

FINANCIAL REGULATIONS

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1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for councillors and officers. Financial regulations must be observed in conjunction with the Council's procedural standing orders and any individual financial regulations relating to contracts.

- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control that facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:-
- for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identify the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. Once a year, prior to approving the Annual Governance and Accountability Return (AGAR), the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Parish Clerk has been appointed as RFO for this Council and in these regulations, the responsibilities are assigned to the RFO.
- 1.7. The RFO:-
- acts under the policy direction of the Council;
 - administers the Council's financial affairs in accordance with all Acts, regulations and proper practices;
 - determines on behalf of the Council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Council up to date and in accordance with proper practices;
 - assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Council.
- 1.8. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any record of receipts and payments, additional information, or management information, prepared for the Council from time to time, complies with the latest version of the Accounts and Audit Regulations¹.

¹ Accounts and Audit (England) Regulations 2011/817

- 1.9. The accounting records determined by the RFO shall in particular contain:-
- entries, from day to day, of all sums of money received and expended by the Council and the matters to which the receipts and payments account relates;
 - a record of the assets and liabilities of the Council; and
 - wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.10. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.
- 1.11. The Council is not empowered by these regulations, or otherwise, to delegate certain specified decisions. In particular any decision regarding:-
- setting the final budget or the precept (council tax requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - writing off bad debts;
 - declaring eligibility for the General Power of Competence; and
 - addressing recommendations in any report from the internal or external auditors,
- shall be a matter for the Full Council only.
- 1.12. In addition, the Council must:-
- determine and keep under regular review the bank mandate for all Council bank accounts;

- in respect of the annual salary for any employee, have regard to recommendations about annual salaries of employees made by the Finance and General Purposes committee in accordance with its terms of reference.

1.13. In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations, the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.
- 2.2. On a regular basis, at least twice in the financial year, including at each financial year end, a non-signatory councillor from the Finance and General Purposes Committee shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The councillor shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported to full Council.
- 2.3. The RFO shall complete the annual statement of accounts, annual return, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records and of its system of internal control, in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The internal auditor shall:-
 - demonstrate competence, objectivity and independence from financial decision making, management or control of the Council, and be free from any actual or perceived conflicts of interest, including those arising from family relationships.

- report to Council in writing, or in person, with a minimum of one annual written report during each financial year;
- 2.7. The Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
 - initiate or approve accounting transactions; or
 - direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors’ rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers, and display or publish any notices and statements of account required by the Audit Commission Act 1998 or any superseding legislation, and the Accounts and Audit Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

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

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on **revenue** items may be authorised up to the amounts in Council’s approved annual budget. This authority is to be determined by the table below:-

	Maximum limit (£)
RFO	250
Committee delegate	500
Committee	2,500
Council	2,500+

Such authority is to be evidenced by a minute to the Full Council. A payment requisition form must be completed for reimbursement of any expenditure incurred. All such items should be included on the cheque payments schedule for the following Full Council meeting. Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2. No expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure, other than by resolution of the Council. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked/nominated reserve as appropriate ('virement').
- 4.3. Any unspent provisions in the revenue or capital budgets shall only be carried forward to reserves.
- 4.4. The salary budgets are to be reviewed annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the RFO and the Chairman of Council. The RFO will inform committees in good time, of any changes impacting on their budget requirement for the coming year.
- 4.5. In cases of extreme risk to the delivery of Council services, the RFO may authorise revenue expenditure on behalf of the Council which in the RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure; subject to a limit of £250. The RFO shall report such action to the Chairman, or in his absence the Vice Chairman or the relevant committee Chairman, as soon as possible and to the Council as soon as is practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any project and no contract entered into or tender accepted involving expenditure, unless the Council is satisfied that the

necessary funds are available and the requisite borrowing approval has been obtained.

