

From the Town Clerk



WIMBORNE MINSTER TOWN COUNCIL
Town Hall, 37 West Borough, Wimborne Minster,
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Dear Councillor

13 April 2017

You are invited to attend a meeting of the **RESOURCES COMMITTEE** to be held on **TUESDAY 18 APRIL 2017 at 6.30 pm** in the Committee Room at the Town Hall, West Borough, Wimborne Minster.

Members of the public are advised that they may speak at the meeting on items on the agenda, at the discretion of the Chairman, if notification is given to the Town Clerk prior to the meeting.

Yours sincerely

A handwritten signature in cursive script that reads 'Lawrence West'.

Town Clerk

A G E N D A

- 1 Apologies for Absence.
- 2 **SCHEDULE OF PAYMENTS**
- 3 **MONTHLY ACCOUNTS**
The final accounts are in the course of preparation and will be presented to a future meeting.
- 4 **SPENDING & RESOURCES REVIEW (Min 208 – 21.03.17)**
The Chairman to report.
- 5 **FINANCIAL REGULATIONS – REVISION**
To consider the report of the Town Clerk (copy herewith)



Resources Committee – 18 April 2017

MEMBERS OF COMMITTEE

Cllr Mrs K F Webb (Chairman)

Cllr R P Nunn (Vice-Chairman)

Cllr J Burden

Cllr Ms C L Butter

Cllr R D Cook

Ex-Officio - Chairman & Vice-Chairman of the Council

(Members are reminded of the importance of letting the office know of non-attendance by noon on the day of the meeting.)

LOCALISM ACT 2011 and CODE of CONDUCT

Members are reminded to comply with those elements of the Localism Act and the Town Council's Code of Conduct in respect of disclosable pecuniary interests.

GENERAL CONDUCT

Members are reminded that the Council has a general duty to consider the following matters in the exercise of any of its functions: Equal Opportunities (race, gender, sexual orientation, marital status and any disability), Crime & Disorder, Health & Safety and Human Rights.

RESOURCES COMMITTEE

Date: 18 April 2017

Reference: Item 5 – Financial Regulations - Revision

Author: Town Clerk

1.0 Introduction and Background

1.1 The Council's Financial Regulations were last revised in 2010. Since that time there have been changes in legislation and accounting rules as well as the abolition of the Audit Commission. Also, the use of BACS (Bankers Automated Clearing Services) and online payments have become more commonplace.

2.0 Changes

2.1 The existing Regulations (which are attached herewith as Appendix 1) make reference to the Policy and Review Committee which was replaced by meetings of the Council as a whole so the revisions reflect this change.

2.2 The other main changes are contained in the following paragraphs:

Para. 4 – reflects the requirement to comply with the Local Government Transparency Code.

Para. 12 – the previous wording was contradictory and subjective and did not limit the amount which could be spent by the RFO.

Para. 27 – has been deleted as it is out of date following amendments to the Local Government Act which allow payments to be made other than by cheque or cash e.g. BACS, Direct Debits and online payments.

Para. 29 – many firms require payment well before 30 days otherwise there is a penalty.

Paras. 38 – has been added to reflect the requirements of HMRC.

Para. 48 – has been amended to reflect the different types of payment options.

Para. 69 – a sentence has been added to reflect the requirement for the Council to review the risk assessment annually.

2.3 A copy of the revised Regulations incorporating the changes are attached as Appendix 2 herewith.

3.0 Action Required

3.1 The Committee is asked to recommend these Regulations to Council for adoption.

WIMBORNE MINSTER TOWN COUNCIL

FINANCIAL REGULATIONS

GENERAL

- 1 Under these regulations the term RFO means the Responsible Financial Officer who is the Town Clerk.
- 2 These Financial Regulations shall govern the conduct of the financial transactions of the Council and may be amended or varied only by resolution of the Council.
- 3 The RFO under the policy direction of the Policy and Review Committee shall be responsible for the proper administration of the Council's financial affairs.
- 4 The RFO shall be responsible for the production of financial management information.

