

BOURNE 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 Clerk under the policy direction of the Committee shall be responsible for the proper administration of the Council's financial affairs.
- 1.3 The Clerk shall be responsible for the production of financial management information.

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 December each year.
- 2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the Clerk.
- 2.3 The Finance Committee shall review the estimates and submit them to the Council not later than the February meeting in each year. The Council shall fix the Precept to be levied for the ensuing financial year at this meeting. The Clerk 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 revenue items 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 provided in the appropriate Committee revenue budget unless a virement has been approved by the Finance Committee or the Council.
- 3.3 The Clerk shall regularly provide the Finance Committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned in form of Quarterly Budget Reports.
- 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

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the expenditure to a maximum of 0.5% of the total Bourne Town Council Expenditure Budget. 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 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 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year without the specific approval of the Finance Committee.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure unless the Committee concerned 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 Payments under **SECTION 137** can be made in the form of a grant to:
 - a) individual applicants, attending an international event, provided the applicant is representing a recognised organisation and lives within the parish boundaries.
 - b) any organisation with objectives which are charitable, not necessarily a Registered Charity, where its sphere of operations includes the Parish of Bourne. A statement of intent, on how any grant made would be spent, has to be provided.In addition where a grant is being considered of 5% of the total grant budget and over, confirmation of the organisation's financial situation must be forwarded and if a grant is made, proof of the specified expenditure provided in accordance with the Local Government Act 1972.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the Clerk as required by the Accounts and Audit Regulations.
- 4.2 The Clerk 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 Clerk 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

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Regulations. Any Officer or Member of the Council shall, if the Clerk or Internal Auditor requires, make available such documents of the Council which appear to the Clerk or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the Clerk or Internal Auditor with such information and explanation as the Clerk or Internal Auditor considers necessary for that purpose.

- 4.4 The Internal Auditor shall carry out the work required by the Clerk, or by the Council, with a view to satisfactory completion of the Internal Auditor's Report section of the Annual return as compiled annually by the Audit Commission.
- 4.5 The Internal Auditor, who shall be competent and independent of the operations of the Council, shall provide one annual report in respect of each financial year.
- 4.6 The Clerk shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by the Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations.
- 4.7 The Clerk shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Council's banking arrangements shall be made by the Clerk and approved by the Council. They shall be regularly reviewed for efficiency.
- 5.2 A schedule of the payments required, forming part of the Agenda for the Meeting, shall be prepared by the Clerk and, together with the relevant invoices, presented to the Council. If the schedule is in order it shall be authorised by a resolution of the Council. The detail of the schedule shall be shown in the Minutes of the Meeting.
- 5.3 Cheques drawn on the bank accounts in accordance with the schedule referred to in the paragraph 5.2 shall be signed by two members of the Council.
- 5.4 The Clerk shall verify paid cheques against the appropriate bank statement as part of the monthly reconciliation process.

6. PAYMENT OF ACCOUNTS

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.

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- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall satisfy her/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 Clerk who shall examine them in relation to arithmetical accuracy and authorisation, and shall analyse them to the appropriate expenditure heading. The Clerk shall take all steps to settle all invoices submitted, and which are in order, at the next available Meeting of the Finance and General Purposes Committee or Meeting of the Full Council.
- 6.4 If a payment is necessary to avoid a charge of interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of the Council or Finance Committee, where the Clerk certifies that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding paragraph 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council/Finance Committee.
- 6.5 The Clerk has authority to maintain a cash float (Petty Cash) the total amount of which has been agreed within the Budget. All cash received must be banked intact. Any payments made out of Petty Cash have to be backed up by a receipt, with appropriate Cash Book records kept and monthly reconciliation carried out. Any other payments made by the Clerk or any Councillor shall be refunded, upon production of a satisfactory receipt/invoice, with a claim form/receipt signed by the claimant.

