



# MANNINGTREE TOWN COUNCIL

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## **Financial Regulations**

### **1. General**

- 1.1 These financial regulations shall 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) shall be the Clerk to the Council and, under the policy direction of the Finance Committee, 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 The Council shall appoint another person to periodically check the accuracy and accounting procedures of the RFO and, in particular, examine and check the accounts of cash transactions. The person appointed will not be engaged in, or be involved in, any such transaction. A signatory to the accounts must not act in this capacity.
- 1.5 In matters of urgency where, under these regulations, the approval of the Council is required the Chairman, or in his/her absence, the Vice-Chairman, can act on its behalf.

### **2. Annual Estimates**

- 2.1 The Finance Committee shall formulate and submit proposals to the Council in respect of revenue services and capital projects not later than 31<sup>st</sup> December each year for the financial year.
- 2.2 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO who will supply each Member with a copy of the approved estimates.
- 2.3 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

### **3. Budgetary Control**

- 3.1 All payments shall be approved by Council except that payments made by direct debit or standing order need only be reported to the Council.
- 3.2 The RFO shall, on a half-yearly basis, provide the Finance Committee with a statement of income and expenditure to date under each heading of approved revenue and capital budgets.
- 3.3 The Clerk, in consultation with the Chairman, 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 £2,500. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.4 No expenditure shall be incurred in relation to any capital project unless the Council is satisfied that the necessary funds are available or borrowing approval can be obtained.
- 3.5 All capital works shall be administered in accordance with financial regulations relating to contracts.

### **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.
- 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, for submission to the Council no later than 30<sup>th</sup> September.

- 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.  
Any Member of the Council shall, if the RFO requires, make available such documents of the Council which relate to their accounting and other records as appear to the RFO to be necessary for the purpose of the audit and shall supply the RFO with such information and explanation as the RFO considers necessary for that purpose.

## **5. Banking Arrangements and Cheques**

- 5.1 The Council's banking arrangements shall be made by the RFO and approved by the Finance Committee. Two accounts shall be maintained at the bank; a current account and a deposit account.
- 5.2 The schedule of the payment of money shall be prepared by the RFO and, together with the relevant invoices etc., presented to the Council who, if the schedule is in order, may by resolution authorise payment.
- 5.3 Cheques drawn on the current account in accordance with the schedule referred to in 5.2 shall be signed by two Members. Counterfoils of cheques must be initialed.

## **6. Payment of Accounts**

- 6.1 All payments shall be effected by cheque or other order drawn on the Council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the Clerk. Before certifying an invoice the Clerk shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.2 All invoices for payment shall be examined at full council and initialed by the nominated signatories.
- 6.3 All duly certified invoices shall be entered into the schedule referred to in 5.2 above.

## **7. Loans and Investments**

- 7.1 All loans and investments approved by the Council shall be negotiated by the RFO in the name of the Council and shall be for a set period of time in accordance with Council policy.
- 7.2 All investments of money under the control of the Council and all borrowings shall be effected in the name of the Council.
- 7.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

## **8. Income**

- 8.1 The collection of all sums due to the Council shall be the responsibility of the RFO.
- 8.2 The Council shall review all fees and charges annually following a report of the Clerk.
- 8.3 Any bad debts shall be reported to the Finance Committee.
- 8.4 All sums collected on behalf of the Council shall be banked by the Clerk as soon as practicable after receipt. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

## **9. Orders for Work, Goods and Services**

- 9.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared. Copies of orders issued shall be retained and kept by the RFO.
- 9.2 The Clerk shall be responsible for obtaining value for money at all times. He/she is to ensure, as far as reasonably practicable, that the best available terms are obtained in respect of each transaction.

## **10. Contracts**

- 10.1 Procedures as to contracts are as follows:-  
(i) for the supply of goods or materials or for the execution of works the value of which does not exceed £250 – the Clerk must obtain a quotation. This information must be

recorded.

(ii) the value of which exceeds £250 but does not exceed £1,000 – the Clerk must obtain quotations from at least two firms; this information must be recorded.

(iii) the value exceeds £1,000 but does not exceed £10,000 – at least three written quotations from firms chosen in consultation with the Chairman or, in his/her absence, the Vice-Chairman: this information must be recorded.

(iv) depending on the nature of the contract exceeding £10,000 the Finance Committee will decide the method of tender, subject to the Financial Regulations.

10.2 The Council is not bound to accept the lowest quotation but the reasons for accepting a higher quotation must be recorded in the minutes of the Council.

10.3 If no quotation is received, or all quotations are identical, the Council may make such arrangements for procuring the goods or materials or executing the work as it thinks fit.

## **11. Properties and Estates**

11.1 The Clerk shall make appropriate arrangements for the custody of all title deeds or 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, rents payable and purpose for which held, in accordance with regulations 4(3)(b) of the Accounts and Audit Regulations 1996.

11.2 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.

## **12. Insurance**

12.1 All assets, property and equipment shall be adequately insured for loss, damage and third party risks.

12.2 The RFO shall effect all insurances and negotiate all claims on the Council's Insurers.

12.3 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby, and annually review it.

12.4 All employees of the Council shall be included in a suitable fidelity guarantee insurance.

## **13. Revision of Financial Regulations**

13.1 It shall be the duty of the Finance Committee to review the financial regulations of the Council from time to time and to make such recommendations to the Council as the Committee considers are required.

## **14. Members of the Council**

14.1 A copy of these regulations shall be given to each Member by the Clerk upon delivery to him/her of the Member's declaration of acceptance of office.