



BRACKNELL
TOWN COUNCIL

Financial Regulations

Bracknell Town Council - Financial Regulations

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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 affairs. The RFO and the position of Town Clerk at the time of these Financial Regulations being implemented is interpreted as being the same person.
- 1.3. The RFO shall be responsible for ensuring production of financial management information to the Council on a regular basis to the Budget Monitoring Group.
- 1.4. The Council will on an annual basis review the Financial Regulations in line with the Governance and Accountability for Local Councils – A Practitioners Guide and any new Legislation and regularly review its Audit requirements and Procedures.

2. ANNUAL ESTIMATES

- 2.1. Each Committee shall be requested to formulate and submit proposals to the Finance and General Purposes Committee in respect of revenue and capital costs for the following financial year by the end of November each year.
- 2.2. Detailed estimates of all income and expenditure for the year shall be prepared each year by the RFO in a format agreed by the Council.
- 2.3. The Strategy and Finance Committee shall review the estimates not later than the end of January each year and submit them to Council, and shall fix the Precept to be levied for the ensuing financial year before the date prescribed by Bracknell Forest Borough Council. The RFO shall supply each Member with a copy of the agreed budget.
- 2.4. The Annual Budget shall form the basis of financial control and authorisation of expenditure for the ensuing year.

3. BUDGETARY CONTROL

- 3.1. Expenditure on revenue items may be incurred up to the amounts included in the approved budget.
- 3.2. Expenditure may not be incurred that will exceed the amount provided in the overall revenue budget without Strategy and Finance Committee approval.
- 3.3. The Responsible Finance Office (RFO) shall on a regular basis provide the Council with a statement of Income and Expenditure for the year to date under each major Budget Headings in line with 1.3. This will be normally reported to the Budget Monitoring Group (BMG) to consider.
- 3.4. The RFO 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 the expenditure, subject to a limit of £10,000 and between £10,000 and £50,000.00 with the approval of the Strategy and Finance Committee Chairman or a nominated Councillor. The RFO shall report the action to the Council as soon as practicable thereafter.
- 3.5. Unspent provisions in the revenue budget may be carried forward to a subsequent year, subject

to approval of the Council.

- 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 contracted works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 3.8. Variations on expenditure above £10,000 will be permitted subject to Councils approval.

4. ACCOUNTING AND AUDIT

- 4.1. All accounting procedures and financial records of the Council shall be determined by the RFO together with the Council as required by the latest version of Accounts and Audit Regulations and Governance and Accountability of Local Councils and any Legislative changes.
- 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 in line with the published timetable 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) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations, or set by the Auditor.
- 4.4. The RFO and the Council 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. 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 Council must at least once a year carry out a review of the effectiveness of the system of Internal Audit and include the results within the Annual Governance Statement which forms part of the Annual Return. All works required, and or terms of reference, must be approved by the council and communicated to the auditor.
- 4.6. The Internal Auditor shall carry out the work required by the RFO and 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 together with any requirements set by the Council. 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.
- 4.7. The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers required by legislation.
- 4.8. 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 nature.

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.** A schedule of the payments made, forming part of the Agenda for the Meeting, shall be prepared by the RFO and be presented to Council by the Town Clerk. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Mayor at the Meeting.
- 5.3.** Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 shall be signed by two Councillors.
- 5.4.** Electronic Payments will be included in the schedule referred to in paragraph 5.2. Each payment shall be authorised by two Councillors.
- 5.5.** To indicate agreement of the details shown on the cheque or order for payment with the invoice or similar documentation, the signatories shall each also initial the pink form attached to the invoice.
- 5.6.** The following accounts shall be maintained by the RFO reporting to the RFO: 1 current account, 2 deposit account, 3 TV grant accounts and 4 investment account. Transfers between any of the accounts shall be authorized by the RFO. Cheques drawn on the TV account shall be signed by two members of the office staff.

