

# **WIMBORNE MINSTER TOWN COUNCIL**

## **FINANCIAL REGULATIONS**

### **GENERAL**

- 1 Under these regulations the term 'RFO' means the Responsible Financial Officer who is the Town Clerk. The term FA means the Finance Administrator.
- 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 the Council.
- 6 In January each year, the Council shall formulate its budget for the following financial year and determine the precept for that year.
- 7 The annual budget shall form the basis of financial control for the ensuing year.

### **BUDGETARY CONTROL**

- 8 Expenditure on the revenue account may be incurred up to the amounts included in each approved committee budget.
- 9 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 an earmarked fund;
  - d) the Council has approved the expenditure being met from the General Fund.
- 10 The RFO shall monthly provide the Resources Committee with a statement of year to date income and expenditure against each code of the approved annual budget. The Resources Committee shall review the position of the annual budget quarterly to assess whether there is likely to be any overspending at the end of the financial year.
  - 11 The RFO may incur expenditure of up to £1500 for necessary repairs or replacement provided there is money available in the appropriate budget or fund. In consultation with the Chairman of the appropriate Committee, or Vice-Chairman if the Chairman be unavailable, the RFO may incur expenditure over £1500 and up to £3,000 if there is budgetary provision or a fund to cover the expenditure.
  - 12 Unspent provisions in the budget shall normally go to the General Fund unless an earmarked fund has been set up by the RFO approved by the Council.
  - 13 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 has been granted.
  - 14 All capital works shall be administered in accordance with these regulations relating to contracts.

## **ACCOUNTING AND AUDIT**

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

- 19 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.
- 20 The Internal Auditor shall carry out the appropriate number of inspections of the accounts as agreed with the RFO (which shall not be less than twice per year) 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.
- 21 The Internal Auditor shall be competent and independent from the operations of the Council.
- 22 The RFO shall make arrangements for the opportunity for the inspection of the accounts as required by statute.

### **BANKING ARRANGEMENTS**

- 23 The Council's banking arrangements shall be made by the RFO and approved by the Resources Committee.

### **PAYMENTS**

- 24 The RFO shall ensure that all invoices for payment are checked and verified that the work, goods or services to which the invoices relate, have been carried out, examined and approved.
- 25 Duly certified invoices shall be coded by the FA 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.
- 26 A schedule of payments shall be prepared, together with relevant duly authorised invoices, and presented to the Resources Committee at their monthly meetings. Payments from the schedule shall be authorised by that Committee.
- 27 The RFO or in his absence the Assistant Town Clerk shall verify all online banking payments made by the Finance Administrator as they are inputted into the computer. No online banking payments shall be made by the Finance Administrator without one of those persons being present to verify the payment(s). No single payment in excess of £10,000 shall be made without the payment being further verified by a Councillor as the payment is inputted into the computer. Security arrangements for online banking shall be in a form approved by the Internal Auditor.
- 28 Any cheques authorised for payment shall be signed by two members of the Council and the RFO or Assistant Town Clerk.

- 29 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.
- 30 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 or a signed expenses declaration form signed by the RFO or in his absence the Assistant Town Clerk.
- 31 The RFO shall maintain a petty cash float to a limit of £500 which shall include the imprest account for the Head Groundsman of £200.
- 32 The FA shall ensure that income received in cash is not paid into the petty cash float but banked separately.

### **PAYMENT OF SALARIES AND WAGES**

- 33 The payment of all salaries shall be made on a monthly basis in accordance with the payroll records. The Internal Auditor shall check at the beginning of the financial year that all salary payments are correct and in accordance with the approved establishment.
- 34 All overtime shall be approved by the RFO before it is worked and all time sheets shall be certified by the RFO as to accuracy.
- 35 Deductions for superannuation shall be made monthly and returns sent to Dorset Council. Payment of superannuation contributions will be made to the Pension Fund monthly.
- 36 Statutory deductions for PAYE, NIC and Student Loans 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.
- 37 Arrangements shall be made to make deductions from the salary of any member in compliance with any attachment of earnings order issued by the courts or similar bodies.

### **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 and on terms and conditions in accordance with a 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 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.
- 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, 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 retained.
- 51 A Member may not issue an official order or make any contract on behalf of the Council.
- 52 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**

- 53 Every contract made shall comply with these regulations and no exceptions shall be made otherwise than by direction of the Council or in an emergency. This does not apply to contracts which relate to the following items:
- a) supply of gas, electricity, water, sewerage, internet 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 consist of repairs to the Council's buildings or related plant e.g. boilers;
  - e) work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - f) 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.

## **TENDERS**

- 55 Procedures as to contracts are laid down as follows:
- a) for contracts under £3,000, the Town Clerk shall have authority to enter into a written contract on behalf of the Council provided money is available in a committee budget or fund (see also Fin. Reg.11). 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) Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations<sup>1</sup>.

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<sup>1</sup> The Regulations require Councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

- d) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)<sup>2</sup>.
- e) Such invitation to tender shall state the general nature of the intended contract and the Town 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 Town Clerk 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.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of Council.
- g) Any invitation to tender issued under this regulation shall refer to the terms of the Bribery Act 2010.
- h) Should it occur that the Council, or duly delegated committee, does not accept any tender and the work is not allocated because the Council requires further pricing, provided that the specification does not change, no tenderer shall be permitted to submit a later tender who submitted an original tender.

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.

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<sup>2</sup> Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
- b) For public works contracts 5,225,000 Euros (£4,551,413)

- 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 tangible moveable property shall be sold or otherwise disposed of without the authority of the Council, save where the estimated value of any one item does not exceed £500.
- 65 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate, if necessary).
- 66 No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate, if necessary).
- 67 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually.

## **INSURANCE**

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

## **RISK MANAGEMENT**

- 72 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 annually.

## **REVISION OF FINANCIAL REGULATIONS**

- 73 It shall be the duty of the Council to review the financial regulations of the Council from time to time.
- 74 The Council may, by resolution, duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

Approved by Council: 22 October 2019