

BLACK WATER AND HAWLEY

TOWN COUNCIL

FINANCE REGULATIONS

BLACKWATER AND HAWLEY 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 Executive Officer under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The Executive Officer shall be responsible for the production of financial management information.
- 1.4 The Executive Officer shall maintain an Operating Manual to include production and reporting of all financial activities.

2 Annual Estimates

- 2.1 Each Committee shall formulate and submit proposals to the Finance 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 Executive Officer.
- 2.3 The Finance 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 financial year. The Executive Officer shall supply each member with a copy of the approved estimates.
- 2.4 The annual budget shall form the basis of financial control for the ensuing year.
- 2.5 The financial reserves in each year shall be maintained within the range of three to twelve months of gross expenditure.

3 Budgetary Control

- 3.1 Expenditure on the revenue account may be incurred up to the amounts included in the approved budget.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the budget unless a virement has been approved by the Finance Committee or the Council.
- 3.3 The Executive Officer shall regularly provide the Council with a statement of income and expenditure to date under each head of the approved budget. This statement shall

include a forecast to year-end for month 6 and month 9.

- 3.4 The Executive Officer may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000 plus VAT. Where expenditure is for reasons of Health and Safety, this limit is increased to £3,000.00 plus VAT. The Executive Officer shall report the action to the appropriate Committee as soon as practicable thereafter.

The Executive Officer is authorised to place orders up to a value of £1,000 with organisations that are contained on an approved list of suppliers without the need to obtain two quotations. Where it is estimated that the contract value is between £1,000 and £10,000 two quotations are required including, if appropriate, one of the approved suppliers. Where it is estimated that the contract value will exceed £10,000 three quotations will be required including, if appropriate, one of the approved suppliers.

- 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 Committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Finance Committee or the Council.
- 3.6 The Executive Officer shall have a delegated budget of £500.00 per annum, which may be expended on items not in the budget and with a limit of £100.00 per item.
- 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 is 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 Standing Orders and Financial Regulations relating to Contracts.
- 3.9 Delegated authority levels have been set as follows:-
- a) The Licensee – Orders to the approved supplier of beers, wines, spirits and soft drinks up to a maximum credit limit of £4,000 in any one month. Credit orders with the approved supplier of bar snacks up to a limit of £250 in any one month. Orders with the approved cash and carry supplier up to a petty cash limit of £350, unless agreed in advance by the Executive Officer for operational reasons.
 - b) The Grounds/Maintenance Person – B & Q Orders up to a maximum of £250 in any one month unless agreed in advance by the Executive Officer for operational reasons and vehicle fuel purchases from the approved petrol station up to a credit limit of £100 in any one month.

4 **Accounting and Audit**

- 4.1 All accounting procedures and financial records of the Council shall be determined by the Executive Officer as required by the Accounts and Audit Regulations 2006.
- 4.2 The Executive Officer 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 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.
 - c) Council staff working on reception or bars and who receive cash and cheques will be responsible for balancing the tills at the end of each working day.

Cash floats are to be maintained on an imprest system and reconciliation of the cash floats are to be undertaken as follows:-

- . Leisure Centre Bar - daily
 - . Leisure Centre Reception - daily
 - . Function Bars - immediately following the function
- 4.4 The Executive Officer under the direction of the Council 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 2006. Any officer or member of the Council shall, if the Executive Officer requires, make available such documents of the Council which relate to their accounting and other records as appear to be Executive Officer to be necessary for the purpose of the audit and shall supply the Executive Officer with such information and explanation as the Executive Officer considers necessary for that purpose.
- 4.5 The Council shall review the effectiveness of its system of internal controls annually.
- 4.6 The Internal Auditor shall have access to all Council financial records in order to comply with the regulatory internal audit requirements and the completion of the internal audit section of the Annual Return at the financial year end.

5 **Banking Arrangements and Cheques**

- 5.1 The Council's banking arrangements shall be made by the Executive Officer and approved by the Council.

5.2 A schedule of the payment of money shall be prepared by the Executive Officer and together with the relevant invoices presented to the Planning & Payments Committee. If the schedule is in order it shall be authorised by a resolution of that Committee and signed by the Chair or Vice Chair.

5.3 All cheques drawn in accordance with the schedule referred to in the previous paragraph shall be signed by the Executive Officer and any two other duly authorised signatories. The Administration Officer may only act as a signatory in the Executive Officer's absence due to annual leave.

6 **Payment of Accounts**

6.1 Apart from petty cash payments all payments shall be effected by cheque or other order drawn on the Council's bankers.

6.2 All invoices for payment shall be examined, verified and certified by the Executive Officer. Before certifying an invoice the Executive Officer shall satisfy himself 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 be passed to the Executive Officer 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.

6.4 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.