- 4.7. All capital works shall be administered in accordance with the Council's procedural standing orders and financial regulations relating to contracts.
- 4.8. The RFO shall provide the Council with a statement, as shown in the cost centre report on a monthly basis, of receipts and payments to date under each heading of the budgets.
- 4.9. At the completion of each quarter the RFO shall show explanations of variances where on an annualised basis they would predict exceeding budget by £1,000 or more.
- 4.10. Changes in earmarked/nominated reserves shall be approved annually by Council, as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council. Approval of banking arrangements may not be delegated to a committee. They shall be regularly reviewed for security and efficiency.
- 5.2. The RFO shall prepare a payment requisition form for each payment requiring authorisation. Together with the cheque and invoice, this form shall be presented for signing and shall be signed by two cheque signatories. For each meeting of the Council, the RFO shall, as an agenda item, prepare a schedule of cheque payments and cheques to be paid. The Council shall review the schedule and having satisfied itself shall approve the cheque payment schedule. The approved schedule shall be signed by the Chairman of the Council. A detailed list of all payments shall be disclosed within, or as an attachment to, the minutes of the meeting at which payment was approved. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) shall be summarised to remove public access to any personal information.
- 5.3. All invoices for payment shall be examined, verified and certified by the chairman of the relevant committee or delegated working group, where appropriate, to ensure that the work, goods or services have been properly delivered. The RFO shall confirm that the work, goods or services to which each invoice relates represents expenditure previously approved by the Council as part of its spending plans.
- 5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted and which are in order, in accordance with the terms on the invoice or by the next available Council meeting.

- 5.5. The RFO shall have delegated authority to authorise the payment of items only in the following circumstances:-
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of the Council, where the RFO certifies that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.
 - b) To fund transfers within the Council's banking arrangements. Such transfers shall be advised to the next appropriate meeting of Council.
- 5.6. Grants should be authorised by Full Council and approved in terms of the criteria in the Community Grant scheme.
- 5.7. Councillors are subject to the Code of Conduct that has been adopted by the Council and, unless a dispensation has been granted, shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. All payments shall be online, by cheque, Charge Card or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.
- 6.2. Cheques or online payments drawn on the bank account in accordance with the schedule as presented to Council, shall be signed or authorised by two councillors who are bank signatories. If a councillor who is a bank signatory has declared a disclosable pecuniary interest or has any other interest in the matter in respect of which the payment is being made, that councillor shall be required to consider Council's Procedural Standing Orders and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.
- 6.3. The Council has resolved to pay salaries online. The instructions shall be authorised by two councillors who are bank signatories and retained, and all payments shall be reported to Council.
- 6.4. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The Service Administrator will be permitted to set up but NOT authorise online payments. The bank signatories will always be provided with a copy of the original invoice when authorising payments and will ensure that the bank details on the invoice match those on the payment.

- 6.5. Changes to account details for suppliers which are used for internet banking, may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the RFO. The RFO and a member of the Finance and General Purposes committee will carry out an annual check of suppliers' standing data.
- 6.6. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of the Council in a sealed, signed and dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all councillors immediately and formally to the next available meeting of the Council. This will not be required for a councillor's personal computer used only for remote authorisation of bank payments. Any password required to access internet banking shall be unique to this purpose
- 6.7. Employees or councillors may only disclose any PIN or password, relevant to the working of the Council to any person authorised in writing by the Council.
- 6.8. A charge card will be restricted to the RFO and shall be subject to automatic payment in full at the month end. The charge card will have a limit on spending of £1,000 per month (effective limit £2,000). One bank signatory will reconcile the monthly statement to the charge card receipts before the direct debit payment is deducted from the bank account, and will ensure that all charge card payments are listed on the monthly authorisation list presented to Full Council.
- 6.9. The Council will not maintain any form of cash float. Any cash received will be banked intact and as soon as practicable.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions, must be made in accordance with the payroll records and on the agreed dates, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.

- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:-
- a) by any councillor who can demonstrate a need to know;
 - b) by the internal auditor;
 - c) by the external auditor; or
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made, as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be in the name of the Council after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval and subsequent arrangements for the loan, shall only be approved by Full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by Full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the Council and shall be for a set period.
- 8.4. The Council shall have an investment strategy and policy that shall be reviewed annually by the Finance and General Purposes Committee.
- 8.5. All investments of money under the control of the Council shall be in the name of the Council.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of Payments) and Regulation 6 (Instructions for Payments).

9. INCOME

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

9.2. The Council shall notify the RFO of the particulars of all fees and charges to be made for services rendered.

9.3. The Council will review all fees and charges annually.

9.4. A pre-numbered invoice or receipt shall be issued for all sums receivable.

9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all sums received shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6. Subject to the provisions of Regulation 6.9 Cash shall be kept in a safe, limited to the amount specified by the Council's insurance cover for cash on premises.

