed unless the signatories are satisfied that the payment is lawful, correctly authorised and properly supported.

8.2 Conflicts of Interest

A Member who has:

- a financial interest;
- a family relationship;
- a close personal relationship; or
- a business relationship

with the intended recipient of a payment shall not normally act as a cheque signatory for that payment.

Where such circumstances arise, an alternative authorised signatory shall be used wherever practicable.

Members shall comply with the Council's Code of Conduct and declaration of interests procedures in addition to these Regulations.

8.3 Verification Before Signature

Before signing any cheque, each authorised signatory shall verify that:

- the invoice has been approved;
- the goods or services have been received;
- the expenditure has been properly authorised;
- sufficient budget provision exists;
- the cheque details correspond with the supporting invoice; and
- the payment amount is correct.

The signatories shall initial:

- the cheque counterfoil (where applicable); and
- the supporting invoice or payment documentation,

as evidence that the verification process has been completed.

8.4 Timing of Signatures

Cheques shall normally be presented for signature:

- immediately before a meeting of the Council;
- during the meeting where payments are authorised; or
- immediately following the meeting.

This ensures that authorised Members have access to all supporting documentation and that payments correspond with the Council's formal resolutions.

8.5 Cheques Signed Outside Council Meetings

Where exceptional circumstances require a cheque to be signed outside a scheduled Council meeting, the payment shall:

- comply fully with these Financial Regulations;
- be supported by appropriate evidence;
- be authorised in accordance with delegated powers where applicable; and
- be reported to the next available meeting of the Council.

The reasons for signing outside the meeting shall be recorded within the financial records.

8.6 Secure Storage of Cheque Books

Any cheque books, unused cheques or banking stationery shall be stored securely by the Responsible Financial Officer.

Access shall be restricted to authorised persons.

The Responsible Financial Officer shall ensure that:

- unused cheques are protected against theft or misuse;
- spoiled cheques are clearly marked and retained where appropriate;
- cancelled cheques are accounted for; and
- cheque stationery is periodically reconciled.

8.7 Spoiled or Cancelled Cheques

Any cheque that is:

- cancelled;
- spoiled;
- damaged; or
- otherwise rendered unusable

shall be clearly marked accordingly and retained until destroyed in accordance with the Council's document retention procedures.

The cheque number shall remain within the Council's financial records to preserve the audit trail.

8.8 Lost or Stolen Cheques

Where a cheque is believed to have been lost, stolen or fraudulently altered, the Responsible Financial Officer shall immediately:

- notify the Council's banking provider;
- request that payment be stopped where possible;
- inform the Chair of the Council;
- investigate the circumstances; and
- report the matter to the next Council meeting.

Where fraud is suspected, the incident shall also be reported to the appropriate authorities.

8.9 Audit Trail

The Council shall retain sufficient records to demonstrate:

- who authorised the expenditure;
- who signed the cheque;
- the invoice supporting the payment;
- the cheque number;
- the payment date; and
- the accounting entry recording the transaction.

Every cheque payment shall therefore be capable of independent verification during internal and external audit.

Financial Management Principles

Cheque payments shall always:

- be exceptional rather than routine;
- follow dual-signature procedures;
- be supported by complete documentation;
- comply with approved budgets;
- maintain a clear audit trail; and
- protect public funds against fraud or misuse.

Good Governance Statement

The Council recognises that manual payment methods present different risks from electronic banking. Dual signatures, independent verification and comprehensive audit records ensure that cheque payments remain secure, transparent and fully accountable whenever their use is necessary.

Regulation 9

Petty Cash

Purpose

The Council shall minimise the use of cash wherever practicable. Cash presents an increased risk of loss, theft and fraud and should therefore only be used where no practical alternative exists.

The Council's preferred methods of payment are electronic banking and other traceable payment methods. Where a petty cash facility is maintained, it shall operate under strict financial controls to ensure accountability, transparency and the protection of public funds.

9.1 Petty Cash Policy

The Council shall determine, by formal resolution, whether a petty cash float is required.

Where the Council resolves **not** to maintain a petty cash float, all expenditure shall be reimbursed or paid using the Council's normal payment procedures.

For a council of the size of Cardinham Parish Council, maintaining no petty cash float will normally represent best practice.

9.2 Establishment of a Petty Cash Float

Where a petty cash float is authorised, the Council shall determine:

- the maximum value of the float;
- the officer responsible for its administration;
- the permitted uses of petty cash; and
- the frequency of reconciliation.

The float shall normally be limited to an amount sufficient only for minor incidental expenditure.

9.3 Permitted Use

Petty cash shall only be used for minor expenditure where payment by:

- online banking;
- bank transfer;
- cheque; or
- Council payment card (if adopted)

is impracticable.

Examples may include:

- postage;
- emergency stationery;
- minor consumables;
- parking charges incurred on Council business; and
- similar low-value incidental expenditure.

Petty cash shall **not** be used to avoid the Council's procurement or payment authorisation procedures.

9.4 Cash Payments

Every payment made from petty cash shall be supported by:

- an original receipt;
- an explanation of the expenditure;
- the date of purchase;
- the amount paid; and
- the signature of the officer receiving reimbursement where applicable.

No reimbursement shall be made without satisfactory documentary evidence except in exceptional circumstances approved by the Responsible Financial Officer.

9.5 Petty Cash Records

The Responsible Financial Officer shall maintain a Petty Cash Record showing:

- opening balance;
- each payment made;
- receipts supporting expenditure;
- reimbursements received;
- closing balance; and

- reconciliation adjustments.

The record shall be maintained in chronological order and be available for inspection by Members and auditors at all reasonable times.

9.6 Reconciliation

The petty cash balance shall be reconciled:

- whenever reimbursement is requested;
- at least quarterly where a float exists;
- immediately before the end of each financial year; and
- whenever requested by the Council or Internal Auditor.

The reconciliation shall be independently checked by a Member who is not responsible for administering the petty cash system.

9.7 Maximum Transaction Value

Individual petty cash payments should normally not exceed **£50 including VAT**.

Expenditure exceeding this amount should normally be processed using the Council's standard payment procedures unless exceptional circumstances exist.

