

REEPHAM TOWN COUNCIL

FINANCIAL REGULATIONS - Adopted February 2016

1. GENERAL

- 1.1 These financial regulations shall govern the conduct of the financial transactions of the Council and shall only be amended by resolution of the Council.
- 1.2 The Responsible Finance Officer (RFO) under the policy 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 A budget shall be prepared by the RFO not later than the end of November in each year and be reviewed and submitted to the Council not later than the end of the second week in December in each year.
- 2.2 During December of each year the Council shall set the precept to be levied for the ensuing year.
- 2.3 The budget shall form the basis of the financial control for the ensuing year and a copy will be supplied to each member.

3. BUDGETARY CONTROL

- 3.1 Revenue expenditure may be incurred up to the amounts included in the Council's budget.
- 3.2 The RFO shall provide the Council with a statement of income and expenditure each month.
- 3.3 The Clerk may incur expenditure on behalf of the Council that is necessary to carry out any repair, replacement or other work, which is of such urgency that, in the opinion of the Clerk, it must be done at once, whether or not there is budgetary provision, subject to a financial limit of £2,500. The Clerk shall report the action taken to the Council as soon as practicable thereafter.
- 3.4 In the absence of the Clerk the Chairman of the Council may incur such expenditure and report to Council as itemised in 3.3 above.
- 3.5 No expenditure shall be incurred in relation to any capital project and no contracts entered into or tender accepted involving expenditure

unless the Council is satisfied 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 2015 or other Statutory Instrument which may supersede those regulations.
- 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 in any case by the statutory date of 30th June and submit such accounts and report thereon to the Council.
- 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 in accordance with regulation 5 of the Accounts and Audit Regulations 2015 or other Statutory Instrument that may supersede those regulations.

5 BANKING ARRANGEMENTS

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Council.
- 5.2 Cheque and internet bank payments drawn on the Council's bank account shall be signed by two of the members elected as cheque signatories. They shall also initial the accompanying invoices and cheque counterfoils or bank print-outs.
- 5.3 A list of all payments shall be presented to the Council at every meeting and, if in order, shall be authorised for adoption by a resolution of the Council.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cash, cheque, internet bank payment or by direct debit drawn on the Council's bankers. A cash float of not more than £50 shall be maintained for petty cash items on an imprest basis.
- 6.2 All invoices for payment shall be examined and the RFO will verify that the works, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 The RFO shall take all possible steps to settle all invoices submitted, which are in order, within 30 days of their receipt.

6.4 All duly certified invoices will then be entered on the schedule referred to in 5.3 above.

7. PAYMENT OF SALARY AND WAGES

7.1 The payment of all salaries and wages shall be made by the RFO in accordance with the payroll records.

7.2 All timesheets shall be certified as to accuracy by the RFO. The Chairman or Vice Chairman of the Council will certify the timesheets of the Clerk and the RFO as to accuracy.

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 agreed by the Council. Changes to loans and investments should be reported to the Council at the earliest opportunity.

8.2 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 Clerk/RFO.

9.2 The Council will review all fees and charges annually, following a report from the Clerk. Any bad debts shall be reported to the Council.

9.3 All sums received on behalf of the Council shall be banked with such frequency as the RFO considers necessary, usually weekly.

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

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

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1 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 eg petty cash purposes. Copies of orders shall be maintained.

10.2 Order books shall be controlled by the Clerk/RFO.

10.3 The Clerk/RFO is responsible for obtaining value for money at all times. The Clerk, on 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 and 3 quotes should normally be obtained for the purchase of items costing in excess of £1000 to demonstrate this practice. (It is not considered practicable to do this for items costing less than £1000).

11. CONTRACTS

11.1 Procedures as to the contracts are laid down as follows:

- 1) Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £50,000 shall be procured on the basis of a formal tender as summarised in (2) below.
- 2) Any formal tender process shall comprise the following steps:
 - a. A public notice of intention to place a contract to be placed in suitable local media.
 - b. A specification of the goods, materials, services and the execution of works shall be drawn up.
 - c. Tenders are to be sent, in a sealed marked envelope, to the Town Clerk by a stated date and time.
 - d. Tenders submitted are to be opened, after the stated closing date and time, by the Town Clerk and at least one member of the Council.
 - e. Tenders are then to be assessed and reported to the appropriate meeting of the Council or Committee.
- 3) The Council, or any Committee, is not bound to accept the lowest tender, estimate or quotation.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING AND OTHER CONSTRUCTION WORKS

12.1 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.

12.2 Where contracts provide for payments by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that 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.

12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. PROPERTIES AND ESTATES

13.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk/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 regulations 4(3)(b) of the Accounts and Audit Regulations 2015 or other Statutory Instrument which may supersede those regulations.

- 13.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council.

14. INSURANCE

- 14.1 The Clerk/RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 14.2 The Clerk/RFO shall give prompt notification to the Council of all new risks, properties or vehicles that require to be insured and of any amendments affecting existing cover.
- 14.3 The Clerk/RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 14.4 The Clerk/RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim.
- 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 annually and to make such changes as are considered necessary.

Adopted February 2016 – Minute TC16/28

Reviewed 8th March 2017

Reviewed 14th March 2018

Reviewed 10th July 2019

Reviewed 17th September 2020