

Financial Regulations

Last reviewed: March 2022
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Where the Town Clerk and Chairman are referred to, this includes Deputy Chairman and Deputy Clerk.

1. General

- 1.1 These financial regulations shall govern the conduct of the financial transactions of Buntingford Town Council and may only be amended or varied by resolution of the council.
- 1.2 The responsible officer (RFO) under the policy direction of the Resources Committee shall be responsible for the purpose of the council's financial affairs.
- 1.3 The RFO shall be responsible for the production of financial management information.

2 Budgetary Control

- 2.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved budget.
- 2.2 The RFO shall on a quarterly basis provide the Resources Committee or the Full Council with a statement of income and expenditure to date under each annual budget head.
- 2.3 The Town Clerk in consultation with the Chairman or the Chairman of the Resources Committee, may incur expenditure on behalf of the council, which is necessary to carry out any repairs replacement or other work which is of such extreme urgency, that it may be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5000. The Town Clerk shall report the action to the appropriate committee as soon as practicable thereafter.
- 2.4 Where expenditure is incurred in accordance with 2.3 above and the sum required cannot be met from savings made elsewhere within that committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Resources Committee or the Council.
- 2.5 Unspent provisions in the revenue budget may be carried forward as allocated reserves against the same account or shall be moved to the general reserves account.

- 2.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tenders accepted involving expenditure on capital account unless the Resources Committee is satisfied that the necessary capital funds are available, or the requisite borrowing approval could be obtained.
- 2.7 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 2.8 PETTY CASH - The RFO should provide petty cash to officers for the purpose of defraying operational and other expenses. Receipts for payments shall be kept to substantiate the payment.

3 Accounting and Audit

- 3.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2015.
- 3.2 The RFO shall be responsible for completing the annual accounts of the Council as soon as practicable after the financial year and shall submit them to and report thereon to the Full Council.
- 3.3 The following principles shall be observed in connection with accounting duties:
- (a) The duty of providing information, calculating, checking, and recording sums due to, or from, the Council, shall be separated as completely as possible from the duty of collecting or dispersing them.
- 3.4 The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose. If the RFO feels it is necessary any matters of concern will be referred to the Chairman of the Resources Committee or the Resources Committee.
- 3.5 Annually the effectiveness of the system of internal control shall be reviewed and the findings put before Full Council.
- 3.6 The Mayor or Deputy Mayor shall undertake quarterly spot checks of compliance with Financial Regulations ie review of purchase card or petty cash payments.

4 Banking Arrangement and Cheques

- 4.1 The Council's banking arrangements shall be made by the RFO and approved by the Resources committee. A general current account will be maintained.

4.2 A Schedule of the payments made shall be prepared by the RFO and presented to the Full Council. If the schedule is in order it shall be authorised by resolution and signed by the Chairman or Vice Chairman.

4.3 The RFO shall draw up a schedule of electronic payments to be made with supporting paperwork, the schedule will be authorised by a Member of the Council. Once authorised the RFO may access the Council's bank accounts electronically and make the scheduled and approved payments. On a regular basis, but no less than weekly, a member of the Council will check the Council's bank accounts for unauthorised payments.

5 Payments of Accounts

5.1 Where direct debits are to be effected, the RFO shall obtain prior approval from the Chairman of the Resources Committee or the Resources Committee

5.2 The use of a Buntingford Town Council Credit Card shall be authorised by the RFO and shall be treated similarly to any other purchase transaction. The monthly account shall be settled by a cheque issued against the standard bank account(s).

5.3 All invoices for payment shall be examined, verified and certified by the relevant officer issuing the order. Before certifying an invoice the relevant officer shall satisfy herself/himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

5.4 Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation and shall code them to the appropriate expenditure head. He shall take all possible steps to settle all invoices submitted and which are in order, within 30 days of their receipt.

5.5 All duly certified invoices will then be entered on the schedule referred to in 4.2 above.

5.6 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

a) The RFO shall maintain a petty cash float to a limit of £400 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment. The petty cash float should not fall below £80.

b) Income received must not be paid into the petty cash float but must be separately banked as provided elsewhere in these regulations.

- c) Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to Full Council (under 4.2 above).
- d) No payment of expenses exceeding £30 should be made from Petty Cash, expense payments in excess of £10 should be paid via an invoice. No payments exceeding £50 for any one item should be made.

6 Payment of Salaries and Wages

- 6.1 The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records.
- 6.2 Input of salary rates shall be checked for accuracy by a member of the Council at the beginning of each financial year or if a salary rate for any staff member changes mid year, and signed to agree that the parameters are correct.
- 6.3 All time sheets for hourly paid workers shall be certified as to accuracy by the Town Clerk.