9.8 Security of Cash

Where petty cash is maintained, the cash float shall:

- be stored in a locked cash box;
- be kept in secure accommodation;
- be accessible only to authorised persons; and
- never be mixed with personal funds.

The Responsible Financial Officer shall ensure that adequate arrangements exist to safeguard cash against theft or loss.

9.9 Cash Shortages and Overages

Any discrepancy identified during reconciliation shall immediately be investigated.

Where:

- cash is missing;
- receipts cannot be produced;
- unexplained differences occur; or
- fraud is suspected,

the Responsible Financial Officer shall immediately inform the Chair of the Council and record the circumstances.

Significant irregularities shall also be reported to the Internal Auditor and, where appropriate, the Police or other competent authority.

9.10 Reimbursement of the Float

When the petty cash float requires replenishment, the Responsible Financial Officer shall prepare a

reimbursement claim supported by:

- the petty cash record;
- original receipts; and
- a reconciliation statement.

Reimbursement shall be approved using the Council's normal payment authorisation procedures.

9.11 Review of the Need for Petty Cash

The Council shall review annually whether maintaining a petty cash float continues to represent good financial practice.

Where electronic payment methods adequately meet the Council's operational requirements, consideration should be given to discontinuing the petty cash system altogether.

Financial Management Principles

Cash shall be regarded as presenting a higher financial risk than electronic payments.

Accordingly, the Council shall:

- minimise the use of cash;
- maintain complete supporting records;
- reconcile cash balances regularly;
- restrict access to authorised persons only;
- investigate discrepancies promptly; and
- ensure that every cash transaction is fully auditable.

Good Governance Statement

The Council recognises that cash handling presents an increased risk of loss and fraud. By restricting the use of petty cash, maintaining comprehensive records and carrying out regular reconciliations, the Council ensures that even low-value expenditure is subject to appropriate financial control and public accountability.

PART FIVE

EMPLOYMENT

Regulation 10

Payment of Salaries, Wages and Allowances

Purpose

The Council shall ensure that all payments relating to employees and Members are made lawfully, accurately, confidentially and in accordance with contractual obligations, statutory requirements and recognised proper practices.

Appropriate arrangements shall be maintained to ensure that salary payments are correctly calculated, properly authorised and fully supported by an adequate audit trail. Confidential information relating to employees shall be processed in accordance with the UK General Data Protection Regulation and the Data Protection Act 2018.

10.1 Responsibility for Payroll

The Responsible Financial Officer (RFO) shall be responsible for the administration of the Council's payroll arrangements unless the Council has formally appointed an external payroll provider.

The payroll function shall ensure that:

- salaries are paid accurately and on time;
- statutory deductions are correctly calculated;
- pension contributions are properly administered;
- employment records are maintained; and
- all payments comply with current legislation.

Where an external payroll provider is appointed, responsibility for overall oversight shall remain with the Responsible Financial Officer.

10.2 Employment Contracts

Every employee shall receive a written contract of employment setting out:

- salary or hourly rate;
- terms and conditions of employment;
- working hours;
- annual leave entitlement;
- pension arrangements;
- notice provisions; and
- other contractual obligations required by law.

No salary payment shall be made unless supported by an approved contract of employment or other

lawful authority.

10.3 Salary Payments

Salary payments shall be made in accordance with:

- the employee's contract of employment;
- nationally agreed pay awards where applicable;
- resolutions of the Council; and
- current employment legislation.

Payments shall normally be made by electronic bank transfer directly into the employee's nominated bank account.

Cash payments shall not be made.

10.4 Payroll Deductions

The Responsible Financial Officer shall ensure that all statutory deductions are correctly calculated and remitted within the prescribed timescales.

These include, where applicable:

- Pay As You Earn (PAYE);
- National Insurance Contributions;
- pension contributions;
- Attachment of Earnings Orders;
- student loan deductions; and
- any other deductions required by law or authorised by the employee.

Appropriate records shall be retained to demonstrate compliance.

10.5 Overtime and Additional Hours

Where overtime or additional hours are payable, payment shall only be made where:

- authorised in accordance with the employee's contract; or
- specifically approved by the Council or an officer acting under delegated authority.

Claims shall be supported by appropriate records showing:

- dates worked;
- hours worked;
- reason for the additional hours; and
- authorising officer.

10.6 Salary Variations

Changes to salary arising from:

- nationally negotiated pay awards;
- incremental progression;
- contractual amendments;
- changes in hours;
- pension adjustments; or

- resolutions of the Council,

shall be recorded in writing and retained with the employee's personnel records.

10.7 Members' Allowances and Expenses

Where the Council has adopted a Members' Allowances Scheme, payments shall only be made:

- in accordance with that Scheme;
- following submission of an authorised claim where required; and
- subject to any statutory requirements.

Reimbursement of Members' expenses shall be supported by original receipts wherever practicable.

10.8 Staff Expenses

Employees may claim reimbursement for expenditure necessarily incurred whilst undertaking authorised Council business.

Claims shall:

- be submitted promptly;
- be supported by receipts where appropriate;
- identify the purpose of the expenditure; and
- be approved by the Responsible Financial Officer or other authorised person before payment.

Mileage claims shall be calculated using the mileage rates approved by the Council or applicable HM Revenue & Customs guidance.

10.9 Confidentiality

Information relating to:

- salaries;
- payroll records;
- pension contributions;
- tax records;
- employment matters; and
- personal banking details

shall be treated as confidential and processed only by authorised persons.

Such information shall be protected in accordance with the Council's Data Protection Policy and applicable legislation.

10.10 Payroll Records

The Responsible Financial Officer shall maintain sufficient records to demonstrate:

- gross salary;
- statutory deductions;
- pension contributions;
- employer costs;
- net payments;

- payroll journals; and
- remittances to HM Revenue & Customs and pension providers.

Payroll records shall be retained in accordance with the Council's Document Retention Policy.

10.11 Budget Monitoring

Employment costs shall be monitored throughout the financial year against the approved staffing budget.

Where significant variances are identified, the Responsible Financial Officer shall report them to the Council together with any recommendations considered appropriate.

Financial Management Principles

The Council shall ensure that:

- employees are paid correctly and promptly;
- all statutory obligations are fulfilled;
- employment records are maintained accurately;
- confidential information is protected;
- payroll payments are supported by an adequate audit trail; and
- employment expenditure remains within approved budgets.

