

FINANCIAL REGULATIONS

1 GENERAL

- 1.1 The Clerk/Responsible Financial Officer (C/RFO), under the policy direction of the Council, shall be responsible for the proper financial management and administration of the Council's affairs.

2 BUDGETARY CONTROL

- 2.1 The Finance Working Party shall prepare estimates of income and expenditure for the following financial year not later than the end of November each year.
- 2.2 The Council shall review the budget not later than the end of January each year and shall fix the precept to be levied for the ensuing financial year.
- 2.3 The salaries and wages of all staff must be reviewed annually.
- 2.4 In accordance with Standing Order 50 the C/RFO shall provide the Council with a statement of receipts and payments to date on a regular basis. This statement will normally be submitted to each Council meeting.
- 2.5 Any virement from one budget head to another during the course of the financial year must be approved by the Council.
- 2.6 On those rare occasions when emergency expenditure has to be incurred then advice must be sought from the Chairman of the Finance Committee and it must be approved by the Town Mayor (or in his/her absence the Deputy Town Mayor) and reported to the next Council meeting for ratification in accordance with Standing Order 49.
- 2.7 The Council may delegate the responsibility for authorising expenditure within agreed budget headings to Committees, Working Parties, the Mayor (Mayoral Allowance). The Town Clerk has delegated powers for authorising expenditure for pressing items between meetings.

3 ACCOUNTING AND AUDIT

- 3.1 All accounting procedures and financial records of the Council shall be determined by the C/RFO as required by the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006.
- 3.2 The C/RFO shall ensure the annual financial statements of the Council are completed after the end of the financial year and shall submit them and report thereon to the Council in accordance with Standing Order 50
- 3.3 The C/RFO shall ensure the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) are completed and shall submit the Annual Return for approval and authorisation by the Council within the time scales set by the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006, or the Auditor

- 3.4 The C/RFO shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Regulation 6 of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006.
- 3.5 The Internal Auditor shall carry out the work required by the C/RFO, or by the Council, with a view to satisfactory completion of the Internal Auditor's report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall be appointed by, and report to Council in writing each financial year.
- 3.6 The C/RFO shall make arrangements for the public inspection of the accounts, books, and vouchers required by the Audit Commission Act 1998 Section 15 and the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006.
- 3.7 The C/RFO shall bring to the attention of the Council any correspondence or report from the Internal or External Auditor unless the correspondence is of a purely administrative nature.
- 3.8 The C/RFO will ensure the statutory requirement to maintain a separate account of expenditure and income under Local Government Act 1972 section 137 and Local Government Act 1986 section 5.

4 BANKING ARRANGEMENTS AND CHEQUES

- 4.1 The Council's banking arrangements shall be made by the Council. They shall be reviewed on a regular basis.
- 4.2 Cheques drawn on the Council's bank account(s) shall be signed by at least two members of the Council in accordance with Standing Order 36.
- 4.3 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, one of the signatories shall also initial the cheque counterfoil.
- 4.4 The Council may enter into arrangements with the bank or other appropriate financial institution, to borrow money.

5 PAYMENT OF ACCOUNTS

- 5.1 All payments shall be effected by cheque or other order drawn on the Council's banker.
- 5.2 All invoices for payment shall be examined, verified and certified by the C/RFO who shall satisfy himself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 5.3 All invoices shall be examined in relation to arithmetic accuracy and shall be analysed to the appropriate expenditure heading. The appropriate steps shall be taken to settle all invoices submitted and which are in order.

5.4 Petty cash may be provided to staff for the purpose of defraying operational and other expenses. Vouchers for payments made shall be presented with a claim for reimbursement.

a) The Council shall maintain a petty cash float of £150 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

b) Income received must not be paid into the petty cash float but must be banked separately.

6 PAYMENT OF SALARIES AND WAGES

6.1 The payment of all salaries and wages, and deductions therefrom, shall be made in accordance with payroll records and the rules of PAYE and National Insurance and Pension Provider currently operating.

7 INCOME

7.1 Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council.

7.2 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off.

7.3 All sums received on behalf of the Council shall normally be banked intact and on a regular basis.

7.4 The origin of each receipt shall be entered on the paying-in slip.

7.5 Personal cheques shall not be cashed out of money held on behalf of the Council.

7.6 VAT returns shall be completed on a quarterly basis.

7.7 Where any sums of cash are regularly received by the Council, then more than one person shall be present when the cash is counted. A reconciliation shall be carried out to ensure that the cash takings balance with the figures shown on the prime documents.

8 ORDERS FOR WORK, GOODS AND SERVICES

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

8.2 Order books shall be controlled by the C/RFO.

8.3 All members and staff are responsible for obtaining value for money at all times. An employee issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.

- 8.4 Before the issue of any order, the lawful nature of the proposed purchase shall be verified and, in the case of new or infrequent purchases or payments, the C/RFO shall ensure that the statutory authority shall be reported to Council.

9 CONTRACTS

- 9.1 Procedures in relation to proposed contracts shall be in accordance with Standing Order 71 and should specifically comply with the following:

- (a) Every contract shall comply with these Financial Regulations and no exceptions shall be made otherwise than in an emergency.
- (b) 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.
- (c) Three quotes should be obtained where it is intended to enter into a contract exceeding £1,000 except for the supply of gas, electricity, water and sewage and telephone services.
- (d) Any contract estimated to exceed £10,000 should be procured on the basis of formal tender as summarised in Standing Order 71.
- (e) Such invitation to tender shall state the general nature of the intended contract. The C/RFO 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. 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 a nominated member of Council.
- (g) If less than three tenders are received for contracts above £10,000, or if all the tenders are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials for executing the works.
- (h) The Council shall not be obliged to accept the lowest of any tender, quote or estimate but must minute the reason(s) for reaching its decision.

10 VEHICLES, PLANT, EQUIPMENT AND STORES

- 10.1 The care and custody of vehicles, plant, equipment and stores will be the responsibility of the appropriate individual members of staff.
- 10.2 Delivery notes shall normally be obtained in respect of all goods received into store. Otherwise goods must be checked against the order at the time delivery is made.

10.3 Stocks shall be kept at the minimum levels consistent with the operational requirements.

10.4 The C/RFO shall be responsible for periodic checks of stocks and stores.

11 PROPERTIES AND ESTATES

11.1 The C/RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The C/RFO shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with regulation 4 (3)(b) of the Accounts and Audit Regulations 2003 as amended.

11.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value of any one item of tangible, moveable property does not exceed £50 or such other sum as may be determined by Council.

12 RISK MANAGEMENT

12.1 The C/RFO shall prepare risk management policy statements in respect of all activities of the Council.

13 INSURANCE

13.1 The C/RFO shall effect all insurances, following risk assessments where appropriate, and negotiate all claims on the Council's insurance.

13.2 The C/RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby.

14 REVISION OF FINANCIAL REGULATIONS

14.1 The Council shall consider a review of the Financial Regulations drawn up by the C/RFO at least once every four years in accordance with Standing Order 71.