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

- a) The Administration Officer shall maintain a petty cash float to a limit of £100 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 maintained at the Council Offices shall be kept on the imprest system and reconciled monthly. The Licensee shall maintain a petty cash float to a limit of £150.00 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment. The float will be kept on the imprest system and reconciled monthly.
- 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 the Planning & Payments Committee (under 5.2 above).

d) The Licensee shall maintain till cash floats as follows:-

i)	Leisure Centre Bar Till	£100.00
ii)	Leisure Centre Hall Till (Functions)	£100.00
iii)	Memorial Hall Till (Functions)	£100.00
iv)	Change Float	<u>£300.00</u>
		<u>£600.00</u>

e) The Receptionists shall maintain a till float in Reception of £50.00.

7 Payment of Salaries and Wages

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

7.2 All timesheets shall be certified as to accuracy by or on behalf of the Executive Officer. Any overtime must be authorised by the Executive Officer before being undertaken.

7.3 The bank accounts shall not be overdrawn at the bank.

8 Loans and Investments

8.1 All loans and investments shall be negotiated by the Executive Officer 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.

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 effected in the name of the Council.

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

Income

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

9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the Executive Officer and the Executive Officer shall be ultimately responsible for the collection of all accounts due to the Council.

9.3 The Council will review all fees and charges as required and at least annually, following a report of the Executive Officer.

9.4 Any bad debts shall be reported to the Council.

9.5 All sums received on behalf of the Council shall either be paid to the Executive Officer for banking or be banked by the officer collecting the money as directed by the Executive Officer. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the Executive Officer considers necessary.

9.6 The paying in slip or summary sheet shall record the source of each bank payment, to give an audit trail..

9.7 Every transfer of official money from one member of staff to another shall be signed for by the both members of staff.

9.8 Personal cheques shall not be cashed out of 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 purchases. Copies of orders issued shall be maintained.

10.2 Order books shall be controlled by the Executive Officer

10.3 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.

11 **Contracts**

11.1 Procedures regarding contracts are as laid down in the Council's Standing Orders and supplemented by the following:

- a) Every contract whether made by the Council or by a 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 a Committee as aforesaid provided that these Standing Orders 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 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) see 3.4
- 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 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 Executive Officer 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 Executive Officer and the last date by which such tenders should reach the Executive Officer 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 Executive Officer or the properly authorised deputy in the presence of at least one Member of the Council.
- g) If fewer than three tenders are received for contracts valued above £10,000 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.
- h) The Council shall not be obliged to accept the lowest or any tender.

12 Payments Under Contracts for Building or Other Construction Works

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Executive Officer upon authorised certificates of the architect or other consultants engaged to supervise the contract.
- 12.2 Where contracts provide for payment by instalments the Executive Officer 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.

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

13 **Stores and Equipment**

- 13.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regards quantity at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The Executive Officer shall be responsible for an annual check of all stocks and stores

14 **Properties and Estates**

- 14.1 The Executive Officer shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Executive Officer 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 2006.
- 14.2 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.

15 **Insurance**

- 15.1 The Executive Officer shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The Executive Officer shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3 The Executive Officer 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 Executive Officer shall be notified of any loss liability or damage or of any event likely to lead to a claim and ensure losses are reported to the police as appropriate.
- 15.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance. This will be based on balances plus one half the Precept, as recommended by the Audit Commission.

16 **General Security**

- 16.1 Maximum limits for cash holdings shall be agreed by the Executive Officer and shall not be exceeded without express permission.
- 16.2 Keys to safes, doors and cabinets etc, are to be kept secure and a record kept of all keyholders by the Administration Officer. The loss of any keys must be reported immediately to the Executive Officer.
- 16.3 Security procedures for the Reception and Bar areas in the Leisure Centre are subject to regular review by the Executive Officer and appropriate members of staff.
- 16.4 Information relating to individuals held on all records is subject to the provisions of the Data Protection Act. To ensure proper security and the privacy of such information the Executive Officer should be consulted before such data is entered.
- 16.5 Staff may claim car mileage at approved rates on Council business in accordance with staff conditions of service and individual contracts of employment, provided such journeys have been authorised in advance. All staff expenses are to be approved by the Executive Officer and the Executive Officer's expenses by the Chairman of Council.
- 16.6 Councillors may claim expenses on Council business in accordance with Statutory Regulations at approved mileage rates supported by a claim form. Standing cash allowances are not payable. Travel to and from Town Council meetings shall not be claimed except in exceptional circumstances as authorised by Council.

17 **Revision of Financial Regulations**

- 17.1 It shall be the duty of the Council to review the Financial Regulations. These Finance Regulations will be reviewed next in December 2021 and thereafter every four years.
- 17.2 Following each revision and on arrival of a new councillor or employee, the councillors and employees shall ensure that they have adequate understanding as appropriate.