

These Financial Regulations were adopted by Hailsham Town Council on 12th March 2007

- GENERAL
- ANNUAL ESTIMATES
- BUDGETARY CONTROL
- ACCOUNTING AND AUDIT
- BANKING ARRANGEMENTS AND CHEQUES
- PAYMENT OF ACCOUNTS
- PAYMENT OF SALARIES
- LOANS AND INVESTMENTS
- INCOME
- ORDERS FOR WORK, GOODS AND SERVICES
- CONTRACTS
- PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS
- STORES AND EQUIPMENT
- PROPERTIES AND ESTATES
- INSURANCE
- CHARITIES
- RISK MANAGEMENT
- REVISION OF FINANCIAL REGULATIONS

1. GENERAL

1.1 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.

1.2 The Responsible Financial Officer (RFO), under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs.

1.3 The RFO shall be responsible for the production of financial management information.

1.4 In the event of the Responsible Finance Officer being on a prolonged absence the Town Clerk is required to ensure the management of the Town Council's financial affairs is correctly maintained.

2. ANNUAL ESTIMATES

2.1 Each Standing Committee shall formulate and submit proposals to the Council in respect of revenue and capital costs for the following financial year no 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 RFO.

2.3 The Council shall review the estimates no 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.

2.4 The annual budgets shall form the basis of financial control for the ensuing year.

3. BUDGETARY CONTROL

3.1 The Clerk may authorize expenditure on revenue items up to the amounts included in the approved budget without referral to the appropriate Committee.

3.2 No expenditure may be incurred which will exceed the amount provided in the revenue budget.

3.3 The RFO shall regularly provide the Council with a detailed summary of receipts and payments to date, and a summary comparing actual expenditure against that planned.

3.4 The Clerk, in consultation with the Chairman of the Council may incur expenditure on behalf of the Council which is necessary for the smooth operation of the Council to carry out any repair replacement or other work which must be done in advance of any Council meeting, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2500. The Clerk shall report the action to the Council as soon as practicable thereafter.

3.5 Unspent provisions in the revenue budget shall be identified by the RFO who will prepare a schedule of income and expenditure items to be carried forward to the following year subject to Council's approval.

3.6 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.

3.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.

3.8 Any motion which if carried, would in the opinion of the Chairman or Clerk, substantially increase the expenditure upon any service which is under the management of, or reduce the revenue at the disposal of the Council, or which would involve capital expenditure, shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

4. ACCOUNTING AND AUDIT

4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 as amended.

4.2 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.

4.3 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the 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 timescales set by the Accounts and Audit Regulations 1996 as amended, or set by the Auditor.

4.4 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 1996 as amended. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

4.5 The Internal Auditor shall carry out the work required by the RFO, or by the Council, with a view to satisfactory completion of the Internal Auditors Report section of the Annual Return as compiled annually by the Audit Commission. The Internal 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.

4.6 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 1996 as amended.

4.7 The RFO 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 RFO and approved by the Council. They shall be regularly reviewed for efficiency.

5.2 Cheques drawn on the bank account and all bank mandates shall be signed by two members of Council and the Town Clerk. In the absence of the Town Clerk the Chairman of the Council and two other members must sign the cheque.

5.3 The cheque signatory panel shall comprise of the Chairman and Vice Chairman of the Council and the Chairman and Vice Chairman of the Standing Committees and Planning Panel.

5.4 To indicate agreement of the details shown on the cheque or order for payment the invoice or similar documentation shall be initialed by either of the Councillors who have signed the cheque or order of payment.

6. PAYMENT OF ACCOUNTS

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

6.2 All invoices for payment shall be examined by the RFO who shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. Each invoice to be endorsed with the cheque number and date of issue.

6.4 Each invoice submitted for payment in excess of £500 will be verified by the appropriate Committee Clerk. The RFO will request verification of any invoice below this value if he/she considers it appropriate.

