

KNOWSLEY TOWN COUNCIL



FINANCIAL REGULATIONS (2021/22)

1. GENERAL:

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of the Town Council and shall only be amended or varied by resolution of the Town Council.
- 1.2 The Responsible Financial Officer is the Clerk of the Council. He shall be responsible for the proper administration of the Town Council's financial affairs.
- 1.3 The Clerk of the Council shall be responsible for the production of financial management information.
- 1.4 A motion permanently to vary or revoke a Financial Regulation shall when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Town Council.
- 1.5 Every contract whether made by the Town Council, committee or Clerk of the Council shall comply with these Financial Regulations. No exception to these Financial Regulations shall be made otherwise than by direction of the Town Council unless those contracts are not covered by these Financial Regulations.
- 1.6 When applications are made to waive Financial Regulations relating to contracts to enable a tender to be negotiated without completion, the reason shall be embodied in a recommendation to the Town Council.

2. ANNUAL ESTIMATES:

- 2.1 Detailed estimates of income and expenditure on revenue services and receipts and payments on capital account shall be prepared each year by the Clerk of the Council.

- 2.2 The Town Council shall review the estimates not later than the end of February in each year and shall recommend the precept to be levied for the ensuing financial year. The Clerk of the Council shall supply each elected 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 financial year.

3. BUDGETARY CONTROL:

- 3.1 The Clerk of the Council may incur revenue expenditure beyond the amount provided in the appropriate revenue budget. Where such expenditure is incurred, the sum required must be initially vired from other revenue budgets.
- 3.2 The Clerk of the Council may incur expenditure (subject to consultation with the Chairman of the Town Council or the Vice-Chairman of the Town Council) on behalf of the Town Council necessary to carry out 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 of the Council shall report the action to the next meeting of the Town Council.
- 3.3 Where expenditure is incurred within Financial Regulations 3.1 and 3.2 and the sum required cannot be met from virements made elsewhere within the approved budget, the Clerk of the Council has delegated authority to fund such expenditure from Town Council reserves.
- 3.4 The Clerk of the Council shall provide the Town Council with a quarterly statement of income and expenditure to date of the approved annual revenue and capital budgets, showing potential under/overspends.
- 3.5 Underspends in the revenue budget shall not be carried forward to a subsequent year unless approved by the Town Council.
- 3.6 No expenditure shall be incurred in relation to any capital project entered into or tender accepted involving expenditure on capital account unless the Town Council is satisfied that it is contained in the rolling capital programme and the necessary capital funds are available, or the requisite borrowing approval can be obtained.

4. ACCOUNTING AND AUDITING:

- 4.1 All accounting and financial records of the Town Council shall be determined by the Clerk of the Council as required by the most recent and up to date national guidelines and appropriate legislation.

- 4.2 The Clerk of the Council shall be responsible for completing the annual accounts of the Town Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Town Council.
- 4.3 The Clerk of the Council shall be responsible for maintaining an adequate and effective system of internal audit and risk management of the Town Council's accounting, financial and other operations in accordance with the most recent and up to date national guidelines and appropriate legislation.
- 4.5 The Clerk of the Council is responsible for submission of the Annual Return to the appointed external auditor, following Town Council approval and acceptance of the yearly statement of accounts and assurances.
- 4.6 In accordance with 2014 legislation and regulations, all delegated decisions of the Clerk of the Council incurring expenditure over £500 will be posted on the Town Council website.
- 4.7 In accordance with 2014 legislation and regulations, all spending transactions of the Town Council incurring expenditure over £500 will be posted on the Town Council website.
- 4.8. In accordance with the Local Government Transparency Code (2014), the salaries of senior staff will be posted on the Town Council website.

5. BANKING:

- 5.1 The Town Council's banking arrangements shall be made by the Clerk of the Council and approved by the Town Council.
- 5.2 Cheques drawn on the bank account shall be signed by the Clerk of the Council and one other duly authorised signatories.

6. PAYMENT OF ACCOUNTS:

- 6.1 Apart from petty cash payments, all payments shall be made by cheque or other order drawn on the Town 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 himself that the work, goods or services to which the invoice relates have been carried out, examined and approved. Invoices for payment must be stamped and signed by the officer as a sign of certification.