7 Loans and Investments

- 7.1 All loans and investments shall be negotiated by the RFO in the name of the Council, following discussion and approval by Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Resources Committee at the earliest opportunity.
- 7.2 All investments of money under the control of the Council shall be in the name of the Council.
- 7.3 All borrowings shall be in the name of the Council.
- 7.4 All investments certificates and other documents relating thereto shall be retained in the custody of the RFO.

8 Income

- 8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 8.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately responsible for the collection of all accounts due to the Council.
- 8.3 The Council will review all fees and charges annually following a report of the Town Clerk.
- 8.4 Any bad debts shall be reported to the Resources Committee.
- 8.5 All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked by the officer collecting money as directed by the RFO. In all cases all receipts shall be deposited with the Council's banker with such frequency, as the RFO considers necessary.
- 8.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- 8.7 Personal cheques shall not be cashed out of money held on behalf of the Council.

8.8 The RFO shall promptly 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 coinciding with the financial year end.

9 Orders for work, Goods and Services

9.1 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 e.g. petty cash purchases. Copies of orders issued shall be maintained.

9.2 Order books shall be controlled by the RFO.

9.3 All officers are responsible for obtaining value for money at all times. An officer 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.

10 Contracts

10.1 Procedures as to the contracts are laid down in the Council's Standing Orders as follows:

- a) Every contract whether made by the Council or by the Resources Committee to which the power of making contracts has been delegated shall comply with these Standing Orders, and no exception from any of the following provisions of these Standing Orders shall be made otherwise than by direction of the Council or in an emergency by such Member of the Resources Committee as aforesaid provided that these Standing Orders shall not apply to contracts which relate to (i) to (v) below:
 - (i) for the supply of insurance, refuse collection, photocopier, gas, electricity, water, sewerage and telephone services
 - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
 - (iii) for works 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 which constitute an extension of an existing contract by the Council
 - (v) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- b) Where it is intended to enter into a contract:
 - 1) Exceeding £10,000 but not exceeding £25,000 in value for the supply of goods or materials or for the execution of works, the Town Clerk shall give at least three days public notice of such intention in the same manner as public notice of meeting of the Council is given.
 - 2) Exceeding £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 Town Clerk shall invite tenders from at least three firms, such firms to be taken from the appropriate approved list if available. Similar notice shall be given in addition to all firms included in the appropriate standing approved list of contractors maintained by the District Council, or if no such list is maintained then in such newspaper circulation in the district as the Council shall direct.

- 3) Where it is intended to enter into a contract of a value more than £4,000, three quotations shall be sought. If in the opinion of the Town Clerk and the Chairman of the Council, three quotations are unobtainable, the Council may make such arrangements for procuring the goods or materials or executing the works as it thinks fit.
- c) When applications are made to waive Standing Orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in the recommendation to the Council.
 - d) Such invitation to tender shall state the general nature of the intended contract and the Town 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 Town Clerk and the last date by which such tenders should reach the Town Clerk in the ordinary course of post.
 - e) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk or the properly authorised deputy.
 - f) If fewer than three tenders are received for contracts or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
 - g) The Council shall not be obliged to accept the lowest or any tender.

11 Payment under Contracts for Building or Other Construction Works

- 11.1 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 consultant engaged to supervise the contract.
- 11.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses will exceed the contract sum by 5% or more a report shall be submitted to the Resources Committee.
- 11.3 Any variation to a contract or addition to or omission from contract must be approved by the Town Clerk in writing, the Resources Committee being informed where the final cost is likely to exceed the financial provision.

12 Stores and Equipment

- 12.1 The Town Clerk shall be responsible for the care and custody of stores and equipment.
- 12.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard to quality at the time delivery is made.
- 12.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 12.4 The RFO shall be responsible for ensuring the annual check of all stocks and stores.

13 Properties and Estates

- 13.1 The Town Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. the 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 the Accounts and Audit Regulations 2011¹².
- 13.2 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 does not exceed £500.

14 Insurance

- 14.1 The RFO shall effect all insurance and negotiate all claims on the Council's insurers in consultation with the Resources Committee.
 - 14.2 The Town Clerk shall give prompt notification to the Resources Committee of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurances.
 - 14.3 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it, in discussion with the Chairman of Resources or such other delegated member.
 - 14.4 The RFO shall be notified of any loss or damage or any event likely to lead to a claim.
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14.5 All appropriate employees of the Council shall be included in suitable fidelity guarantee insurance.

15 **Revision of Financial Regulations**

~~15.1~~ It shall be the duty of the Council to review the Financial Regulations of the Council annually:-

16 **Risk Management**

16.1 The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare, for approval by Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council annually.

17 **Mayoral Allowance**

50% of the Mayoral Allowance shall be paid in advance to the Mayor. The Mayor will quantify his expenses at the end of the Term of Office and any balance owing within the budget shall be reimbursed to the Mayor. Any balance of the budget remaining shall either be donated to charity or paid through the payroll as a remuneration, the choice to be at the Mayor's discretion.