9.7. The origin of each sum received shall be entered on the paying-in slip, and on the copy paying in slip which shall be retained in the Council's office.

9.8. The RFO shall complete any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33, shall be made at least annually, and with one claim being made shortly before the financial year end. Any sums found to be irrecoverable, and any bad debts, shall be reported to the Council and shall be written off in the year.

10. QUOTATIONS AND ORDERS FOR WORK, GOODS AND SERVICES

10.1. An official order or letter shall be issued for all work, goods and services ordered, unless a formal contract is to be prepared. Copies of orders shall be retained.

10.2. All councillors and officers are responsible for obtaining value for money at all times. Before issuing an order, the RFO shall ensure, as far as is reasonable and practicable, that the best available terms are obtained in respect of each transaction; usually by obtaining three or more quotations from appropriate suppliers for all items above £250 (see 11.1.h).

10.3. A councillor may not issue an official order or enter into any contractual arrangement on behalf of the Council.

- 10.4. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. CONTRACTS

- 11.1. Procedures as to contracts are laid down as follows:

- a. Every contract shall comply with these financial regulations, and no exceptions shall be made other than in an emergency. However this regulation need not apply to contracts which relate to items (i) to (vi) below:
 - i. for the supply of utilities and similar services;
 - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - iii. for work to be executed, or goods or materials to be supplied, which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed, or goods or materials to be supplied, that constitute an extension of an existing contract by the council;
 - v. for additional audit work of the external auditor up to an estimated value of £250 (in excess of this sum the Clerk /RFO shall act after consultation with the Chairman and Chairman of Finance and General Purposes Committee).
- b. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (the Regulations”) which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations².
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceeds the thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

³ Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£164,176)
- b) For public works contracts 5,225,000 Euros (£4,104,394)

- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one Councillor.
- g. Any invitation to tender issued under this regulation shall be subject to Procedural Standing Order 17d and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials, or for the execution of works or specialist services, (other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a)), the RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £250, the RFO shall strive to obtain 3 quotations or, failing that, 3 price comparisons.
- i. The Council shall not be obliged to accept the lowest or any tender, quote or price comparison.
- j. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or price comparison, that the work is not allocated and the Council requires further pricing; provided that the specification does not change, no person shall be permitted to submit a later tender, price comparison or quote who was present when the original decision making process was being undertaken.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006, including thresholds, shall be followed. DELETE THIS SECTION

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other

consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

- 12.2. Where contracts provide for payment by instalments, the RFO shall maintain a record of all such payments.
- 12.3. Any variation to a contract, or addition to or omission from a contract, must be approved by the Council and the contractor in writing; the Council being informed where the final cost is likely to exceed the financial provision. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more, a report shall be submitted to the Council.

13. GOODS RECEIVED

- 13.1. Delivery notes shall be obtained in respect of all goods received and goods must be checked as to order and quality at the time delivery is made. Notification of discrepancies shall be made to the supplier within the terms of the supplier.

14. ASSETS

- 14.1. The RFO shall make appropriate arrangements for the custody of all title deeds of assets held by the Council. The RFO shall ensure a record is maintained of all assets held by the Council, recording the location, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which the asset is held in accordance with Accounts and Audit Regulations.
- 14.2. No assets shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of asset does not exceed £500.
- 14.3. No real property (interests in land) shall be purchased or acquired, sold, leased or otherwise disposed of without the authority of the full Council, together with any other consents required by law, In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where appropriate).
- 14.4. Subject only to the limit set in Reg. 14.2 above, no assets shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a business case.

- 14.5. The RFO shall ensure that a Register of Assets is kept up to date. The continued existence of assets listed in the Register shall be verified annually by the Internal Auditor.

15. INSURANCE

- 15.1. Following the annual risk assessment the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2. The RFO shall keep a record of all insurances held by the Council and review it annually.
- 15.3. The RFO shall be notified of any loss, liability or damage, or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 15.4. All councillors and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council.

16. RISK MANAGEMENT

- 16.1. The Council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the Council, risk assessment statements in respect of all activities of the Council. Risk assessment statements shall be reviewed by the Council annually.
- 16.2. When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

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

18. DATA SECURITY

- 18.1. Regular back-up copies of the records on any computer shall be made and shall be stored securely offsite.

- 18.2. The Council, and any councillors using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software, with automatic updates, together with a high level of security, is used.