ANNUAL BUDGET

- 5 A draft budget containing income and expenditure shall be prepared each year by the RFO and submitted to each spending committee.
- 6 Each committee shall formulate its draft budget for the following financial year. The Policy and Review Committee shall receive a report of each committee's requirements not later than the end of November each year and recommend the Precept to the Council not later than the end of December.
- 7 The Policy and Review Committee may ask each committee to review its budgets in the light of the level of the Precept. Where this occurs, each spending committee shall hold a special meeting to review its draft budget and submit a further report to the Policy and Review Committee. In the event of the spending committees failing to make the required changes, the Policy and Review Committee shall report the situation to the Council and the Council shall make the final decision.
- 8 The annual budget shall form the basis of financial control for the ensuing year.

BUDGETARY CONTROL

- 9 Expenditure on the revenue account may be incurred up to the amounts included in each approved committee budget.

- 10 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless:
 - a) savings can be made elsewhere;
 - b) a virement has been approved by the appropriate committee or the Council;
 - c) the amount can be met from balances;
 - d) a supplementary estimate has been approved by the Council.
- 11 The RFO shall periodically provide the Resources Committee with a statement of income and expenditure to date under each head of the approved annual budget.
- 12 The RFO may incur expenditure on behalf of the Council which is necessary to carry out any repairs, replacement or other work which is of an urgent nature, whether or not there is budgetary provision for the expenditure. The Town Clerk shall report the action to the appropriate committee as soon as possible thereafter.
- 13 Unspent provisions in the budget shall normally go to general balances unless a fund has been set up by the RFO approved by the Council.
- 14 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted unless the committee concerned is satisfied that sufficient money exists in the appropriate fund or the requisite borrowing approval can be obtained.
- 15 All capital works shall be administered in accordance with these regulations relating to contracts.

ACCOUNTING AND AUDIT

- 16 All accounting procedures and financial records of the Council shall be determined by the RFO as required by statute or statutory instrument.
- 17 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 Resources Committee.
- 18 The following principles shall be observed in connection with accounting duties:
 - a) the duty of administering the accounts and reporting to the Council should be kept separate from dispersing the funds;
 - b) the duty of administering the cash transactions should, where practicable, be kept separate from dispersing the cash transactions.

- 19 The RFO shall be responsible for the completion of the Annual Return (as supplied by the Auditor appointed by the Audit Commission) within the timescales set down.
- 20 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 statute or statutory instrument.
- 21 The Internal Auditor shall carry out half yearly inspections of the accounts and submit a report to the RFO at the end of each inspection as well as complete the Internal Auditor's Report section of the Annual Return.
- 22 The Internal Auditor shall be competent and independent from the operations of the Council.
- 23 The RFO shall make arrangements for the opportunity for the inspection of the accounts as required by the Audit Commission Act 1998 or subsequent legislation.

BANKING ARRANGEMENTS AND CHEQUES

- 24 The Council's banking arrangements shall be made by the RFO and approved by the Resources Committee.
- 25 A schedule of payments shall be prepared, together with relevant invoices, and presented to the Resources Committee at their monthly meetings. Payments from the schedule shall be authorised by that Committee.
- 26 Any cheques authorised for payment shall be signed by two members of the Council and the Town Clerk. In the absence of the Town Clerk, payment authority shall be signed by three members of the Council.

PAYMENTS

- 27 Apart from petty cash payments, all payments shall be effected by cheque or other order drawn on the Council's bankers.
- 28 All invoices for payment shall be checked and verified that the work, goods or services to which the invoices relate, have been carried out, examined and approved.
- 29 Duly certified invoices shall be coded to the appropriate expenditure head. All possible steps shall be taken to ensure that all invoices submitted, which are in order, will be settled within 30 days of receipt.
- 30 Duly certified invoices will then be entered on the schedule previously referred to.

- 31 If an urgent payment is necessary before the next scheduled meeting of the Resources Committee, the RFO can arrange payment providing there is no dispute or any other reason known to delay payment. Details of these payments shall be included in the schedule for the next appropriate meeting.
- 32 The RFO may provide petty cash to other Officers or Councillors for the purpose of purchasing incidental items and other expenses. Vouchers for payment must be provided to claim reimbursement.
- 33 The RFO shall maintain a petty cash float to a limit of £350 which shall include the imprest account for the Head Groundsman of £50.
- 34 Income received in cash must not be paid into the petty cash float, but shall be banked separately.

