



# **RUSHDEN TOWN COUNCIL**

## **FINANCIAL REGULATIONS**

**Reviewed by Policy & Resources 1 April 2025**

**Adopted by Rushden Council 25 April 2025**

# **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 At this time the Clerk will be the Responsible Financial Officer (RFO) until any further resolution of the council.
- 1.3 The RFO under the policy direction of the Policy and Resources Committee shall be responsible for the proper administration of the council's financial affairs.
- 1.4 The RFO shall be responsible for the production of financial management information, budget and all statutory accounts. The RFO shall ensure that all financial reporting complies with statutory requirements and that the council maintains all accounting records in accordance with appropriate recommended practice.

## **2. Annual Estimates**

- 2.1 Detailed budget estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO.
- 2.2 The Policy and Resources Committee shall review the estimates and submit them to the Council not later than the beginning of January in each year and shall recommend the precept to be levied for the ensuing financial year. The precept calculation should comply with the requirements of the appropriate legislation.
- 2.3 Following the approval of the precept by the council the RFO will advise the billing authority accordingly. The RFO will be responsible for the completion and issuing of the precept demand within the timetable set by the billing authority.
- 2.4 The RFO shall supply each member with a copy of the approved estimates.
- 2.5 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

## **3 Budgetary Control**

- 3.1 Expenditure on revenue items may be incurred up to the amounts included in each approved budget heading.
- 3.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the Policy and Resources Committee or the Council.
- 3.3 The RFO shall periodically provide the Policy and Resources committee with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets.

- 3.4 The RFO may authorise 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. This authority is subject to a limit of £15,000. The Clerk shall report the action to the appropriate committee as soon as practicable thereafter.
- 3.5 Where expenditure is incurred in accordance with regulation 3.4 above and the sum required can not be met from savings made elsewhere within that committee's approved budget, it shall be subject to the provisions of a supplementary estimate approved by the Policy and Resources Committee or the Council.
- 3.6 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year without the approval of the Policy and Resources Committee. This shall not apply to the committee that is responsible for events.
- 3.7 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the committee concerned are satisfied that it is contained in the rolling capital programme and the necessary capital funds are available.
- 3.8 All capital works shall be administered in accordance with the council's standing orders and 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 (as amended) or successor legislation. In determining the procedures the RFO must have consideration for relevant legislation and guidance developed by Certified Institute of Public Finance Accountants and National Association of Local Councils.
- 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 shall submit them to and report thereon to Policy and Resources Committee. The accounts must be submitted to ensure the accounts are approved within a timescale that satisfies the requirements of the Account and Audit Regulations 2015 (as amended) or successor legislation.
- 4.3 The following principles shall be observed in connection with accounting duties.
- (a) The duty of providing information, calculating, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them.
  - (b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 4.4 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 (as amended) or successor legislation. Any officer or member of the council shall, if

the RFO requires, make available the appropriate documents 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.

- 4.5 The financial records and supporting documents shall be retained for six full financial years or other minimum period determined by statute or best practice.

## **5 Banking Arrangements and Cheques**

- 5.1 The council's banking arrangements shall be made by the RFO and approved by the Policy and Resources Committee or Council. Investment accounts for surplus cash will also be operated under the control of the RFO.
- 5.2 A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoice etc presented to the Policy and Resource Committee. If the schedule is in order it shall be authorised by a resolution of that committee and signed by the chairman of the meeting.
- 5.3 BACS or other payment instruments drawn on the bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two duly authorised members. Invoices relating to a payment shall be initialled by the bank signatory at the time the payment is signed.
- 5.4 The RFO will be authorised to transfer sums between the general account and investment accounts as necessary to maintain the balance on each account and maximise the return on the investment.

## **6 Payment of Accounts**

- 6.1 Apart from petty cash, payments shall be effected by BACS or other order drawn on the council's bankers.
- 6.2 All invoices for payment shall be examined, verified and certified by the officer issuing the order. Before certifying an invoice the officer shall satisfy themselves that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 Duly certified invoices shall be passed to the RFO who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure head. They shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt or other agreed payment terms.
- 6.4 When the RFO is satisfied that invoices are in order they shall certify them.
- 6.5 All duly certified invoices will then be entered on the schedule referred to in 5.2 above.
- 6.6 The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
- (a) The RFO shall maintain a petty cash float to a limit of £250 for the purpose of defraying operational and other expenses. Vouchers for

payments made from petty cash shall be kept to substantiate the payment.