Good Governance Statement

The Council recognises that employment costs represent a significant area of public expenditure. Accurate payroll administration, proper authorisation, statutory compliance and effective confidentiality arrangements are essential to maintaining public confidence and ensuring that employees receive their lawful entitlements whilst safeguarding public funds.

PART SIX

FINANCIAL ASSETS

Regulation 11

Loans and Investments

Purpose

The Council shall manage its cash balances prudently, ensuring that public funds are safeguarded while maintaining sufficient liquidity to meet operational requirements.

Any borrowing or investment shall comply with statutory powers, recognised proper practices and the Council's approved Investment Policy. Public funds shall never be exposed to unnecessary

financial risk in pursuit of higher investment returns.

11.1 General Principles

The Council shall ensure that:

- public money is invested securely;
- adequate liquidity is maintained at all times;
- investments are made prudently;
- financial risks are minimised;
- borrowing is undertaken only where lawful and necessary; and
- investment decisions are transparent and capable of independent audit.

The security of capital shall always take precedence over investment return.

11.2 Investment Strategy

The Council shall maintain an Investment Policy, reviewed annually, setting out:

- investment objectives;
- approved investment institutions;
- maximum investment limits;
- risk management arrangements;
- liquidity requirements;
- ethical considerations (where adopted); and
- reporting requirements.

The Investment Policy shall be approved by resolution of the Council.

11.3 Approved Investments

The Responsible Financial Officer (RFO) shall ensure that investments are made only with financial institutions or investment vehicles approved by the Council.

When selecting an investment, consideration shall be given to:

- financial security;
- creditworthiness;
- accessibility of funds;
- maturity dates;
- interest rates;
- administrative costs; and
- overall financial risk.

The Council shall not undertake speculative investments.

11.4 Temporary Investment of Surplus Funds

Where temporary surplus funds exist, the Responsible Financial Officer may recommend short-term investments that:

- preserve capital;
- provide reasonable liquidity;
- comply with the Council's Investment Policy; and

- do not prejudice the Council's ability to meet its financial commitments.

Any investment shall require approval by the Council unless delegated authority has been expressly granted.

11.5 Borrowing

The Council shall not borrow money except:

- where authorised by statute;
- with any necessary approval of the Secretary of State or other relevant authority;
- following formal resolution of the Council; and
- after full consideration of the financial implications.

Borrowing shall only be undertaken for proper Council purposes and shall not be used to support day-to-day revenue expenditure unless expressly permitted by law.

11.6 Temporary Borrowing

Temporary borrowing to meet short-term cash flow requirements may only be undertaken where:

- lawful authority exists;
- repayment arrangements have been identified;
- the Council has approved the borrowing; and
- the Responsible Financial Officer is satisfied that repayment can be achieved without undue financial risk.

11.7 Treasury Management

The Responsible Financial Officer shall monitor:

- cash balances;
- anticipated income;
- projected expenditure;
- investment maturities;
- banking arrangements; and
- future liquidity requirements.

The objective shall be to ensure that sufficient funds remain available to meet the Council's obligations as they fall due.

11.8 Investment Records

The Responsible Financial Officer shall maintain an Investment Register recording:

- the institution;
- investment amount;
- investment date;
- maturity date;
- interest rate;
- expected return; and
- date of repayment.

The Register shall be available for inspection by Members and auditors.

11.9 Reporting to Council

The Responsible Financial Officer shall report periodically to the Council on:

- current investments;
- interest earned;
- cash balances;
- borrowing arrangements;
- investment performance; and
- any material financial risks.

Any significant change affecting investments shall be reported without undue delay.

11.10 Early Withdrawal of Investments

Where funds are withdrawn before the agreed maturity date, the Responsible Financial Officer shall report:

- the reason for the withdrawal;
- any financial implications;
- any penalties incurred; and
- the effect upon the Council's financial position.

11.11 Financial Advice

Where the Council proposes:

- significant borrowing;
- long-term investment;
- complex financial arrangements; or
- investment outside normal banking activities,

independent professional financial advice should normally be obtained before a decision is made.

Financial Management Principles

The Council shall ensure that:

- preservation of public funds is the primary objective;
- investments are low risk;
- sufficient liquidity is maintained;
- borrowing is lawful and affordable;
- financial decisions are transparent; and
- complete records are maintained for audit purposes.

Good Governance Statement

The Council acknowledges its duty to protect public funds through prudent treasury management. Investment decisions shall always prioritise security and liquidity over financial return, ensuring that public money remains available to support the Council's statutory responsibilities and approved objectives.

Regulation 12

Income

Purpose

The Council shall ensure that all income due to it is identified, correctly calculated, promptly collected, securely banked and accurately recorded within the Council's accounting records.

The Council has a duty to protect public funds by maintaining effective controls over the receipt, recording and banking of all income. Every receipt shall be supported by an appropriate audit trail and accounted for in accordance with recognised proper practices.

12.1 Responsibility for Income

The Responsible Financial Officer (RFO) shall be responsible for the administration and accounting of all income received by the Council.

The RFO shall ensure that:

- all income due is identified;
- invoices are issued where appropriate;
- receipts are recorded promptly;
- monies are banked without unnecessary delay;
- accounting records are updated accurately; and
- appropriate internal controls are maintained.

12.2 Sources of Income

Income may include, but is not limited to:

- the Council precept;
- grants;
- Community Infrastructure Levy (CIL) receipts;
- rents and licences;
- allotment rents;
- fees and charges;
- reimbursements;
- VAT refunds;
- interest earned on investments;
- insurance recoveries; and
- miscellaneous receipts lawfully due to the Council.

Each source of income shall be allocated to the appropriate accounting code.

12.3 Prompt Collection

The Council shall seek to collect all monies due promptly.

Invoices requesting payment shall:

- identify the amount due;
- specify the reason for payment;
- include the payment due date;
- identify the Council's preferred payment method; and
- contain sufficient information to enable accurate accounting.

Outstanding debts shall be monitored regularly by the Responsible Financial Officer.

12.4 Banking of Income

All income received shall be paid into the Council's bank account as soon as reasonably practicable.