- 6.3** Duly certified invoices shall be passed to the Clerk of the Council who shall examine them in relation to arithmetical accuracy and authorisation, and shall code them to the appropriate expenditure heading. He shall take all possible steps to settle all invoices submitted and which are in order within 30 days of their receipt.
- 6.4** When he is satisfied that the invoices are in order, the Clerk of the Council shall verify the final certification.
- 6.5** The Clerk of the Council shall maintain a petty cash float to a limit of £300 for the purpose of defraying operational expenses. All petty cash transactions must be supported by receipts. All receipts should contain a VAT element wherever possible.
- 6.6** Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these Financial Regulations.

7. PAYMENT OF WAGES AND SALARIES:

- 7.1** The payment of all wages and salaries shall be made by the Clerk of the Council from the current account in accordance with clock cards and payroll records.
- 7.2** All clock cards shall be certified as to accuracy by or on behalf of the Clerk of the Council.

8. LOANS AND INVESTMENTS:

- 8.1** All loans and investments shall be negotiated by the Clerk of the Council in the name of the Town Council and shall be for a short period of time (i.e. maximum thirteen months) in accordance with Town Council policy.
- 8.2** All investments of money under the control of the Town Council shall be in the name of the Town Council.
- 8.3** All borrowings shall be in the name of the Town Council.
- 8.4** All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk of the Council.

9. INCOME:

- 9.1** The collection of all sums due to the Town Council shall be the responsibility of and under the supervision of the Clerk of the Council.
- 9.2** The Town Council will review all fees and charges annually, following a report by the Clerk of the Council.
- 9.3** Any bad debts shall be reported to the Town Council.

- 9.4** All sums received on behalf of the Town Council shall be banked by the Clerk of the Council or an authorised employee. In all cases, receipts shall be deposited with the Town Council's bankers with such frequency, as the Clerk of the Council considers necessary.
- 9.5** A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying in slip.
- 9.6** Every amount of cash received on behalf of the Town Council shall be acknowledged at once by the issuing of an official receipt.
- 9.7** Personal cheques shall not be cashed out of money held on behalf of the Town Council.

10. ORDERS FOR WORK, GOODS AND SERVICES:

- 10.1** An official order or letter shall be issued for work, goods or services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders issued shall be maintained and a copy attached to all invoices for payment.
- 10.2** Officers are responsible for obtaining best value 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. STORES AND INVENTORIES:

- 11.1.** Staff working at Town Council premises are responsible for the care and custody of stores and equipment in that section. Items with an original purchase price of over £200 will be recorded in the Asset Register.
- 11.2** Delivery notes must be obtained in respect of all goods received into store and goods must be checked as regards quality at the time delivery is made.
- 11.3** Stocks should be maintained at the minimum levels consistent with operational requirements.
- 11.4** The Clerk of the Council is responsible for the annual check of items recorded in the Asset Register.

12. PROPERTIES, ESTATES AND ASSETS:

- 12.1** The Clerk of the Council is responsible for the custody of all title deeds of properties owned or leased by the Town Council. The Clerk of the Council shall ensure a record is maintained of all the properties owned or leased by the Town Council, recording the location, extent, plan, references, purchase details, nature of interest, tenancies granted, rents payable and purpose for which held.
- 12.2** All property or single assets with a value of over £1,000 shall not be sold, leased or otherwise disposed of without the authority of the Town Council. For the purposes of disposal, asset valuation will be calculated at original purchase price less 10% per annum depreciation from the date of acquisition.

13. INSURANCE:

- 13.1** The Clerk of the Council shall effect all insurances and negotiate all claims on the Town Council's insurers.
- 13.2** The Clerk of the Council shall give prompt notification to the insurers of any alterations affecting existing policies.
- 13.3** The Clerk of the Council shall keep a record of all insurances effected by the Town Council and the property and risks covered thereby and annually review it.

