

REPORT TO FINANCE COMMITTEE

ANNUAL REVIEW OF FINANCIAL REGULATIONS

Report Reference F-24-03
Meeting Date 9th September 2024
Agenda Item 8
Prepared by Town Clerk



1.0 BACKGROUND

The committee undertakes an annual review of the council's financial regulations to ensure they continue to remain relevant and up-to-date.

This year, NALC¹ has published revised model financial regulations. The Town Clerk has reviewed the council's financial regulations compared with the revised model and has identified a number of areas for minor changes.

2.0 REVISIONS TO STANDING ORDERS

A track-changes version of financial regulations has been provided. The explanatory for each change is detailed in the below table.

FR	Explanatory
1.1	To distinguish between Full Council (C) and the council as a body (c)
4.4	New section introducing a requirement to re-appoint an internal auditor every four years. Presently, the council has had the same internal auditor for 12+ years and has not reviewed the appointment in this time. It would be best practice to review this periodically. The additional serves to remind the council of the requirement for the auditor to be independent of the council's operations.
4.5	Deleted as now referred to in new 4.4
5.1	Minor change to reflect practice as arrangements are under a more regular review including under the council's investments policy.
6.7	The general default is that payments will be made by BACs except recurring payments under contract which are direct debit (e.g. utilities, photocopier charges, franking charges etc). Annex 2 sets out that the Finance Committee may determine how any specific/types of payment are made.
10.1	Inserts a de minimis value below above which purchase orders must be issued
10.2	Reflects that it is not a physical book
10.3	Refers to the whole of FR 11
11.1a	Removes water/sewage from the exemptions (as there is now a semi-competitive market for business water supply) and removes the reference to additional costs from External Audit since the council does not have control over the work of the External Auditor.
11.1b	The revised NALC model increases the formal tender threshold to £60,000 (ex-VAT).

¹ National Association of Local Councils

	The council's existing level (£30,000) has not been increased since c. 2015. Insertion of "formal" to emphasise it is a more formal process of procurement.
11.1c	Insertion for clarity (and updating the threshold) on public contracts legislative requirements (which were detailed in Annex 2)
11.1i	Updated threshold inline with above, clarified difference between quotation/estimate
11.1j	Amendment of quotation to estimate
19.2	Typographical change
19.3	Deleted. This is not routinely operated and if operated fully would either be overly burdensome with finance committee meetings or lead to delays in activity.
Annex 1	Updates thresholds. Adds in reference to online price comparison where applicable.
Annex 2	This updates the section from the phrasing used when it was introduced. It amends it slightly in allowing the Town Clerk and Finance Committee Chair to determine the addition of Class A and C users rather than requiring this to be a committee decision (class B users shall remain solely as the signatories set by Full Council). Deleted section regarding determining if it shall be a cheque/BACs payment, default is always BACs but FRs allow alternatives where necessary.

3.0 DECISIONS REQUIRED

The committee should consider the outline changes and approve revisions to the council's Financial Regulations.