PAYMENT OF SALARIES AND WAGES

- 35 The payment of all salaries shall be made on a monthly basis in accordance with the payroll records.
- 36 All time sheets shall be certified as to accuracy.
- 37 Deduction for superannuation shall be made monthly and returns sent to Dorset County Council.

LOANS AND INVESTMENTS

- 38 All loans and investments shall be negotiated by the RFO in the name of the Council, and shall be set for a period of time in accordance with Council resolution. Changes to loans and investments should be reported to the Resources Committee at the earliest opportunity.
- 39 The Council's investment policy shall be in accordance with the Trustee Act 2000.
- 40 All investments of money under the control of the Council shall be in the name of the Council.
- 41 All borrowings shall be effected in the name of the Council.
- 42 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO

INCOME

- 43 The collection of all sums due to the Council shall be the responsibility of the RFO.

- 44 The Council shall review all fees and charges annually.
- 45 Any bad debts shall be reported to the Resources Committee.
- 46 All sums received on behalf of the Council shall be banked as soon as possible.
- 47 A record shall be kept of the origin of each cheque and this will be entered on the paying-in slip.
- 48 The RFO shall promptly complete any VAT Return that is required.
- 49 Personal cheques shall not be cashed out of money held on behalf of the Council.

ORDERS FOR WORK, GOODS AND SERVICES

- 50 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, e.g. petty cash purchases. Copies of orders shall be maintained.
- 51 All Officers are responsible for obtaining value for money. Before an order is issued it should be ensured, as far as practicable, that it represents the best terms available.

CONTRACTS

- 52 Every contract made shall comply with these regulations and no exception from any of the standing orders shall be made otherwise than by direction of the Council or in an emergency by committee. This does not apply to contracts that relate to the following items:
- a) supply of gas, electricity, water, sewerage and telephone services;
 - b) specialist services such as solicitors, accountants, surveyors and planning consultants;
 - c) work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment;
 - d) work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - e) goods or materials which are only sold at a fixed price or which are not available from any other source or are a specialist item.

- 53 Application can be made to waive these regulations to enable a tender to be negotiated without competition. The reason for this shall be embodied in a recommendation to the Council.

TENDERS

- 54 In view of the limited resources and expertise of the Town Council and the infrequent number of high value contracts the following procedures shall apply:
- a) for contracts under £3,000, the Town Clerk shall have authority to enter into a written contract on behalf of the Council provided the expenditure has been authorised by the relevant committee. Where practicable more than one quotation should be obtained to ensure value for money;
 - b) for contracts over £3,000, three quotations for the carrying out of the work or the supply of goods or materials shall be sought;
 - c) for contracts over £10,000 the Council shall enlist the assistance of the District Council with regard to drawing up of a specification, preparation and issue of tender documents in accordance with the Contract and Procurement Rules adopted by the District Council. The precise procedures subsequently adopted shall be reported to the appropriate committee for approval together with a list of tenderers. Tenders received shall be opened in the presence of the Chairman of the appropriate committee and the Town Clerk. The list of tenders and prices received shall be reported to the appropriate committee.
- 55 The Council shall not be obliged to accept the lowest or any tender.

PAYMENTS UNDER CONTRACTS

- 56 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.
- 57 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments.
- 58 Any variation to a contract or addition or omission from a contract must be approved by the Town Clerk in writing.

EQUIPMENT

- 59 The Head Groundsman shall be responsible for the care and custody of all machinery under his control.
- 60 Delivery notes must be obtained in respect of all goods received and goods must be checked as regards quality at the time of delivery.
- 61 An annual check should be made of equipment and an inventory should be maintained of all equipment.

PROPERTIES

- 62 The Town Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.
- 63 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.

INSURANCE

- 64 The RFO shall effect all insurance and negotiate all claims with the Council's Insurers.
- 65 The RFO shall ensure all new risks, property and vehicles which require to be insured are added to the existing insurance.
- 66 The RFO shall annually review the insurance and the property and risks covered by it.
- 67 All appropriate employees and members of the Council shall be included in a suitable fidelity guarantee insurance.