6. PAYMENT OF ACCOUNTS

- 6.1.** Payments shall be effected by cheque or other order drawn on the Council's bankers. Payments may be made using the Banks Electronic payment method as agreed by the Council subject to paragraph 5.4
- 6.2.** All invoices for payments shall be examined, verified and certified by the RFO. The RFO, or RFM (Recreation Facilities Manager) shall satisfy him/herself that the work, goods or services, to which the invoice relates, shall 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. The RFO shall take all reasonable steps to settle all invoices submitted, and which are in order, within 30 days of receipt.
- 6.4.** The OSM or RFO may provide petty cash for the purpose of defraying operational and other expenses. The level of the float will be authorised Strategy and Finance Committee. Vouchers for payments shall be forwarded to the RFO with a claim for reimbursement.
- 6.5.** The RFO may arrange for officers to operate Council Credit Cards according to the Council's Credit Card Policy. Levels of payments allowed will be authorised Strategy and Finance Committee. Vouchers for payments shall be forwarded to the RFO on a prompt basis.

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 Council.
- 7.2.** Payment of salaries and payment of deductions from salary such 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, subject to paragraph 5.4..

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. 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.
- 8.3. 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 the RFO.
- 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 RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3. The Council will review all fees and charges annually, following a report from the RFO.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.5. 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.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8. 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 or where not possible ensure that an adequate reserve is included in the Financial Accounts..
- 9.9. Where any significant sums of cash are regularly received by the Council, the RFO shall take steps to ensure that there is appropriate control and reconciliation, The RFO shall ensure that appropriate care is taken in the security of bankings. The RFO shall also ensure that insurance requirements regarding handling of cash are adhered to.

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 in the view of the RFO.. Copies of orders shall be retained.
- 10.2. The Town Clerk and nominated Council staff are responsible for obtaining value for money at all times. The 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 quotations or estimates from appropriate suppliers, subject to any set out in Regulation 11 (Contracts) below.

10. CONTRACTS

- 11.1** Contracts 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 (1) to (6) below:
- 11.1.1.** for the supply of gas, electricity, water, sewerage and telephone services;
 - 11.1.2.** for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - 11.1.3.** for work to be executed, or goods or materials to be supplied, which consist of repairs to, or parts for, existing machinery, equipment or plant;
 - 11.1.4.** for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - 11.1.5.** for additional audit work of the External Auditor;
 - 11.1.6.** goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- 11.2.** Where it is intended to enter into a contract exceeding £50,000.00 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 11.1. The RFO shall invite tenders from at least three firms to be taken from an appropriate approved list where it exists.
- 11.3.** 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.
- 11.4.** Such invitation to tender shall state the general nature of the intended contract and the RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 11.5.** The invitation shall in addition state that tenders must be addressed to the RFO in the ordinary course of post. Each tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- 11.6.** All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one Member of Council.
- 11.7.** When it is to enter into a contract of more than £10,000 and less than £50,000.00 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 11.1 the RFO shall obtain three quotations (priced descriptions of the proposed supply).
- 11.8.** If less than three tenders/quotations are received for contracts, or if all the tenders/quotations are identical, the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 11.9.** The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

11.10. Announcements of invitations to tender shall comply with Standing Orders.

12. BUILDING OR OTHER CONSTRUCTION WORKS PAYMENTS UNDER CONTRACTS

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 instalments 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 by 5% or £10,000.00, whichever is the greater, 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 or its consultants 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 RFO, or the appointed Officers together with a Council representative if available, shall be responsible for periodic checks of stocks and stores at least annually.

14. PROPERTIES AND ESTATES

14.1. The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The RFO 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 Regulations set out in the Accounts and Audit Regulations 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 in consultation with the RFO.

15.2. The RFM 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. RISK MANAGEMENT

- 16.1. The RFO shall prepare and promote a risk management statement in respect of all activities of the Council to be reviewed by the Council at least twice per year.

17. REVISION OF FINANCIAL REGULATIONS

- 17.1. It shall be the duty of the RFO to review the Financial Regulations of the Council on an annual basis to ensure that these remain adequate and aligned with legislation and to ensure that a copy is issued to all Councillors as part of their Standing Order Pack.
- 17.2. Whenever changes are made to the Financial Regulations it is the responsibility of the Council advised by the RFO to ensure that there is no conflict with Legislation or Standing Orders. Where there is a conflict with Standing Orders, the Standing Orders must be amended at the same time.