Income shall not be retained unnecessarily in cash or personal possession.

The Responsible Financial Officer shall ensure that monies awaiting banking are kept securely at all times.

12.5 Cash Receipts

Where cash is received, the Responsible Financial Officer shall ensure that:

- a receipt is issued where appropriate;
- the amount received is independently verified whenever practicable;
- cash is recorded immediately;
- cash is stored securely pending banking; and
- the banking record corresponds with the accounting records.

The Council shall minimise the acceptance of cash wherever reasonably practicable.

12.6 Electronic Receipts

Income received by:

- bank transfer;
- Faster Payments;
- BACS;
- Direct Credit; or
- other electronic methods

shall be reviewed regularly and reconciled with the accounting records.

The Responsible Financial Officer shall identify the source of each payment and allocate it to the appropriate income heading.

12.7 Grants

Where grants are received, the Responsible Financial Officer shall ensure that:

- grant conditions are recorded;
- expenditure restrictions are identified;
- funds are used only for the approved purpose;
- monitoring requirements are satisfied; and
- grant claims and returns are submitted within the required timescales.

The Council shall comply fully with all conditions attached to grant funding.

12.8 VAT Refunds

The Responsible Financial Officer shall submit VAT repayment claims promptly and in accordance with HM Revenue & Customs requirements.

Supporting documentation shall be retained to demonstrate entitlement to each claim.

12.9 Debts

Outstanding debts shall be reviewed regularly.

Where payment remains overdue, the Responsible Financial Officer shall take reasonable steps to recover the debt, which may include:

- reminder letters;
- further correspondence;
- negotiation of repayment arrangements where appropriate;
- referral to debt recovery procedures; or
- recommendation that the Council considers legal action.

The Council shall periodically review long-outstanding debts and determine whether continued recovery action remains proportionate.

12.10 Bad Debts

No debt shall be written off without the approval of the Council unless delegated authority has been expressly granted.

Before recommending that a debt be written off, the Responsible Financial Officer shall provide a report setting out:

- the amount outstanding;
- recovery action undertaken;
- the likelihood of recovery; and
- the reasons supporting the recommendation.

The Council's decision shall be recorded in the minutes.

12.11 Reconciliation

Income records shall be reconciled regularly with:

- bank statements;
- accounting records;
- grant records;
- VAT records; and
- any supporting documentation.

Any discrepancies shall be investigated without delay.

12.12 Fraud Prevention

Appropriate controls shall be maintained to reduce the risk of:

- theft;
- duplicate receipts;

- unauthorised refunds;
- fraudulent banking instructions;
- accounting errors; and
- misappropriation of Council income.

Any suspected irregularity shall immediately be reported to the Responsible Financial Officer and the Chair of the Council.

Where appropriate, the matter shall also be referred to the Internal Auditor, External Auditor or the Police.

Financial Management Principles

The Council shall ensure that:

- every sum due is collected promptly;
- all income is accurately recorded;
- monies are banked without unnecessary delay;
- accounting records remain complete and accurate;
- debts are actively monitored; and
- effective safeguards exist to protect public funds.

Good Governance Statement

Income represents public money entrusted to the Council. Effective arrangements for collecting, recording and safeguarding income are essential to maintaining financial stability, protecting public assets and ensuring accountability to the residents of Cardinham Parish.

Regulation 13

Orders for Work, Goods and Services

Purpose

The Council shall ensure that all orders for works, goods and services are placed in a controlled, transparent and accountable manner. Every commitment of public funds shall be properly authorised, supported by an approved budget and capable of independent verification.

The Council recognises that effective contract management and purchasing controls are essential safeguards against fraud, unauthorised expenditure and poor value for money.

13.1 Authority to Place Orders

No order for works, goods or services shall be placed unless:

- sufficient budget provision exists;
- the expenditure has been authorised in accordance with these Financial Regulations;
- the Council possesses the necessary statutory power; and
- the procurement requirements contained within **Regulation 5** have been satisfied.

No individual Councillor acting alone shall commit the Council to expenditure unless expressly authorised under delegated powers.

13.2 Official Orders

Where practicable, every purchase shall be supported by an official purchase order or written instruction issued by the Responsible Financial Officer (RFO).

The order shall clearly specify:

- the supplier;
- description of the goods or services;
- agreed price;
- delivery arrangements;
- authorised budget heading; and
- any contractual requirements.

Routine utility charges, subscriptions, statutory payments and similar recurring liabilities may be exempt where a formal contract already exists.

13.3 Acceptance of Quotations and Tenders

Following completion of the procurement process, the Council shall formally determine whether to accept a quotation or tender.

In making its decision, Members may consider:

- price;
- quality;
- technical competence;
- previous performance;
- financial stability;
- environmental considerations;
- delivery times; and
- whole-life costs.

The Council shall not be obliged to accept the lowest quotation where doing so would not represent best value.

13.4 Contracts

Every significant contract entered into by the Council shall:

- be in writing;
- clearly identify the parties;
- specify the goods, works or services to be provided;
- identify payment arrangements;
- specify completion times where applicable;
- include appropriate insurance requirements where necessary; and
- provide adequate protection for the Council's interests.

The Responsible Financial Officer shall retain copies of all executed contracts.

13.5 Building and Engineering Works

Before authorising significant building or engineering works, the Council shall ensure that:

- appropriate specifications have been prepared;
- competitive quotations or tenders have been obtained where required;
- suitable insurance arrangements exist;
- planning permission and statutory consents have been obtained where necessary;
- health and safety responsibilities have been identified; and
- sufficient funding has been approved.

For complex or high-value works, the Council should consider obtaining independent professional advice.

13.6 Variations to Contracts

Any significant variation to an existing contract that:

- increases the contract value;
- materially alters the scope of the works;
- extends the completion period; or
- creates additional financial liabilities,

shall be approved by the Council unless delegated authority has been expressly granted.

The reasons for the variation shall be recorded within the Council's minutes.

13.7 Certification of Completion

Before final payment is made, the Responsible Financial Officer shall ensure that:

- the goods or services have been satisfactorily received;
- works have been completed in accordance with the contract;
- any defects have been addressed where appropriate;
- invoices correspond with the agreed contract price; and
- all contractual obligations have been fulfilled.

