



Bideford Town Council Financial Regulations

01 General

- a. These financial regulations govern the conduct of the financial transactions of the Council and may only be amended or varied by resolution of the Council.
- b. The Responsible Financial Officer (RFO), under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
- c. The RFO shall be responsible for the production of financial management information.
- d. The Council shall be responsible through the Staffing, Finance & General Purposes Committee for ensuring that the financial management is adequate and effective and that there is a system of internal controls which facilitates the effective exercise of its functions and which manages risk.
- e. The Staffing, Finance & General Purposes Committee shall review at least once a year the effectiveness of its systems of internal controls and shall produce a statement on internal control with its statement of accounts

02 Annual Estimates

- a. The Staffing, Finance & General Purposes Committee shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year not later than the second week of January each year.
- b. Detailed estimates of all receipts and payments for the year shall be prepared each year by the RFO.
- c. The Council shall review the estimates not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.
- d. The annual budgets shall form the basis of financial control for the ensuing year.

03 Budgetary Control

- a. The RFO shall provide quarterly to the Staffing, Finance & General Purposes Committee with a statement of income and expenditure to date under each head of the budgets, comparing actual expenditure against that planned following inspection of the accounts by the Council's Internal Finance Inspector.
- b. The RFO may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The RFO shall report the action to the next available meeting of the SFGP Committee and Market Management Committee.

c. Unspent provisions in the revenue budget may be carried forward and included as earmarked reserves in a subsequent year subject to approval of the SFGP Committee.

d. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

e. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

04. Accounting and Audit

a. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

b. On a regular basis, at least once in each quarter, and at each financial year end, The Internal Auditor (who is not the Chairman or a cheque signatory) shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The Internal Auditor shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance Committee.

c. The RFO shall be responsible for completing the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.

d. The RFO shall be responsible for completing the accounts of the Council contained in the Annual Return (as supplied by the External Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescale set by the Accounts and Audit Regulations 1996 as amended, or by the External Auditor.

e. The RFO shall be responsible for ensuring that there is 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 2003 and 2006, and any subsequent amendments thereto. Any officer or member of the Council shall, if the RFO or Independent Auditor requires, make available such documents of the Council which appear to the RFO or Independent Auditor to be necessary for the purpose of the Independent audit and shall supply the RFO or Independent Auditor with such information and explanation as the RFO or Independent Auditor considers necessary for that purpose.

f. The Staffing, Finance & General Purposes Committee shall ensure that it is satisfied with the effectiveness of internal audit on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

g. The Independent Auditor shall carry out the work required by the RFO and the Council, with a view to satisfactory completion of the Independent Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Independent Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

h. The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto.

i. The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Independent or External Auditor, unless the correspondence is of a purely administrative matter.

05. Banking Arrangements

a. The Council's banking arrangements shall be made by the RFO and approved by the Council. They shall be kept under review for efficiency.

b. Any member shall be able to inspect all payments and income of the Council subject to allowing sufficient time for this information to be provided.

06. Payment of Accounts

a. All payments shall be effected by cheque, direct debit, debit card, credit card, bacs or other order drawn on the Council's bankers.

b. All invoices for payment shall be examined, verified and certified by the RFO who shall satisfy herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved. All payments are reported to either the Town Council Meeting, Market Management or Staffing, Finance & General Purposes Committee meetings as appropriate.

c. The RFO shall examine invoices in relation to arithmetic accuracy and shall allocate them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted in a timely manner.

d. The RFO shall maintain a petty cash float for the purpose of defraying minor operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

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

07. Payment of Salaries

a. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by Council.

b. Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates.

08. Loans and Investments

a. Any loans and any investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.

- b. The Council shall agree an Investment Policy if it decides to make investments at any time in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- c. Any investments of money under the control of the Council shall be in the name of the Council.
- d. Any borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose.
- e. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

09. Income

- a. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- b. Particulars of all fees and charges to be made for work done, services rendered or goods supplied shall be agreed by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- c. The Staffing, Finance & General Purposes Committee, Allotments and Market Management Committee will review all fees and charges annually, following a report of the Town/Deputy Clerk.
- d. Any sums found to be irrecoverable and any bad debts shall be reported to the Staffing, Finance & General Purposes Committee, Allotments and Market Management Committee as appropriate and shall be written off in the year.
- e. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- f. The origin of each receipt shall be entered on the paying-in slip.
- g. Personal cheques shall not be cashed out of money held on behalf of the Council.
- h. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 Section 33 shall be made quarterly.
- i. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. Orders for Goods, Works and Services

- a. 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.
- b. Order systems shall be controlled by the RFO.

c. All members and 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, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions.

d. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments.

11. Contracts

a. Every contract shall comply with these Financial Regulations subject to emergency requirements but taking into account normal day to day working arrangements covered by the following where it would be counter productive or impossible to obtain quotes/tenders:-

i. For the supply of gas, electricity, water, sewerage and telephone services where best value shall be obtained.

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 additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of the Staffing, Finance & General Purposes Committee).

vi. For goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

b. The Public Contracts Regulations 2015 will be engaged when (a) public works, public service or a public supply contract with an estimated value in excess of £25,000 or more is entered into and (b) (i) a public works contract with an estimated value of currently £4,104,394 or more or (ii) a public service or public supply contract with an estimated value of currently £164,176 or more is entered into.

Where it is intended to enter into a contract exceeding £60,000 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 RFO shall invite tenders from at least three firms to be taken from an appropriate approved list following public advertisement inviting interest in tendering and if appropriate, consultation with Principal Authorities or other professional advisors

c. 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 Staffing, Finance & General Purposes Committee.

d. 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 in the ordinary course of post. 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.

e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least two members of Council.

f. If less than three tenders are received for contracts above £60,000 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. When it is to enter into a contract less than £60,000 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 11.a. the RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £5,000 the RFO or RFO shall strive to obtain best value at all times taking into account regulation 11.a.

h. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

i. Whilst every effort will be made to include businesses within Bideford in opportunities to bid for Council work, the duty of the Council is to obtain best value and no preferential treatment can be given to local businesses within purchasing arrangements.

12. Payments under Contracts for Building or other Construction Works

a. 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 (subject to any percentage withholding as may be agreed in the particular contract).

b. Where contracts provide for payment by installments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 10% or more a report shall be submitted to the Council.

c. Any variation to a contract or addition to or omission from a contract must be approved by the Council and RFO to the Contractor in writing before any work has begun, the Council being informed where the final cost is likely to exceed the financial provision.

13. Stores and Equipment

a. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

b. Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.

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

d. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Properties and Estates

- a. 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.
- b. No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.

15. Insurance

- a. Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers
- b. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- c. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the SFGP Committee at the next available meeting.
- d. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. Charities

Where the Council is sole trustee of a Charitable body the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17. Risk Management

The Council shall carry out a Financial Risk Assessment on an annual basis in accordance with the Accounts and Audit Regulations 2003 and 2006, and any subsequent amendments thereto. The minutes shall record such review of the financial risks.

18. Revision of Financial Regulations

It is the Council's duty to review the Financial Regulations of the Council on a regular basis.

Revised: February 2019