6.5 Each invoice in excess of £2500 must be authorized by the Chairman or Vice Chairman of the appropriate Standing Committee or the Chairman of the Council.

6.6 The Council will not maintain any form of cash float. All cash received must be banked intact.

6.7 The RFO shall maintain a petty cash float to the value determined by the Council for the purpose of defraying operational and other expenses.

6.8 A credit card with a maximum credit as deemed by the Council may be held in the name of Hailsham Town Council for use by the Clerk or Deputy Town Clerk only for special purchases that are not available by any other means. The Credit card statement must be authorized by two members of the cheque signatory panel before settlement.

7. PAYMENT OF SALARIES & WAGES

7.1 The payment of all salaries and wages 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.

7.2 Payment of salaries and wages and payment of deductions 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. Payment to be made by electronic transfer (Bacs) except in exceptional circumstances when new staff appointments or resignations necessitate payment by cheque.

7.3 All salary and wages calculations to be independently checked and verified by a senior officer of the Council prior to payment.

8. LOANS AND INVESTMENTS

8.1 All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council Policy.

8.2 The Council's Investment Policy, shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).

8.3 All investments of money under the control of the Council shall be in the name of the Council.

8.4 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 Council as to terms and purpose.

8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9. INCOME

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

9.2 All cheque and cash income must be recorded through the till register at time of acceptance.

9.3 A daily reconciliation of income against till receipt will be undertaken by a member of the accounts team under the direction of the RFO

9.4 A monthly reconciliation between the till register totals and the recorded income accounts sheet will be performed by either the RFO or Deputy Town Clerk

9.5 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 RFO and the RFO shall be responsible for the collection of all accounts due to the Council.

9.6 The Council will review all fees and charges annually.

9.7 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.

9.8 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.

9.9 Each receipt number shall be entered on the paying-in slip and on the record of income received.

9.10 Personal cheques shall not be cashed out of money held on behalf of the Council.

9.11 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 at least annually coinciding with the financial year-end.

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. Copies of orders shall be retained.

10.2 Order books shall be controlled by the RFO.

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 Regulation 11 (I) below.

11. CONTRACTS

11.1 Procedures as to 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, telephone services and stationery equipment,

(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 constitute 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 £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Council)-,

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

(b) Where it is intended to enter into a contract exceeding £25,000 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 to be taken from the appropriate approved list. In addition at the discretion of the Council alternative companies may be invited by three (3) weeks public notice to apply to be included within the tendering process.

(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 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 specifically marked or coloured 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 date stamped on receipt and opened at the same time on the prescribed date by an officer of the Council in the presence of at least one member of Council.

(f) If less than three tenders are received for contracts above £25,000 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 £25,000 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 obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £2,000 the Clerk shall strive to obtain 3 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 but the reason for accepting a tender other than the lowest, shall be recorded in the minutes.

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 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).

12.2 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 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 Council and Clerk to the Contractor in writing, the Council being informed where the final cost exceeds the original contract price by more than 5%.

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 Periodic checks of stocks and stores shall be carried out at least annually.

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 RFO shall ensure an asset register 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 1996 as amended.

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 of tangible movable property does not exceed £500.

15. INSURANCE

15.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.

15.2 The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances,

15.3 The RFO 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 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 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 and 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 Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17. RISK MANAGEMENT

17.1 The Clerk with the Deputy 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 Deputy Clerk shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to Council for consideration and, if thought appropriate, adoption.

18. REVISION OF FINANCIAL REGULATIONS

18.1 It shall be the duty of the Council to review the Financial Regulations of the Council annually or as required.

Hailsham Town Council

The above financial regulations paragraphs 1 to 18 will replace and supersede paragraphs 42.57.58.59.60.61.62.63.64.65.66 of the Town Councils standing orders and this document will become the rules and regulations by which the Town Council abides by.

Minute FPR/08/2/118 Annual Review resolved that no amendments were required to the above regulations.

Minute FPR/09/4/279 Annual Review resolved to add para 9.2, 9.3 and 9.4