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| Item No | Referred from: | Finance, Audit and Risk Committee |
| 6C | Date: | 7 January 2026 |
| | Title of item: | Updated Financial Regulations |
| To be considered alongside agenda item: | | Agenda Item 7 |

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO COUNCIL: That Finance, Audit and Risk Committee comment on the proposed changes to the Financial Regulations and recommend to Full Council their adoption in the Constitution.

REASON FOR RECOMMENDATION: Due to the passage of time since the last major review of the Financial Regulations, it was considered appropriate to carry out a full review. The proposed changes are detailed in Appendix A alongside the reasons for them.

Audio recording – 1 hour 24 minutes 49 seconds

The Director – Resources presented the report entitled 'Updated Financial Regulations' and highlighted that:

- The Council was required to update the Financial Regulations regularly. There had been no major changes to the existing Financial Regulations, with the changes mainly being minor.
- There was reference to both the Director – Resources and the Chief Financial Officer (CFO) within the report, this was to reflect that although he covered both roles, in cases of absence. The CFO role was required to be deputised by a qualified accountant, whereas the Director role could be covered by any of the managers within the Directorate.
- It was good practice to have a 10-year capital plan in place, including with the move across to a new authority following the Local Government Reorganisation process.
- As part of the report to Council, where this will be referred onto, the reference at 12.5 of the Appendix should be to 'land and property', although just 'land' was referenced currently.
- A change of wording was required to clarify the identification of risks at 14.6 of the Appendix.
- Point 14.8 had been duplicated and this duplication, and re-ordering of numbering throughout, would be updated ahead of Council.
- Reference to petty cash was included within these regulation updates, although this was used minimally at the authority. The limit for this may be proposed to be set at £20, from £10, for the Council report.
- It was important to have cover for gift cards, as these were of cash value, which were provided in certain circumstances by the authority, such as community engagement and Staff Recognition Award winners.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Ruth Brown

- Councillor Vijaya Poopalasingham
- Independent Member John Cannon

In response to questions, the Director – Resources advised that:

- Stamps were referred to under the petty cash section as these were a cash value, and it was important to cover.
- There were some minor policy changes, which generally reflected how things were already done and adopting this into the Financial Regulations.
- The Executive Member could add new projects up to £100k, not to approve overspend beyond the Council projects agreed at the start of the year. There were occasions when new projects could be added. This addition was to clarify the position.
- There was a change to practice outlined at 5.7 of the Appendix, which outlined that any overspend over the limits outlined at 5.6 should mean the project spend should stop immediately. However, there were examples where this could not be done, otherwise the Council would incur further costs.
- The lead responsibility for feeder systems was mainly a joint effort between the Budget Manager and the Chief Financial Officer. The former ensures information coming out was accurate, and the CFO ensures information inputted to the system was accurate.
- The progress on audit actions for medium and high risk projects was recorded on Ideagen, and it was for the Service Manager to ensure these were delivered. The Performance and Risk Officer ensured that updates were made within the system and reports on this are circulated to Leadership on a regular basis.
- There was a two stage process for payments made by BACs or CHAPs, to split the responsibility and ensure that one Officer could not do the whole payment process.
- All card payments go into the bank account of the Council without intervention.
- The raising and payment of invoices was completed through the finance system at the Council, with all the controls and risk mitigations contained within the system itself.
- The SIAS review of the general Risk Management was conducted last in April 2023. Whilst there had not been major changes to this, it was likely this would be included in the Audit Plan for 2026/27.
- The overspend limits outlined in the table at 5.6 of the Appendix could possibly be simplified ahead of the Council consideration.
- If the Council was to invest in cryptocurrency, then that would be included in the Investment Strategy. However, that was not recommended.
- It could be possible to include within the Financial Regulations that the Council would not accept cryptocurrencies for payment.
- A communication would be distributed to all managers about the new Financial Regulations, who would be expected to ensure the message was communicated downwards to their staff.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded and, following a vote, it was:

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