



PATELEY BRIDGE TOWN COUNCIL

The Council Chamber, King Street
Pateley Bridge, HG3 5LE

www.pateleybridgetowncouncil.gov.uk

Standing Order Nº 2 (Issue 10) - **FINANCIAL REGULATIONS**

1. GENERAL

- 1.1 These financial regulations govern the conduct of the financial transactions of the Council.
- 1.2 The Clerk shall be the Responsible Financial Officer (RFO), under the policy direction of the Council, and shall be responsible for the proper administration of the Council's affairs, ensuring that financial proprieties are observed for the production of financial management information, and ensuring that the Council is insured.
- 1.3 The Council will appoint a Financial Working Group (FWG) who will provide an adequate system of internal audit of the Council's accounting and financial operations.

2. ANNUAL ESTIMATES

- 2.1 The FWG of the Council shall formulate and submit budget proposals to the full Council for the following financial year not later than the end of November each year.
- 2.2 The Council shall review the budget proposals not later than the end of December each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall supply each member with a copy of the approved estimates.

3. BUDGETARY CONTROL

- 3.1 All expenditure by the Town Council is to be authorised by a quorum of Councillors, a quorum being at least one third of elected Councillors.
- 3.2 The Mayor, Councillors, and the Clerk are entitled to claim mileage allowance for any extra journeys undertaken outside the parish, when representing the Council or the Town at meetings or functions. The rate of mileage allowance will be approved annually and recorded in Council minutes.
- 3.3 The RFO shall provide the FWG with a statement of receipts and payments to date, and will regularly check the finances against the budget.
- 3.4 In an emergency, the Clerk, in consultation with Mayor and the Deputy Mayor, may incur expenditure on behalf of the Council. The Clerk shall report the action to the Council as soon as practicable thereafter.

- 3.5 The Mayor will be voted an annual allowance as a contribution to incidental expenses that will be incurred during his/her term of office.
- 3.6 The Mayor (Elect) will decide where to hold the Civic Service and Reception, but he/she will be required to work within financial limits authorised at a full council meeting.

4. ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be as required by the Accounts & Audit (England) Regulations 2015.
- 4.2 The RFO shall be responsible for completing the Council's accounts and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by Auditor.
- 4.3 An independent Internal Auditor will be appointed by the Council with a view to the completion of the Internal Auditor's Report section of the Annual Return, as required by the Audit Commission.
- 4.4 The RFO shall make arrangements for the opportunity for inspection of the accounts, books and vouchers, as required by the Local Audit and Accountability Act 2014 and the Accounts & Audit Regulations 2015.

5. BANKING ARRANGEMENTS AND PAYMENT OF ACCOUNTS

- 5.1 The Council's banking arrangements shall be made by the RFO, approved by the Council and regularly reviewed for efficiency.
- 5.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO or a nominated Councillor shall satisfy him/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 5.3 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk (eg postage or minor stationery items) shall be reclaimed as Clerk's expenses.
- 5.4 All payments shall be effected by cheque or by internet transfer in accordance with a resolution of the Council.
- 5.5 The Council shall appoint three signatories to cheques who shall be two councillors and the Clerk. Their names to be recorded in the Minutes.
- 5.6 Cheques shall be signed by any two of the signatories, who should initial the cheque counterfoil to confirm that the details shown on the cheque, the counterfoil and the invoice are the same.
- 5.7 If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate or permissible to be a signatory to the transaction.
- 5.8 Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting or after such a meeting. Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.
- 5.9 If thought appropriate by the council, payment for staff pensions, may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

- 5.10 If thought appropriate by the council, payment for certain items may be made by internet banking transfer provided that the instructions are recorded as such in the Minutes.
- 5.11 No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts.
- 5.12 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site with the location of storage being agreed by the finance committee.
- 5.13 The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 5.14 Where internet banking arrangements are made with any bank, the Clerk and RFO shall be appointed as the Service Administrator. The Bank Mandate approved by the council shall identify two councillors who will be authorised to approve transactions on those accounts.
- 5.15 Access to any internet banking accounts will be directly to the access page, and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 5.16 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk and RFO and one councillor.

6. PAYMENT OF SALARIES

- 6.1 The payment of the Clerk's salary shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating; the salary shall be agreed by the Council and reviewed annually by the Personnel Working Group.

7. INVESTMENTS

- 7.1 All investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy, and minuted at a full council meeting.

8. INCOME

- 8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 8.2 The Council will review all fees and charges following a report from the RFO at least annually and when occasion demands.
- 8.3 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 8.4 The RFO shall promptly complete a VAT return that is required and is responsible for reclaiming any VAT paid.

- 8.5 Where possible, when any significant sums of cash are received by the Council, the RFO shall take such steps to ensure that more than one person is present when the cash is counted.

9. CONTRACTS

- 9.1 Where it is intended to enter into a contract exceeding £10,000 in value for the supply of goods or materials or for the execution of works or specialist services the RFO shall invite **tenders** from at least three firms. A written specification is to be sent to prospective tenderers who are to be advised of the closing date and to whom their sealed bid is to be sent. The specification should include the full scope of the work, including all deliverables; payment amounts and terms; the circumstances under which the contract can be terminated and how that will be handled; and any terms related to failed obligations. Completed tenders will be opened in full Council, with at least a quorum present. The Council is not bound to accept the lowest, or any, tender. If less than three tenders are received, or if any are identical, the Council may make arrangements as it deems appropriate. The Council reserves the right to publish the cost of the winning tender.
- 9.3 Where it is intended to enter into a contract exceeding £3,000 but below £10,000, the RFO shall obtain three **quotations** (priced descriptions of the proposed supply).
- 9.4 Where the value is below £3,000 and above £250 the RFO shall strive to obtain three **estimates**.
- 9.5 If the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 which is valued at £25,000 or more, the Council will comply with the relevant requirements and advertise contracts on the Contracts Finder website.

10. PROPERTIES AND ESTATES

- 10.1 The RFO shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council.

11. INSURANCE

- 11.1 Following an annual risk assessment, the RFO shall effect all insurances and negotiate all claims on the Council's insurers.
- 11.2 The Clerk and Councillors shall be included in a fidelity guarantee insurance.

12. CHARITIES

- 12.1 The RFO shall ensure that separate accounts are kept for the funds held by charities affiliated to the Council, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The RFO shall arrange for any audit or independent examination as may be required by Charity law or any governing document.

13. RISK MANAGEMENT

- 13.1 The FWG shall prepare and promote risk management policy statements in respect of all activities of the Council.

14. REVISION OF FINANCIAL REGULATIONS

- 14.1 It shall be the duty of the Council to review the Financial Regulations from time to time.

Issue № 10 of Standing Order № 2 was approved by the Town Council on the 2nd January 2021.