- (b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
  - (i) Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money present to the Policy and Resources Committee (under 5.2 above.)

## **7 Payment of Salaries and Wages**

- 7.1 All time sheets shall be certified as to accuracy by or on behalf of the Clerk.
- 7.2 Expenses claimed by the Clerk shall be signed by the Leader. All other staff expense claims to be signed and authorised by the Clerk.

## **8 Loans and Investments**

- 8.1 All loans and investments shall be negotiated by the Clerk in the name of the council, and shall be for a set period of time in accordance with council policy. Changes to loans and investments should be reported to the Policy and Resources Committee at the earliest opportunity.
- 8.2 All investments of money under control of the council shall be in the name of the council.
- 8.3 All borrowings shall be affected in the name of the council and subject to the appropriate loan sanction being available from the Secretary of State.
- 8.4 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.
- 8.5 All investments are recorded within the Council's Risk Register and monitored by the Policy and Resources Committee.

## **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 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO and the RFO shall be ultimately 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 of the Clerk.
- 9.4 Any bad debts shall be reported to the Policy and Resources Committee.
- 9.5 All sums received on behalf of the council shall either be held by the RFO for banking or be banked by the officer collecting the money as directed by the RFO. In all cases all monies received shall be deposited with the council's bankers with such frequency as the RFO considers necessary.

- 9.6 A reference to the related debt, or otherwise, indicating the origin of each payment, shall be entered onto the computerised accounts system.
- 9.7 Every transfer of Council money from one member of staff to another shall be signed by the receiving officer.

## **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 eg petty cash purchases. Copies of orders issued shall be maintained.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 All 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.

## **11 Contracts**

- 11.1 Procedures as to the contracts are laid down in the Council's standing orders as follows:
- (a) Every contract whether made by the Council or by a committee to which the power of making contracts has been delegated shall comply with these standing orders. No exception from any of the following provisions of these standing orders shall apply other than monopoly services.
  - (b) Where it is intended to enter into a contract:
    - (i) with an estimated value exceeding £30,000 (increase of £10,000 to cover post Covid supply costs) for the supply of goods or materials for the execution of works or specialist services other than such goods, materials, works or specialist services as are expected as set out in paragraph (a) the clerk shall invite quotations from three reputable firms.
    - (ii) for expenditure of £30,000 (increase of £10,000 to cover post Covid supply costs) or less in value the Clerk together with the Chairman of the spending committee or his appointed Vice Chairman and the Leader shall have executive power.
  - (c) When applications are made to waive standing orders relating to contracts to enable a tender to be negotiated without competition the reason shall be embodied in a recommendation to the Policy and Resources Committee
  - (d) Every exception made by a Committee to which the power of making contracts has been delegated shall be reported to the Policy and Resources Committee and the report shall specify the emergency by which the exception shall have been justified.

- (e) Any 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 and the last date by which such tenders should reach the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specially marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (f) The Clerk in the presence of at least one member of the council shall open all sealed tenders at the same time on the prescribed date.
- (g) If less than three tenders are received for contracts valued above £60,000 or if all the tenders are identical the relevant committee may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (h) Any invitation to tender issued under this standing order shall contain a statement of the effect of standing orders Number 61 – Canvassing and Recommendations by members.
- (i) The council shall not be obliged to accept the lowest of any tender.

## **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 receipt of authorised certificates.
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 3% or more a report shall be submitted to the appropriate committee.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Clerk in writing, the appropriate committee 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 be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regard to quality at the time delivery is made.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for annual check of all stocks and stores.

## **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 a record is maintained of all properties owned by the council, recording the location, extent, plan, reference, purchase details, nature of 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) or successor legislation.
- 14.2 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 £1000.

## **15 Insurance**

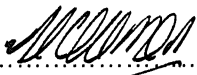
- 15.1 The Policy and Resources Committee shall review annually the Council's insurance provision.
- 15.2 The Clerk shall keep a record of all insurances effected by the council and the property and risks covered thereby.
- 15.3 The Clerk shall notify the Policy and Resources Committee of any loss liability or damage or of any event likely to lead to a claim.
- 15.4 All appropriate agents of the Council shall be covered by suitable fidelity guarantee insurance.

## **16. Revision of Financial Regulations**

- 16.1 It shall be the duty of the Policy and Resources Committee to review the financial regulations of the council periodically and to make such recommendations to the Council periodically.

Reviewed by Policy and Resources Committee on 1<sup>st</sup> April 2025

Adopted by Full Council on 15<sup>th</sup> April 2025

Signed..........Town Mayor