



# Financial Regulations

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**1. GENERAL**

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

**2. ANNUAL ESTIMATES**

- 2.1. Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital accounts, shall be prepared each year by the RFO.
- 2.2. The Town Council shall review the estimate not later than the end of January in each year and shall recommend the precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- 2.3. The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

**3. BUDGETARY CONTROL**

- 3.1. Expenditure on the revenue account may be incurred up to the amounts included in each approved budget.
- 3.2. No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless approved by the council.
- 3.3. The RFO shall provide the council with a statement of income and expenditure for their monthly meetings.
- 3.4. The Chairman together with the Clerk shall have executive power to incur expenditure on behalf of the council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £10,000. The RFO shall report the action to the council as soon as practicable thereafter.
- 3.5. Where expenditure is incurred in accordance with regulation 3.4 above and the sum required cannot be met from savings made elsewhere within that budget, it shall be subject to the provision of a supplementary estimate approved by the council.
- 3.6. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
- 3.7. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the council are satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available, (or the requisite borrowing approval can be obtained.)
- 3.8. All capital works shall be administered in accordance with the council's financial regulations relating to contracts.

**4. ACCOUNTING AND AUDIT**

- 4.1. All accounting procedures and financial records of the council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996.
- 4.2. The RFO shall be responsible for completing the annual accounts of the council as soon as practicable after the end of the financial year and shall submit them to the council.
- 4.3. 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, should be separated as completely as possible from the duty of collecting or dispersing them.
  - b. Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4. 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 regulation 5 of the Accounts and Audit Regulations 1996.
- 4.5. The Town Council shall appoint an independent internal auditor who is independent of the operations of Shirebrook Town Council.
- 4.6. 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.

**5. BANKING ARRANGEMENTS AND CHEQUES**

- 5.1. The council's banking arrangements shall be made by the RFO. A current account and deposit account shall be maintained at the bank, together with any reserve accounts. These arrangements will not be amended until agreed under a resolution at the full council.
- 5.2. A schedule of the payment of money shall be prepared by the RFO (3.3) and if requested, the relevant invoices etc. be presented to the council. Any queries regarding the statement shall be raised at the parish council meeting. If the schedule is in order it shall be authorised by the council and signed by the chairman.
- 5.3. Cheques drawn on the Council's accounts in accordance with the schedule referred to in the previous paragraph shall be signed by two council members.
- 5.4. Transfers of money between the Council's bank accounts, other than the automatic end of day balance transfers, will be authorised by resolution of the Council.

**6. PAYMENT OF ACCOUNTS**

- 6.1. Apart from petty cash payments all payments shall be effected by cheque or when necessary, and in the case of most utility services, other order/direct debit instruction drawn on the council's bankers.
- 6.2. All invoices for payment shall be examined, verified and certified by the RFO. Before certifying an invoice the RFO shall be satisfied that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3. Duly certified invoices shall marked by the RFO who shall again examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. In most cases, the RFO will take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4. All duly certified invoices will then be entered in the Receipts and Payments book.

**7. PETTY CASH**

- 7.1. The RFO may provide petty cash to officers to cover 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 to cover 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 separately banked, as provided elsewhere in these regulations.
  - c. Payments to maintain the petty cash float shall be shown separately.

**8. PAYMENT OF SALARIES AND WAGES**

- 8.1. The payment of all salaries and wages shall be made by the RFO.
- 8.2. Time sheets must be completed by all amenity workers. All time sheets shall be certified as to accuracy by the RFO.

**9. LOANS AND INVESTMENTS**

- 9.1. All loans and investments shall be negotiated by the RFO in the name of the 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 council at the earliest opportunity.
- 9.2. All investments of money under the control of the council shall be in the name of Shirebrook Town Council.
- 9.3. All borrowings shall be effected in the name of the council.
- 9.4. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

**10. INCOME**

- 10.1. The collection of all sums due to the council shall be the responsibility of the RFO.
- 10.2. 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
- 10.3. The council will review all fees and charges annually, following a report of the RFO
- 10.4. Any bad debts shall be reported to the council
- 10.5. All sums received on behalf of the council shall be paid to the RFO, or a nominated employee, for banking. In all cases all receipts shall be deposited with the council's bankers with such frequency as the RFO considers necessary, but within seven working days.
- 10.6. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
- 10.7. In no circumstances shall personal cheques be cashed out of money held on behalf of the council

**11. ORDERS FOR WORK, GOODS AND SERVICES**

- 11.1. All officers are responsible for obtaining value for money at all times. An officer issuing an order / instruction for work, goods and services is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction

**12. CONTRACTS**

- 12.1. Procedures as to the contracts are laid down as follows
  - a. Every contract made by the council shall comply with these procedures, and no exception from any of the following provisions shall be made otherwise than by direction of the council or in an emergency by such a committee as aforesaid provided that these procedures shall not apply to contracts which relate to items (i) to (v) below:
    - i. for the supply of gas, electricity, water, sewerage and telephone services
    - ii. for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants
    - iii. for work 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:
    - i. exceeding £10,000 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 expected as set out in paragraph (a) the RFO shall invite tenders from at least three firms.
    - ii. for expenditure of £10,000 or less in value the chairman together with the RFO shall have executive power.

- c. When applications are made to waive these procedures relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- d. Every exception made by a committee to which the power of making contracts has been delegated shall be reported to the council and the report shall specify the emergency by which the exception shall have been justified.
- e. Such invitation to tender shall state the general nature of the intended contract and the 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 RFO (Clerk) and the last date by which such tenders should reach the RFO in the ordinary course of post. Each tendering firm shall be supplied with a specially 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 RFO in the presence of at least one member of the council.
- g. If less than three tenders are received for contracts valued above £10,000 or if all the tenders are identical the RFO may make such arrangements as they think fit for procuring the goods or materials or executing the works.
- h. Shirebrook Town Council shall not be obliged to accept the lowest or **any** tender.

**13. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- 13.1.** 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 consultants engaged to supervise the contract.
- 13.2.** 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 council.
- 13.3.** Any variation to a contract or addition to or omission from a contract must be approved by the RFO in writing, the council being informed where the final cost is likely to exceed the financial provision.

**14. PROPERTIES AND ESTATES**

- 14.1.** The RFO 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 regulation 4(3)(b) of the Accounts and Audit Regulations 1996.
- 14.2.** No property shall be sold, leased or otherwise disposed of without the authority of the Council.

**15. INSURANCE**

- 15.1. The RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2. The RFO shall give prompt attention to all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss of liability or damage or of any event likely to lead to a claim.
- 15.5. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

**16. REVISION OF FINANCIAL REGULATIONS.**

- 16.1. It shall be the duty of the Council to review the Financial Regulations from time to time and to make such amendments as it considers necessary.