14. EXCEPTIONS TO FINANCIAL REGULATIONS:

- 14.1** The Clerk of the Council is delegated the responsibility for securing contracts as follows:
- (a)** The supply of gas, electricity, water, sewerage, refuse and telecommunication services.
 - (b)** Specialist services such as provided by solicitors, accountants, surveyors, planners, designers, consultants any other professional advisors.
 - (c)** Work to be executed for goods, works or services to be supplied which constitute an extension of an existing contract of the Town Council.
 - (d)** Work to be executed for goods, works or services to be supplied which consist of repairs to or parts for existing machinery, equipment or plant.
 - (e)** The purchase of goods and materials which are proprietary articles and/or which are sold only at a fixed price.

- (f) Work to be executed for goods, works or services to be supplied which consist of repairs, maintenance or enhancement to land and buildings either owned or leased by the Town Council.

15. CONTRACT VALUATION:

- 15.1 Where it is intended to enter into a contract exceeding £5,000 for the supply of goods, works or services (other than those instances detailed in paragraph 14.1), the Clerk of the Council shall invite tenders from three firms.
- 15.2 Where it is intended to enter into a contract of less than £5,000 the Chairman of the Town Council and the Clerk of the Council shall have executive power.
- 15.3 Where it is intended to enter into a contract of less than £2,500 the Clerk of the Council shall have delegated power.

16. INVITATION TO TENDER:

- 16.1 Such invitation to tender shall state the general nature of the intended contract and the Clerk of the Council shall obtain the necessary technical assistance to prepare the specification as appropriate. The invitation shall state that tenders must be addressed to the Clerk of the Council and the last date by which such tenders should reach the Clerk of the Council by post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- 16.2 All sealed tenders shall be opened at the same time on the prescribed date by the Clerk of the Council (or the properly authorised deputy) in the presence of at least one member of the Town Council.
- 16.3 If less than three tenders are received for contracts valued over £5,000 or if all tenders are identical, the Town Council may make such arrangements as it thinks fit for procuring the goods or services or executing the works.
- 16.4 The Town Council shall not be obliged to accept the lowest of any tender.

17. INTERESTS:

- 17.1** If any member has a personal or prejudicial interest in any contract, proposed contract or tender submission, he shall, while it is under consideration by the Town Council, withdraw from the meeting unless the interest is trivial or:
- a) The disability imposed upon him by those sanctions has been removed by the Borough Council or relevant legislation, or
 - b) The Town Council invite him to remain, or
 - c) The contract, proposed contract or tender submission is under consideration as part of the report of a committee and is not itself the subject of debate.
- 17.2** The Clerk of the Council shall record in a book to be kept for the purpose, particulars of any notice given by any member or employee of the Town Council of a personal or prejudicial interest in a contract, and the book shall be open during reasonable hours of day for the inspection by any member.
- 17.3** If any member has a prejudicial interest, he shall, having declared it, be invited to withdraw from the meeting.
- 17.4** If a tenderer for any contract with the Town Council is to his knowledge related to any member of the Town Council or Town Council employee he and the person to whom he is related shall disclose the relationship in writing to the Clerk of the Council. A tenderer who fails to do so shall be disqualified from consideration, and, if appointed may be subject to contract termination without notice. The Clerk of the Council shall report to the Town Council or the appropriate committee any such disclosure. The Clerk of the Council shall make the purport of this Financial Regulation to every tenderer.

18. CANVASSING OF AND RECOMMENDATIONS BY MEMBERS AND EMPLOYEES:

- 18.1** Canvassing of members or employees, directly or indirectly for any contract awarded by the Town Council will disqualify the tenderer from consideration. The Clerk of the Council shall make the purport of this Financial Regulation known to every tenderer.
- 18.2** A member or employee of the Town Council shall not solicit for any tenderer under consideration by the Town Council or recommend any tenderer for contract award.

19. REVISION OF FINANCIAL REGULATIONS:

19.1 It shall be the annual duty of the Town Council to review the Financial Regulations and to make such recommendations as the Town Council considers are required.

20. FINANCIAL REGULATIONS TO BE GIVEN TO MEMBERS:

20.1 A printed copy of these Financial Regulations shall be given to all members after the Annual General Meeting of the Town Council.

21. INTERPRETATION:

21.1 In these Financial Regulations, words imparting one gender shall include both genders and the singular includes the plural and vice-versa.