Where specialist works have been undertaken, the Council may require written confirmation from a suitably qualified person before authorising final payment.

13.8 Retention of Documentation

The Council shall retain sufficient records relating to every contract, including:

- specifications;
- quotations;
- tenders;
- evaluation records;
- purchase orders;
- contracts;
- invoices;
- payment records; and
- correspondence.

Records shall be retained in accordance with the Council's adopted Document Retention Policy.

13.9 Contract Monitoring

The Responsible Financial Officer shall monitor contracts throughout their duration to ensure that:

- contractual obligations are fulfilled;
- expenditure remains within approved limits;
- payments are made only for completed work;
- performance remains satisfactory; and
- any disputes are reported promptly to the Council.

13.10 Contract Register

The Council shall maintain a Register of Contracts recording, where applicable:

- contractor name;
- description of the contract;
- contract value;
- commencement date;
- expiry date;
- renewal arrangements;
- responsible officer; and
- review date.

The Register shall be reviewed periodically to ensure that contracts remain current and continue to provide value for money.

Financial Management Principles

The Council shall ensure that:

- contracts are awarded fairly;
- procurement procedures are followed;
- expenditure is properly authorised;
- contracts are appropriately monitored;
- adequate documentation is retained; and
- public funds are protected through effective contract management.

Good Governance Statement

Effective contract management is essential to ensuring that public money is spent lawfully, transparently and in the best interests of the community. The Council is committed to fair procurement, robust contract administration and maintaining comprehensive records that demonstrate accountability and value for money.

Regulation 14

Stores and Equipment

Purpose

The Council shall maintain effective arrangements for the purchase, storage, use and disposal of stores, equipment and consumable items to ensure that public assets are safeguarded and used efficiently.

Appropriate records shall be maintained to minimise the risk of loss, theft, misuse or deterioration and to provide an adequate audit trail for all significant assets under the Council's control.

14.1 Responsibility for Stores

The Responsible Financial Officer (RFO), together with any officer designated by the Council, shall be responsible for ensuring that:

- stores are appropriately secured;
- stock levels are monitored;
- equipment is used solely for authorised Council purposes;
- purchases are properly authorised; and
- appropriate inventory records are maintained where required.

14.2 Acquisition of Equipment

The acquisition of stores and equipment shall comply with:

- these Financial Regulations;
- the Council's procurement procedures;
- approved budgets; and
- any statutory requirements applicable to the purchase.

The Council shall seek value for money while ensuring that equipment purchased is appropriate for its intended purpose.

14.3 Storage and Security

Equipment and stores belonging to the Council shall be stored securely to reduce the risk of:

- theft;
- accidental damage;
- deterioration;
- misuse; or
- unauthorised access.

Where practical, valuable portable equipment shall be clearly identified as Council property.

14.4 Inventory Records

The Responsible Financial Officer shall maintain an Inventory of significant portable equipment

owned by the Council.

The Inventory should include, where appropriate:

- description of the item;
- make and model;
- serial number;
- date of acquisition;
- purchase cost;
- storage location;
- person responsible (where applicable); and
- date of disposal.

The Inventory shall be reviewed periodically and updated whenever assets are acquired or disposed of.

14.5 Stock Control

Where the Council maintains stocks of consumable items, reasonable arrangements shall be made to:

- prevent excessive stockholding;
- minimise waste;
- avoid unnecessary duplication of purchases;
- ensure adequate supplies are available for operational requirements; and
- periodically review stock levels.

14.6 Loan of Council Equipment

Council equipment shall not normally be loaned to third parties unless authorised by resolution of the Council or under an approved policy.

Where equipment is loaned, appropriate records shall be maintained showing:

- the item loaned;
- the recipient;
- the date of issue;
- the anticipated return date; and
- confirmation of its return.

The Council may require appropriate insurance or indemnity arrangements before equipment is released.

14.7 Inspection of Equipment

The Responsible Financial Officer shall ensure that significant items of equipment are inspected periodically to confirm:

- their continued existence;
- their condition;
- their suitability for continued use; and
- whether repair, replacement or disposal should be considered.

Any material discrepancy shall be reported promptly to the Council.

14.8 Disposal of Equipment

Equipment that has become:

- obsolete;
- beyond economic repair;
- surplus to operational requirements; or
- unsuitable for continued use,

may be disposed of following approval by the Council or under delegated authority where applicable.

Before disposal, consideration shall be given to:

- residual value;
- environmental obligations;
- data security (where electronic devices are involved);
- recycling opportunities; and
- achieving best value.

The disposal of valuable items shall normally be undertaken by public sale, competitive quotation or another transparent method capable of demonstrating value for money.

14.9 Loss or Theft

Any suspected loss, theft or deliberate damage to Council property shall immediately be reported to:

- the Responsible Financial Officer;
- the Chair of the Council; and
- where appropriate, the Police and the Council's insurers.

The circumstances shall be investigated and reported to the Council together with recommendations for preventing recurrence.

14.10 Insurance

Where appropriate, significant equipment shall be included within the Council's insurance arrangements.

The Responsible Financial Officer shall review insured equipment periodically to ensure that insurance cover remains adequate.

Financial Management Principles

The Council shall ensure that:

- Council property is properly safeguarded;
- purchases are appropriately authorised;
- inventories remain accurate and up to date;
- equipment is maintained in good condition;
- disposal procedures are transparent; and
- public assets are managed economically and responsibly.

Good Governance Statement

Council equipment and stores are public assets purchased from public funds. Effective inventory management, secure storage and transparent disposal procedures help ensure that these assets are protected, properly maintained and used solely for the benefit of the community.

Regulation 15

Assets, Property and Estates

Purpose

The Council shall maintain proper stewardship of all land, buildings, infrastructure and other assets held in its ownership, custody or control.

Public assets shall be managed economically, protected from loss or deterioration, appropriately insured and maintained for the benefit of the community. Accurate records shall be maintained to demonstrate accountability and to satisfy statutory and audit requirements.

15.1 Register of Assets

The Responsible Financial Officer (RFO) shall maintain a comprehensive Register of Assets recording all significant assets owned by the Council.