7. PAYMENT OF SALARIES

- 7.1 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 the Council.
- 7.2 The immediate Supervisor or the Clerk shall certify all time sheets as to their accuracy.
- 7.3 Payment of salaries and appropriate deductions from salary such as PAYE, National Insurance and Superannuation contributions, may be made in accordance with the payroll records and budgeted salary scales. The Clerk has responsibility for ensuring that all of the above payments are carried out within the given timescales. Salary payments are carried out via BACS system on a weekly/monthly basis, with Inland Revenue payments being made monthly. Superannuation contributions are passed on to the Pension Fund in accordance with the latest agreement for payment.

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8. LOANS AND INVESTMENTS

- 8.1 All loans and investments shall be negotiated by the Clerk in the name of the Council, and shall be for a set period.
- 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, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose.
- 8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

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.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the Clerk who shall be responsible for the collection of all accounts due to the Council.
- 9.3 The Council will review all fees and charges every other year, following a report of a Working Party if so convened by the Council.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and written off in the year.
- 9.5 All sums received on behalf of the Council shall be banked intact by the Clerk at the earliest opportunity.
- 9.6 The origin of each receipt shall be entered on the paying-in book.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8 The Clerk shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 Section 33 shall be made regularly.
- 9.9 Where any significant sums of cash are regularly received by the Council, the Clerk 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

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appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORKS, 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. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the Clerk.
- 10.3 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 in Regulation 11 (1) below.
- 10.4 The Clerk 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, the Clerk shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11. CONTRACTS

- 11.1 Procedures as to the contracts are laid down as follows:
 - A) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) 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 additional audit work of the External Auditor up to an estimated value of £250 (in excess of this sum the Clerk shall act after consultation with the Chairman and Vice-Chairman of the Council).
 - (vi) For goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.

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- B) 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 Clerk shall **invite tenders from at least three firms**, such firms to be taken from the appropriate approved list drawn up by the Clerk and approved by the Council but based on a list maintained by the District Council for such works if available.
- C) When applications are made to waive financial regulations relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- D) 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 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.
- E) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one Member of the Council.
- F) If less than three tenders are received for contracts valued above £50,000 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) Any invitation to tender issued under this Standing Order shall contain a statement of the effect of Standing Orders 61 and 63.
- H) Where 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 excepted as set out in paragraph (A) the Clerk shall **obtain three quotations** (priced descriptions of the proposed supply); where the value is **below £10,000 and above £1,000** the Clerk shall strive to **obtain three estimates**. Otherwise regulation 10 (3) above shall apply.
 - i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

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 Clerk upon authorised certificates of the architect or other

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consultants engaged to supervise the contract subject to any percentage withholding as may be agreed in the particular contract.

- 12.2 Where contracts provide for payment by instalments the Clerk 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 variations, 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 Council and the Clerk to the Contractor 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 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.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The Clerk shall be responsible for a periodic check of all stocks and stores at least annually, records of which are to be kept in the form of an Inventory.

14. PROPERTIES AND ESTATES

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Clerk 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.
- 14.2 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 or tangible movable property does not exceed £50.

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15. INSURANCE

- 15.1 Following an annual risk assessment, the Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The Clerk shall give prompt notification of all new risks, properties or vehicles that require being insured or any alterations affecting existing insurances.
- 15.3 The Clerk 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 Clerk 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 Council at the next available meeting.
- 15.5 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

- 16.1 Where the Council is sole trustee of a charitable body the Clerk 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 Clerk shall arrange for any audit or independent examination as may be required by charity law of any governing document.

17. RISK MANAGEMENT

- 17.1 The Clerk shall prepare and promote risk management policy statements in respect of all activities of the Council.
- 17.2 When considering any new activity the Clerk shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial responsibilities and Risk Management issues that arise to the Council for consideration and, if thought appropriate, adoption.

18. PROVISION OF FINANCIAL REGULATION

- 18.1 It shall be the duty of the Finance Committee to review the Financial Regulations of the Council from time to time and make recommendations on necessary changes to the Council for consideration and, if thought appropriate, adoption.

Bourne Town Council adopted these Financial Regulations on April 2022