RISK MANAGEMENT

- 68 The RFO shall consider risk management for all activities of the Council and when considering any new activity, shall report the legal and financial liabilities that arise to the Council.

REVISION OF FINANCIAL REGULATIONS

- 69 It shall be the duty of the Policy and Review Committee to review the financial regulations of the Council from time to time.

Approved by Council 23 March 2010



WIMBORNE MINSTER TOWN COUNCIL

FINANCIAL REGULATIONS

GENERAL

- 1 Under these regulations the term 'RFO' means the Responsible Financial Officer who is the Town Clerk.
- 2 These Financial Regulations shall govern the conduct of the financial transactions of the Council and may be amended or varied only by resolution of the Council.
- 3 The RFO under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.
- 4 The RFO shall be responsible for the production of financial management information and ensuring that appropriate reports are published on the Town Council's website within the time constraints as specified by the Local Government Transparency Code.

ANNUAL BUDGET

- 5 A draft budget containing income and expenditure shall be prepared each year by the RFO and submitted to each spending committee.
- 6 Each committee shall formulate its draft budget for the following financial year. The Council shall receive a report of each committee's requirements not later than the end of November each year and determine the Precept not later than the end of December.
- 7 The Council may ask each committee to review its budgets in the light of the level of the Precept. Where this occurs, each spending committee shall hold a special meeting to review its draft budget and submit a further report to the Council. In the event of the spending committees failing to make the required changes, the Council shall make the final decision.
- 8 The annual budget shall form the basis of financial control for the ensuing year.

BUDGETARY CONTROL

- 9 Expenditure on the revenue account may be incurred up to the amounts included in each approved committee budget.

- 10 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless:
 - a) savings can be made elsewhere;
 - b) a virement has been approved by the appropriate committee or the Council;
 - c) the amount can be met from balances;
 - d) a supplementary estimate has been approved by the Council.
- 11 The RFO shall periodically provide the Resources Committee with a statement of income and expenditure to date under each head of the approved annual budget.
- 12 The RFO in consultation with the Chairman of the appropriate Committee, or Vice-Chairman if the Chairman be unavailable, may incur expenditure of up to £1,500 on behalf of the Council which is necessary to carry out any repairs, replacement or other work if there is budgetary provision or a fund to cover the expenditure.
- 13 Unspent provisions in the budget shall normally go to general balances unless a fund has been set up by the RFO approved by the Council.
- 14 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted unless the committee concerned is satisfied that sufficient money exists in the appropriate fund or the requisite borrowing approval can be obtained.
- 15 All capital works shall be administered in accordance with these regulations relating to contracts.

ACCOUNTING AND AUDIT

- 16 All accounting procedures and financial records of the Council shall be maintained by the RFO as required by statute or statutory instrument.
- 17 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 Council.
- 18 The following principles shall be observed in connection with accounting duties:
 - a) the duty of administering the accounts and reporting to the Council should be kept separate from dispersing the funds;
 - b) the duty of administering the cash transactions should, where practicable, be kept separate from dispersing the cash transactions.

- 19 The Chairman of the Resources Committee must verify the bank reconciliations provided by the RFO and sign both a copy of the reconciliation and the bank statement
- 20 The RFO shall be responsible for the completion of the Annual Return (as supplied by the Auditor appointed by the Government) within the timescales set down.
- 21 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 statute or statutory instrument.
- 22 The Internal Auditor shall carry out half yearly inspections of the accounts and submit a report to the RFO at the end of each inspection as well as complete the Internal Auditor's Report section of the Annual Return.
- 23 The Internal Auditor shall be competent and independent from the operations of the Council.
- 24 The RFO shall make arrangements for the opportunity for the inspection of the accounts as required by statute.

BANKING ARRANGEMENTS AND CHEQUES

- 25 The Council's banking arrangements shall be made by the RFO and approved by the Resources Committee.
- 26 A schedule of payments shall be prepared, together with relevant invoices, and presented to the Resources Committee at their monthly meetings. Payments from the schedule shall be authorised by that Committee.
- 27 Any cheques or BACS payment form authorised for payment shall be signed by two members of the Council and the Town Clerk. In the absence of the Town Clerk, payment authority shall be signed by three members of the Council.