The Register shall include, where appropriate:

- description of the asset;
- location;
- date of acquisition;
- acquisition value or proxy value;
- unique asset reference;
- responsible officer (where applicable);
- insurance value where relevant; and
- date of disposal.

The Register shall be reviewed at least annually and updated whenever assets are acquired or disposed of.

15.2 Ownership Records

The Responsible Financial Officer shall ensure that appropriate records are retained confirming the Council's ownership or legal interest in:

- land;
- buildings;
- public open spaces;
- recreational facilities;
- street furniture;
- memorials;

- equipment; and
- other significant property.

Where title documents are held electronically, appropriate backup arrangements shall be maintained.

15.3 Inspection of Assets

The Council shall arrange periodic inspections of its assets to determine:

- their physical condition;
- maintenance requirements;
- compliance with statutory obligations;
- continued suitability for use;
- potential health and safety issues; and
- future replacement requirements.

Inspection findings shall be reported to the Council where significant defects or expenditure are identified.

15.4 Maintenance

The Council shall ensure that its assets are maintained in a safe and serviceable condition.

Planned maintenance programmes should, where practicable:

- extend the useful life of assets;
- reduce long-term expenditure;
- minimise service disruption;
- protect public safety; and
- preserve the value of Council property.

Maintenance expenditure shall be monitored against approved budgets.

15.5 Acquisition of Land and Property

The acquisition of land or property shall require:

- a formal resolution of the Council;
- confirmation of the Council's statutory power;
- appropriate professional advice where necessary;
- adequate budget provision or approved borrowing; and
- completion of all legal formalities.

The Council shall consider:

- valuation;
- legal title;
- planning implications;
- ongoing maintenance costs;
- insurance;
- environmental issues; and
- long-term financial commitments before completing any acquisition.

15.6 Disposal of Assets

No significant Council asset shall be sold, transferred, leased or otherwise disposed of except by resolution of the Council.

Before disposal, Members shall consider:

- the market value of the asset;
- independent valuation where appropriate;
- statutory requirements;
- best consideration obligations;
- community impact; and
- alternative options available to the Council.

The reasons for disposal shall be recorded in the minutes.

15.7 Leasing and Licensing

Any lease, licence or other agreement granting occupation or use of Council property shall:

- be documented in writing;
- identify the parties;
- specify the terms and conditions;
- identify any financial consideration;
- define maintenance responsibilities; and
- comply with the Council's statutory powers.

Legal advice should be obtained where appropriate.

15.8 Security of Property

The Responsible Financial Officer shall ensure that reasonable arrangements exist to protect Council property against:

- theft;
- vandalism;
- unauthorised occupation;
- accidental damage;
- deterioration; and
- environmental risks.

Where necessary, appropriate security measures shall be maintained.

15.9 Valuation

The Council shall review the value of significant assets periodically for:

- accounting purposes;
- insurance;
- financial planning;
- grant applications; and
- asset management.

Professional valuation shall be obtained where required by legislation, accounting standards or Council resolution.

15.10 Asset Transfers

Where the Council proposes to transfer ownership or management of an asset to another organisation, the Council shall first consider:

- statutory powers;
- legal implications;
- financial consequences;
- future maintenance liabilities;
- insurance responsibilities;
- public benefit; and
- any consultation requirements.

Any transfer shall require formal approval by the Council.

15.11 Loss or Damage

Any significant loss of, or damage to, Council property shall be reported immediately to:

- the Responsible Financial Officer;
- the Chair of the Council;
- the Council's insurers; and
- where appropriate, the Police.

A report shall be submitted to the Council outlining:

- the circumstances;
- financial implications;
- insurance position; and
- recommendations to reduce future risk.

Financial Management Principles

The Council shall ensure that:

- public assets are accurately recorded;
- ownership records are maintained;
- assets are inspected regularly;
- maintenance is properly planned;
- acquisitions and disposals are transparent;
- property is adequately protected; and
- decisions affecting Council assets are fully documented.

Good Governance Statement

The Council's land, buildings and other assets have been acquired for the benefit of the parish and represent a significant public investment. Proper stewardship, regular inspection and prudent management ensure that these assets continue to serve present and future generations while protecting the Council's financial position and fulfilling its statutory responsibilities.

Regulation 16

Insurance

Purpose

The Council shall maintain appropriate insurance arrangements to protect public funds, Council assets, Members, Officers and the public against foreseeable risks arising from the Council's activities.

Insurance arrangements shall be reviewed regularly to ensure that the level of cover remains appropriate, represents value for money and reflects the Council's statutory responsibilities and operational activities.

16.1 Insurance Cover

The Council shall maintain insurance appropriate to its activities and assets, including, where applicable:

- Public Liability Insurance;
- Employers' Liability Insurance;
- Fidelity Guarantee Insurance;
- Property Insurance;
- Business Interruption Insurance;
- Legal Expenses Insurance;
- Personal Accident Insurance; and
- any other cover considered necessary by the Council.

The level of cover shall be proportionate to the Council's exposure to financial risk.

16.2 Annual Review

The Responsible Financial Officer (RFO) shall undertake an annual review of the Council's insurance arrangements and report to the Council on:

- policies held;
- levels of cover;
- renewal dates;
- premiums payable;
- significant exclusions;
- claims history; and
- any recommendations for amendment.

The Council shall formally approve the renewal of its insurance arrangements.

16.3 Fidelity Guarantee

The Council shall maintain Fidelity Guarantee Insurance providing cover against financial loss arising from:

- fraud;

- theft;
- dishonesty;
- misappropriation of funds; or
- other financial irregularity.

The level of Fidelity Guarantee cover shall be reviewed annually and should reflect the maximum amount of public money that may be held or controlled by the Council at any one time.

16.4 Notification of Claims

Any incident that may give rise to an insurance claim shall immediately be reported to the Responsible Financial Officer.

The Responsible Financial Officer shall:

- notify the Council's insurers where appropriate;
- preserve relevant evidence;
- maintain appropriate records;
- monitor progress of the claim; and
- report significant claims to the Council.

Members and Officers shall fully cooperate with the Council's insurers during the handling of any claim.

