

Barnoldswick Town Council

FINANCIAL REGULATIONS

1. General

- 1.1 These financial regulations govern the conduct of the financial transactions of Barnoldswick Town Council and shall only be amended 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.

2. Annual Estimates

- 2.1 A budget shall be prepared by the RFO not later than the end of December in each year.
- 2.2 During January of each year the Council shall set the precept to be levied for the ensuing year.
- 2.3 The budget shall form the basis of the financial control for the ensuing year.
- 2.4 Any committee desiring to incur expenditure shall, not later than the first ordinary meeting of the Council in the calendar year, submit a written estimate of the said expenditure for the coming financial year.

3. Budgetary Control

- 3.1 Revenue expenditure may be incurred up to the amounts included in the Council's budget.
- 3.2 The RFO shall provide the Council with a statement of income and expenditure as requested.
- 3.3 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 urgency that, in the opinion of the Clerk, it must be done at once, whether or not there is budgetary provision, subject to a financial limit of £200. The Clerk shall report the action taken to the Council as soon as practicable thereafter.
- 3.4 No expenditure shall be incurred in relation to any capital project and no contracts entered into or tender accepted involving expenditure on capital account unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval can be obtained.
- 3.5 Orders for the payment of money shall be authorised by resolution of the Council and signed by two members, and the Clerk is authorised to issue cheques for payment of approved items of expenditure subject to the requirements of Standing Order 49.

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 or other Statutory Instrument which may supersede those Regulations.
- 4.2 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 in any case by the statutory date of 30 September and submit such accounts and report thereon to the Council.
- 4.3 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 regulation 5 of the Accounts and Audit Regulations 1996.
- 4.4 The Internal Auditor shall report in his/her own name to the Responsible Financial Officer of the Council

5. Banking Arrangements

- 5.1 The Council's banking arrangements shall be made by the RFO and

approved by the Council.

- 5.2 Relevant invoices shall be presented to designated cheque signatories at the time of payment and, if in order, shall be authorised for payment.
- 5.3 Cheques drawn on the Council's bank accounts shall be signed by two elected Members.

6. Payment of Accounts and Financial Statements

- 6.1 All payments shall be effected by cheque or by direct debit drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO as evidenced by the presentation to designated cheque signatories for payment. Before such certification, the RFO shall be satisfied that the works, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 Except as provided in the Standing Orders or by statute, all accounts for payment and claims upon the Council shall be laid before the Council and/or designated cheque signatories.
- 6.4 Where it has been necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness and urgency by the appropriate officer. Unless it has been otherwise authorised by the Council, payment shall be authorised by the Committee, if any having charge of the business to which it relates, or by the Chairman or Vice Chairman of the Council.
- 6.5 All payments authorised under the Standing Orders or made without the authority of the Council, shall be separately included in the next schedule of payments laid before the Council.
- 6.6 The Clerk shall supply to each member at the ordinary meeting next after the end of the Financial Year a statement of receipts and payments.

7. Payment of Salaries and Wages

- 7.1 It shall be the responsibility of the RFO to calculate payment of salaries and wages in accordance with the rates in force and arrange for such payment to be made.
- 7.2 All time sheets, when relevant, shall be examined by the RFO to ensure that they have been signed and duly certified that such time has been worked.

8. Loans and Investments

- 8.1 All loans and investments shall be negotiated by the RFO in the name of the Council after approval by the Council and shall be for a set period of time in accordance with Council policy.
- 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 in the name of the Council.
- 8.4 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 The RFO shall submit VAT 126 Claims to HM Customs and Excise on a quarterly basis.
- 9.3 Any bad debts shall be reported to the Council.
- 9.4 All sums received on behalf of the Council shall be banked with such frequency as the RFO considers necessary.

10. Contracts

- 10.1 An invitation to tender shall state the general nature of the intended work or service to be provided and shall be required to be delivered in sealed envelopes. All tenders for the same work shall be opened at the same time by such persons as the Council may direct.
- 10.2 The Council shall decide from time to time a financial limit for work to be carried out or services provided above which tenders shall be sought. That level shall be £5000 until amended by the Council
- 10.3 The Council shall not be obliged to accept the lowest or any tender.

11. Insurance

- 11.1 The RFO shall be responsible for effecting all insurance and negotiating all claims against the Council's insurers.

11.2 The RFO shall give prompt notification to the Council of all new risks and of any amendments affecting existing cover.

11.3 All appropriate employees of the Council shall be included in suitable fidelity guarantee cover.

12. Revision of Financial Regulations

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