PAYMENTS

- 28 All invoices for payment shall be checked and verified that the work, goods or services to which the invoices relate, have been carried out, examined and approved.
- 29 Duly certified invoices shall be coded to the appropriate expenditure head. All possible steps shall be taken to ensure that all invoices submitted, which are in order, will be settled within the terms stated on the invoice or within 30 days of receipt, whichever is the sooner.

- 30 Duly certified invoices will then be entered on the schedule previously referred to.
- 31 If an urgent payment is necessary before the next scheduled meeting of the Resources Committee, the RFO can arrange payment providing there is no dispute or any other reason known to delay payment. Details of these payments shall be included in the schedule for the next appropriate meeting.
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- 34 Income received in cash must not be paid into the petty cash float, but shall be banked separately.

PAYMENT OF SALARIES AND WAGES

- 35 The payment of all salaries shall be made on a monthly basis in accordance with the payroll records.
- 36 All time sheets shall be certified as to accuracy.
- 37 Deduction for superannuation shall be made monthly and returns sent to Dorset County Council. Payment of superannuation contributions will be made to the Pension Fund monthly.
- 38 Statutory deductions for PAYE and NIC will be made monthly and notification submitted to HMRC on or before the payment date to comply with Real Time Information regulations. Payment to HMRC will be made monthly.

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- 48 A record shall be kept of the origin of each payment and entered onto the Council's accounting software. In the case of cheques or cash receipts this will also be entered on a paying-in slip.
- 49 The RFO shall promptly complete any VAT Return that is required.
- 50 Personal cheques shall not be cashed out of money held on behalf of the Council.

ORDERS FOR WORK, GOODS AND SERVICES

- 51 An official order, letter or email shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate, e.g. petty cash purchases. Copies of orders shall be maintained.
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- a) supply of gas, electricity, water, sewerage and telephone services;
 - b) specialist services such as solicitors, accountants, surveyors and planning consultants;
 - c) work to be executed or goods or materials to be supplied which

consist of repairs to or parts for existing machinery or equipment;

- d) work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- e) goods or materials which are only sold at a fixed price or which are not available from any other source or are a specialist item.

54 Application can be made to waive these regulations to enable a tender to be negotiated without competition. The reason for this shall be embodied in a recommendation to the Council.

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- b) for contracts over £3,000, three quotations for the carrying out of the work or the supply of goods or materials shall be sought;
- c) for contracts over £10,000 the Council shall enlist the assistance of the District Council with regard to drawing up of a specification, preparation and issue of tender documents in accordance with the Contract and Procurement Rules adopted by the District Council. The precise procedures subsequently adopted shall be reported to the appropriate committee for approval together with a list of tenderers. Tenders received shall be opened in the presence of the Chairman of the appropriate committee and the Town Clerk. The list of tenders and prices received shall be reported to the appropriate committee.

56 The Council shall not be obliged to accept the lowest or any tender.

PAYMENTS UNDER CONTRACTS

57 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.

58 Where contracts provide for payment by instalments the RFO shall maintain

a record of all such payments.

- 59 Any variation to a contract or addition or omission from a contract must be approved by the Town Clerk in writing.

EQUIPMENT

- 60 The Head Groundsman shall be responsible for the care and custody of all machinery and equipment under his control.
- 61 Delivery notes must be obtained in respect of all goods received and goods must be checked as regards quality at the time of delivery.
- 62 An annual inventory shall be maintained of all equipment.

PROPERTIES

- 63 The Town Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry documents of properties owned by the Council.
- 64 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.

INSURANCE

- 65 The RFO shall effect all insurance and negotiate all claims with the Council's Insurers.
- 66 The RFO shall ensure all new risks, property and vehicles which require to be insured are added to the existing insurance.
- 67 The RFO shall annually review the insurance and the property and risks covered by it.
- 68 All appropriate employees and members of the Council shall be included in a suitable fidelity guarantee insurance.

RISK MANAGEMENT

- 69 The RFO shall consider risk management for all activities of the Council and when considering any new activity, shall report the legal and financial liabilities that arise to the Council. An annual risk assessment shall be presented to the Council.

REVISION OF FINANCIAL REGULATIONS

70 It shall be the duty of the Council to review the financial regulations of the Council from time to time.

Approved by Council: