

ST COLUMB MAJOR TOWN COUNCIL

FINANCIAL REGULATIONS

1 GENERAL

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of the Council and may only be amended or varied by Resolution of the Council.
- 1.2 The responsible financial officer (RFO) under the policy direction of the Finance and General Purposes Committee (F&GP Committee) 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 Each Committee shall formulate and submit proposals to the F&GP Committee in respect of revenue services and capital projects for inclusion in the rolling capital programme not later than the end of November each year.
- 2.2 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.3 The F&GP Committee shall review the estimates and submit them to the Council not later than the end of January in each year and shall recommend the precept to be levied for the ensuing year. The RFO shall supply each Member with a copy of the approved estimates.

- 2.4 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 Committee budget.
- 3.2 No expenditure may be incurred, which cannot be met from the amount prepared in the appropriate Committee revenue budget, unless a virement has been approved by the F&GP Committee.
- 3.3 The RFO shall, quarterly, provide the Council with a statement of income and expenditure to date, under each heading of the approved annual revenue and capital budgets.
- 3.4 The Clerk may 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% of the precept budget for the appropriate year. The Clerk shall report the action to the appropriate Committee 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

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Committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the F&GP Committee or 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 Committee concerned are satisfied that it is contained in the rolling capital programme and that the necessary funds are available, or the requisite borrowing approval can be obtained.

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 and report thereon to the F&GP Committee.
- 4.3 The RFO shall be responsible for maintaining an adequate and effective system of Internal Audit of the Council's accounting, financial and other operations. 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.
- 4.4 The Finance & General Purposes Committee shall review annually, in June, the effectiveness of the system of internal control (referred to in Regulation 4(2)). Areas to be reviewed to include:
 - 4.4.1 Bookkeeping – checking records are kept up-to-date; balances have been verified and reconciled against bank statements; and a sample of vouchers, invoices and receipts checked for accuracy.
 - 4.4.2 Standing Orders/Financial Regulations – checked to ensure they are still relevant and compliant with existing legislation.
 - 4.4.3 Risk Management – checking insurance cover is adequate; checking the Financial Risk Assessment is accurate and up-to-date; checking that financial systems are robust and a check of the payroll.
 - 4.4.4 Asset Register – reviewed annually.

5 BANKING

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the F&GP Committee. Two current accounts shall be maintained at the bank, a general account and a savings account.
- 5.2 A schedule of the payment of money shall be prepared by the RFO and, together with the relevant invoices, etc. be presented to the Council Meeting.

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If the schedule is in order it shall be authorised by a resolution of the Council and signed by the Chairman or Vice-Chairman.

- 5.3 Cheques drawn on the two bank accounts in accordance with the schedule referred to in the previous paragraph shall be signed by the Clerk, and two duly authorised Councillors.
- 5.4 The Clerk may transfer money from the savings to the general account, where this is necessary to maintain a credit balance in the general account.

6 PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque.
- 6.2 Before presenting an account for payment, the RFO, shall have satisfied him/herself that:
 - 6.2.1 The work, goods or services to which the account relates have been carried out, received, examined and approved.
 - 6.2.2 The prices, calculations, trade discounts, other allowances, credits and tax are correct.
 - 6.2.3 The relevant expenditure has been properly incurred, and is within the relevant estimate provision.
 - 6.2.4 The account has not been previously passed for payment and is a proper liability of the Council.
- 6.3 Duly certified invoices shall be coded to the appropriate expenditure heading. The RFO shall take all possible steps to settle all invoices submitted, and which are in order, within 1 month of receipt.
- 6.4 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.

7 PAYMENT OF SALARIES AND WAGES

- 7.1 The payment of all salaries and wages shall be made by the RFO from the general account in accordance with the payroll records.
- 7.2 All timesheets shall be certified as to accuracy by, or on behalf of, the RFO.

8 LOANS AND INVESTMENTS

- 8.1 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. Change to loans and investments should be reported to the Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Council shall be in the name of the Council.
- 8.3 All borrowings shall be affected in the name of the Council.

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8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9 INCOME

9.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

9.2 Where cash is received in payment of any debt a receipt must be given at the time of payment to the payer.

9.3 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.

9.4 The Council will review all fees and charges annually, following a report from the RFO.

9.5 All sums received on behalf of the Council shall be banked by the RFO. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

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

9.8 Any bad debts shall be reported to the F&GP Committee who shall recommend to the Council, whether or not any such debt should be written off.

10 CONTRACTS

10.1 Where it is intended to enter into a contract exceeding 10% of the precept budget, for the appropriate financial year, but not exceeding £10,000 in value for the supply of goods or materials or for the execution of works, the Clerk shall give at least three weeks' public notice of such intention in the same manner as public notice of Meetings of the Council is given.

10.2 Where the value of the intended contract exceeds £10,000, similar notice shall be given in addition to all firms included in the appropriate standing approved list of contractors maintained by the District Council.

10.3 Such invitation to tender shall state the general nature of the intended contract and the 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 Clerk and the last date by which such tenders should reach the Clerk in the ordinary 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.

10.4 All sealed tenders shall be opened at the same time, on the prescribed date, by the Clerk or the properly authorised deputy in the presence of at least one

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Member of the Council and shall be reported to the Council or, where the tenders have been sought by a Committee or Sub-Committee to that Committee or Sub-Committee.

- 10.5 If less than three tenders are received 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.
- 10.6 Neither the Council nor any Committee or Sub-Committee is bound to accept the lowest tender.
- 10.7 Canvassing of Members of the Council or of any Committee, directly or indirectly, for any contract from the Council shall disqualify the tenderer.

11 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 11.1 Payments on account of the contractor 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.
- 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 appropriate Committee.
- 11.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk, in writing, the appropriate Committee being informed where the final cost is likely to exceed the financial provision.

12 PROPERTIES and ESTATES

- 12.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.
- 12.2 The RFO shall ensure that an Asset Register is maintained of all properties, equipment, etc. owned by the Council, regarding the location, extent, plan, reference, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held.
- 12.3 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.

13 INSURANCE

- 13.1 The RFO shall affect all insurances and negotiate all claims on the Council's behalf.
- 13.2 The RFO shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.
- 13.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim.

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13.4 All appropriate employees of the Council shall be included in a suitable, fidelity guarantee insurance.

14 REVISION OF FINANCIAL REGULATIONS

14.1 It shall be the duty of the F&GP Committee to review the financial regulations of the Council from time-to-time and to make such recommendations to the Council as the Committee considers are required.

These Financial Regulations were revised and adopted by St Columb Major Town Council on 10th September 2007.

Signed: (Cllr. Andrew Riley)
Town Mayor