16.5 Protection of Council Assets

The Responsible Financial Officer shall ensure that insured assets remain adequately protected by maintaining appropriate arrangements for:

- physical security;
- routine inspection;
- maintenance;
- risk assessment; and
- compliance with any conditions imposed by the Council's insurers.

Failure to comply with policy conditions may invalidate insurance cover.

16.6 Notification of Material Changes

The Responsible Financial Officer shall notify the Council's insurers promptly of any material change that may affect insurance cover, including:

- acquisition or disposal of assets;
- construction works;
- changes in Council activities;
- new equipment of significant value;
- alteration of buildings; or
- changes affecting risk exposure.

16.7 Insurance Register

The Responsible Financial Officer shall maintain an Insurance Register recording:

- policy numbers;

- insurer;
- type of cover;
- insured values;
- renewal dates;
- premium amounts;
- excess levels; and
- contact details for claims.

The Register shall be available for inspection by Members.

16.8 Competitive Review

The Council shall periodically review its insurance arrangements to ensure that they continue to provide:

- appropriate cover;
- value for money;
- adequate claims support; and
- financial security.

Where appropriate, competitive quotations shall be obtained before renewing long-term insurance arrangements.

16.9 Risk Management

Insurance shall not replace effective risk management.

The Council shall continue to:

- identify operational risks;
- implement appropriate control measures;
- undertake health and safety assessments;
- maintain assets properly;
- review working practices; and
- seek to reduce the likelihood of claims.

Insurance should be regarded as one element of the Council's wider risk management framework.

16.10 Reporting to Council

The Responsible Financial Officer shall report to the Council on:

- annual insurance renewals;
- significant claims;
- changes in cover;
- major policy exclusions;
- material increases in premiums; and
- recommendations arising from insurer inspections or risk assessments.

Financial Management Principles

The Council shall ensure that:

- insurance arrangements remain appropriate to its activities;

- public assets are adequately protected;
- policy conditions are observed;
- claims are reported promptly;
- insurance is reviewed regularly; and
- public funds are safeguarded against avoidable financial loss.

Good Governance Statement

Appropriate insurance provides essential protection for the Council, its Members, Officers, employees and the community. Regular review of insurance arrangements, combined with effective risk management, ensures that the Council remains financially resilient and able to meet its responsibilities should unforeseen events occur.

PART SEVEN

GOVERNANCE, COMPLIANCE AND REVIEW

Regulation 17

Suspension, Amendment and Review of Financial Regulations

Purpose

These Financial Regulations establish the framework for the proper administration of the Council's financial affairs and form part of the Council's overall governance arrangements.

The Regulations shall be reviewed regularly to ensure that they remain lawful, reflect recognised proper practices and continue to meet the operational requirements of Cardinham Parish Council.

17.1 Status of the Financial Regulations

These Financial Regulations shall apply to:

- all Members of the Council;
- all Committees;
- all Sub-Committees;
- Working Groups exercising delegated financial functions;
- the Responsible Financial Officer; and
- every Officer acting on behalf of the Council.

No person acting on behalf of the Council shall commit the Council to expenditure except in accordance with these Regulations.

17.2 Suspension of Financial Regulations

The Council may suspend the application of any Financial Regulation only by formal resolution of the Full Council.

A suspension shall only be considered where:

- there is a demonstrable benefit to the Council;
- the proposed action remains lawful;
- proper governance will not be compromised;
- adequate alternative controls exist; and
- the reasons for suspension are fully recorded.

The Council shall not suspend any requirement imposed by:

- primary legislation;
- subordinate legislation;
- statutory guidance having mandatory effect; or
- recognised proper practices where compliance is legally required.

17.3 Emergency Circumstances

Where an emergency requires immediate financial action to protect:

- life;
- public safety;
- Council property;
- essential Council services; or
- the Council from significant financial loss,

the Clerk and Responsible Financial Officer may exercise the emergency powers delegated elsewhere within these Regulations.

Any action taken shall be:

- the minimum necessary to address the emergency;
- reported immediately to the Chair where practicable; and
- reported in full to the next meeting of the Council.

17.4 Amendment of Financial Regulations

Only the Full Council may amend these Financial Regulations.

Every proposed amendment shall:

- be considered at a properly convened meeting;
- identify the reason for the proposed amendment;
- explain any legal or financial implications;
- be supported by appropriate advice where necessary; and
- be approved by formal resolution.

The Council shall ensure that amendments remain consistent with:

- current legislation;
- the latest edition of the NALC Model Financial Regulations;
- the Joint Panel on Accountability and Governance (JPAG) *Practitioners' Guide*; and

- recognised proper practices.

17.5 Periodic Review

The Council shall review these Financial Regulations:

- annually;
- following significant legislative change;
- following publication of revised model regulations;
- following recommendations made by Internal or External Audit; or
- whenever the Council considers review necessary.

The Responsible Financial Officer shall advise the Council where amendments are recommended.

17.6 Monitoring Compliance

The Responsible Financial Officer shall monitor compliance with these Financial Regulations and shall report any significant breach to the Council.

Where appropriate, recommendations shall be made to strengthen financial controls or improve governance arrangements.

17.7 Internal Audit Recommendations

Recommendations made by the Internal Auditor concerning these Financial Regulations shall be considered by the Council at the earliest practicable opportunity.

Where recommendations are accepted, appropriate amendments shall be incorporated into future revisions of these Regulations.

17.8 External Audit

Where the External Auditor or any statutory regulator recommends amendments to improve financial governance or compliance, the Council shall consider those recommendations during its next scheduled review.

17.9 Interpretation

Any question concerning the interpretation of these Financial Regulations shall be determined by the Full Council having regard to:

- current legislation;
- recognised proper practices;
- relevant professional guidance; and
- independent legal advice where appropriate.

Pending determination, the interpretation that provides the highest standard of financial control shall normally apply.

17.10 Publication

Following adoption, these Financial Regulations shall:

- be published on the Council's official website;

- be made available for public inspection;
- be provided to Members and relevant Officers; and
- be retained as one of the Council's principal governance documents.

Superseded editions shall be retained in accordance with the Council's Document Retention Policy.

Financial Management Principles

The Council shall ensure that:

- these Financial Regulations remain current;
- governance arrangements continue to reflect best practice;
- financial controls are regularly reviewed;
- recommendations from audit are acted upon appropriately;
- amendments are transparent and properly authorised; and
- all Members and Officers understand their responsibilities under these Regulations.

