



Clerks matters of report

Report – New NALC model financial regulations	Date 19.06.2024
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- Specific areas that may need adapting:
 - In 1.5 – is the Clerk the RFO?
 - In 3.3 and 3.4, the words “Governance and Accountability” do not apply in Wales
 - In section 4, does the council have committees and how many years are forecast?
 - In 5.6, does the council issue an open invitation to tender, or invite specific firms?
 - In 5.9, are online prices acceptable evidence?
 - In 5.13, 5.15 and 5.17, does the council have committees?
 - In section 5.15 authorisation of individual purchases?
 - In 5.16, will a councillor ever be instructed to place an order?
 - In 5.20, is there a minimum level for official orders?
 - Section 6 includes several alternatives to cover delegation to committees or to officers, approval of invoices individually or in batches, or for approval of regular contractual payments at the beginning of the year.
 - Section 6.1 insert Natwest bank
 - Section 6.4 summarised salaries
 - Section 6.6 Authorisation of payments due in relation to a continuing contract or obligation for 1 year ?
 - Section 6.9 Clerk / RFO delegated authority?
 - Section 7.1 no signatory should be involved in approving any payment to themselves.
 - Section 7.7 Evidence shall be retained showing which members approved the payment online {and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes}. **Set up a web site blog page with comments for each set of approvals.**
 - Section 7.10 The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.



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- Section 7.9 & 7.11 the approval of the use of a banker's standing order & direct debit shall be reviewed by [the council] at least every two years.
Current annual
- Sections 7, 8 and 9 also includes several alternatives, including wording for where the clerk is a signatory. These are intended to allow a council's financial regulations to fit what they actually do, not to force any council to change what they do.
- Section 9 Payment card is not applicable
- Section 10 gives two alternatives, with or without petty cash. **(the library has petty cash) current wording The Library management group maintain nominal petty cash floats. The management of the petty cash is detailed in the relevant petty cash handling procedures which are approved by the Town Council**
- Section 12.3 The council shall consider the requirement for an Investment Strategy and Policy.
- 13.6 has alternatives for VAT-registered and unregistered councils – only use one.
- 13.7 and 13.8 are removable if they don't apply to the council.
- Much of Section 16 can be deleted if not applicable.
- 17.3, is the Clerk the RFO or will the RFO consult the Clerk?
- Square brackets indicate where the council needs to specify who, or how much, or what the timescale is. For example [£500] might need to be £100, or [October] might need to be November, or [the council] might need to say the Policy and Resources Committee.
 - In 4.1 and 4.7, select the wording for England or Wales, based on your location.
 - In Section 4, the council needs to determine the timescale for its budget setting.
- It is challenging to try to offer guidance on setting financial limits. A council spending £1,000 a year is unlikely to delegate authority to spend £500 to its proper officer, but one spending £5 million a year might regard £5,000 as a reasonable limit. Each council needs to determine its own limits, that help, rather than hinder, its operations.



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- Key limits to set:
 - In 5.6, at what limit will the council require a formal tender process to ensure fair competition, rather than just asking for quotes? If this is set too low, it may discourage suppliers. Many small councils might only use formal tenders once every few years.
 - In 5.8, at what limit will the council require fixed-price quotes rather than estimates?
 - In 5.9, at what level can smaller purchases be made without competition?
 - In 5.15, at what level can purchases be made under delegated authority (having complied with the rules about obtaining prices)?
 - In 5.18, how much can the clerk commit to spending in an emergency?
 - In 6.9, can payment of invoices (for purchases that have already been authorised) be authorised by an officer under delegated authority as a general principle, or only to avoid problems?
 - In Section 9, what are the limits for card payments?
 - In 16.5, what value of assets can be bought or disposed of, without seeking council approval?
- The contents list is a table that extracts section headings from the document. It can be updated by clicking on the contents list, whereupon a tab saying “update table” appears at the top of the list.
- Once this model has been tailored to fit the council’s needs, the resulting Financial Regulations (with the insertion of the council’s name at the top) should be adopted at a meeting of the full council. The date of adoption should be inserted below the Contents. Any subsequent proposal for amendment should also be made to the full council.
- The council should keep abreast of developments in legislation that affect the local council sector and should review and update its Financial Regulations annually.
- Please ensure that the latest approved version is published on the council’s website.