Good Governance Statement

These Financial Regulations form the cornerstone of the Council's financial governance framework. Regular review, transparent amendment procedures and consistent compliance ensure that public funds continue to be administered lawfully, prudently and in accordance with the highest standards of accountability expected of a modern local authority.

APPENDIX A

PROCUREMENT AND TENDER PROCEDURE

Purpose

This Appendix supplements Regulation 5 and establishes the Council's detailed procurement procedures.

The Council shall obtain value for money whilst ensuring openness, fairness, transparency and compliance with statutory procurement legislation.

A1 Procurement Principles

Every procurement exercise shall seek to achieve:

- Best Value
- Fair Competition
- Transparency
- Equal Treatment
- Accountability
- Sustainability where appropriate

- Proper Audit Trail

The Council shall purchase only where expenditure is supported by an approved budget and lawful statutory power.

A2 Procurement Flow Chart

Purchases up to £200

✓ Clerk may purchase under delegated authority.

Evidence retained:

- receipt
- invoice
- online price

£200–£1,000

Seek three estimates where reasonably practicable.

May include

- online prices
- catalogues
- written estimates

£1,000–£2,000

Minimum three written quotations.

Evaluation shall consider

- price
- quality
- delivery
- experience

Above £2,000

Formal tender process.

Minimum three suppliers invited.

Council determines successful tender.

Above Procurement Threshold

Full compliance with applicable Procurement Legislation.

A3 Tender Procedure

Tender documents shall include

- specification

- drawings where appropriate
- completion date
- evaluation criteria
- insurance requirements
- health & safety obligations
- pricing schedule

Tenders shall remain confidential until the published closing date.

Late tenders shall normally not be accepted.

A4 Evaluation Matrix

Criteria	Weighting
Price	40%
Quality	25%
Experience	15%
References	10%
Programme	10%

Council may vary weightings depending upon the project.

A5 Conflicts of Interest

Members involved in procurement shall declare:

- Pecuniary Interests
- Other Registerable Interests
- Non-registerable Interests

Affected Members shall withdraw where required.

A6 Procurement Records

The Clerk shall retain

- quotations
- tenders
- evaluation sheets
- minutes
- purchase orders
- invoices
- contracts

APPENDIX B

FINANCIAL DELEGATIONS SCHEDULE

B1 Delegated Financial Authority

Function	Clerk	Chair	Council
Routine expenditure	✓		
Emergency expenditure	✓ (within Reg.5)	✓ consultation	
Budget approval			✓
Precept			✓
Borrowing			✓
Investments	Recommendation		✓
Insurance	Recommendation		✓
Contracts over £2,000			✓
Tender acceptance			✓

B2 Banking Authority

Two authorised signatories required.

The Clerk shall never approve payments acting alone.

B3 Emergency Powers

Emergency expenditure:

Maximum

£1,000

Reported to next Council meeting.

APPENDIX C

INTERNAL CONTROL FRAMEWORK

Objective

To safeguard

- public money
- assets
- accounting records
- legal compliance

Monthly Controls

The Council shall receive

✓ Bank Reconciliation

✓ Budget Monitoring

- ✓ Payment Schedule
- ✓ Receipts Report
- ✓ VAT Report

Quarterly Controls

Internal review of

- Asset Register
- Investments
- Insurance
- Debtors
- Procurement

Annual Controls

Council shall review

- Financial Regulations
- Standing Orders
- Risk Register
- Internal Controls
- Effectiveness of Internal Audit
- Asset Register
- Insurance
- Investment Policy

Internal Auditor Checklist

The Internal Auditor should verify

- ✓ Bank reconciliations
- ✓ VAT
- ✓ Payroll
- ✓ Procurement
- ✓ Asset Register
- ✓ Insurance
- ✓ Risk Management
- ✓ Budget Monitoring
- ✓ Transparency Code
- ✓ AGAR

APPENDIX D

FINANCIAL GOVERNANCE CALENDAR

Month	Key Activities
April	Start of Financial Year, approve Regular Payments
May	AGAR, Internal Audit, Review Insurance
June	Exercise Public Rights
July	Councillors discuss/ critique financial situation
August	Review Financial Regulations
September	Budget Monitoring
October	Initial Budget Planning
November	Draft Budget
December	Budget Consultation
January	Set Budget and Precept
February	Asset Review
March	Year End Preparation

APPENDIX E

FINANCIAL RISK MANAGEMENT

Major risks include

Financial

- Fraud
- Theft
- Cyber Crime
- Banking Error

Governance

- Failure to follow Regulations
- Budget Overspend
- Procurement Failures

Operational

- Loss of Records
- ICT Failure
- Staff Absence

Property

- Fire
- Flood
- Vandalism

Control Measures

- ✓ Segregation of Duties
- ✓ Internal Audit
- ✓ External Audit
- ✓ Dual Authorisation
- ✓ Insurance
- ✓ Regular Reporting

APPENDIX F

DOCUMENT RETENTION SUMMARY

Document	Minimum Retention
Minutes	Permanent
Financial Regulations	Permanent
AGAR	Permanent
Asset Register	Permanent
Bank Statements	6 Years
Invoices	6 Years
Payroll	6 Years
VAT Records	6 Years
Contracts	6 Years after expiry
Insurance Claims	6 Years after settlement

APPENDIX G

GLOSSARY

AGAR – Annual Governance and Accountability Return

Budget – Approved annual spending plan

CIL – Community Infrastructure Levy

JPAG – Joint Panel on Accountability and Governance

NALC – National Association of Local Councils

Proper Practices – The accounting and governance practices prescribed by legislation and the JPAG Practitioners' Guide.

Responsible Financial Officer (RFO) – The officer appointed under section 151 of the Local Government Act 1972 with responsibility for the proper administration of the Council's financial affairs.

Standing Orders – The Council's procedural rules governing meetings and decision-making.

Tender – A formal written offer to provide works, goods or services in response to an invitation

issued by the Council.

Value for Money – The optimum combination of economy, efficiency and effectiveness in the use of public funds.

DOCUMENT CONTROL

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