

Pencoed Town Council



Financial Regulations

General

1. These Financial Regulations are made in accordance with the requirements of the Accounts and Audit(Wales) Regulations 2005 (as amended) and shall govern the conduct of the financial transactions of the PENCOED TOWN COUNCIL (hereinafter referred to as" the Council") and may only be amended or varied by changes brought about by legislation and or by the Council in pursuing best practice , by resolution
2. The Council's properly appointed Clerk/Responsible Financial Officer (hereinafter referred to as "RFO") under the policy direction of the Council, shall be responsible for the proper administration of the Council's affairs.
3. The RFO shall undertake his/her duties and responsibilities as such in accordance with the terms set out in the resolution of the Council appointing him/her and shall otherwise be responsible for the production of financial management information.

Annual Estimates

4. In accordance with the requirements of Part iv of the Local Government Finance Act 1992, or any statutory provision amending or replacing them, detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the RFO for submission to the Council not later than the end of January in each financial year and he/she shall in conjunction with the Finance and General Purposes Committee recommend the Precept to be levied for the ensuing financial year. Following their consideration and amendment, if required, by the Council the RFO shall supply each member of the Council with a copy of the approved estimates.

Budgetary Control

5. The annual capital and revenue budgets shall form the basis of financial control for the ensuing financial year.
6. Inclusion of provision for a particular purpose in the annual revenue budget shall not be construed as authorising expenditure. A specific approval to such expenditure shall be required to be given by resolution of the Council or a documented decision made under properly delegated powers for any item of revenue expenditure incurred, other than in respect of the day to day expenditure incurred in administering the affairs of the Council.
7. Notwithstanding the terms of Regulation 6 above the RFO ,in consultation with the Mayor and Deputy Mayor of the Council, or in their absence, any other two members of the Council, 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 immediately whether or not there is any budgetary provision for the expenditure, subject to a limit of £500 (or such other sum as may be approved by the Council from time to time). The RFO shall report to the Council any action thus taken as soon as practicable thereafter.
8. Where expenditure is incurred in accordance with Regulation 7 above and the sum required cannot be met from savings made elsewhere within the Council's approved budget, it shall be met from the Council's reserves or ,if no such reserves are available, it shall be the subject to the provisions of a supplementary estimate approved by the Council.
9. Unspent provisions in the revenue budget may be carried forward to a subsequent year subject to decision of the Full Council
- 10.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 Council is satisfied that the necessary capital funds are available or the requisite borrowing approval can be obtained.
- 11.All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
- 12.The RFO shall present to the Council, on a bi-monthly basis, financial statements showing actual income and expenditure against planned budget.
- 13.The RFO shall carry out bank reconciliation for each of the Council's accounts at regular intervals throughout the financial year and shall report to the Council thereon on a haf-yearly basis.

Accounting and Audit

14. All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 or Regulations amending or superseding such Regulations.
15. 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 the Council.
16. 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 the requirements of Regulation 5 of the Accounts and Audit Regulations 1996.

Banking Arrangements and Cheques

17. The Council's banking arrangements shall be made by the RFO and approved by the Council. Two accounts shall be maintained at the bank, a general current account and a high interest account.
18. A schedule of the payment of money shall be prepared by the RFO and together with the relevant invoices, vouchers etc. presented to the Council. If the schedule is in order, it shall be authorised by a resolution of the Council.
19. Cheques on the general account shall be signed by any two approved members of the Council. All signatories shall in addition to signing such cheques, append their initials on the counterfoils thereto for the purpose of certifying that the respective cheques and counterfoils are in agreement. Such signatories shall also satisfy themselves from the supporting paperwork that the amounts of such cheques equate to the amounts due for payment. Cheques should additionally be countersigned by the RFO so as to enable that officer to be in a position to ensure no payments are made that are not properly authorised by or on behalf of the Council and by statute, having regard to the overriding responsibility in that respect vested in that officer, and so as to enable him/her to have adequate status on behalf of the Council in dealings with its bankers. A bank mandate shall be arranged accordingly by the RFO.

Payment of Accounts

20. Apart from petty cash payments, all payments shall be effected by cheque or electronic banking.
21. Payments to be made electronically are to be authorised by the Mayor and Chair of the Finance and General Purposes Cttee via emails prior to them being made.

Similarly prior to setting up BACS transactions the accounts to be credited are to verified/checked as legitimate by the Chairman of Finance and Mayor.

Payments made electronically via BACS and or CHAPS are to be evidenced by two authorised bank signatories . A record of these instructions must be maintained and any payments made in this way are to be reported to the Council as made. The approval of the use of BACS and or CHAPS shall be renewed by resolution of the Council at least every two years.

22. All invoices for payment shall be examined, verified and certified by the RFO. Before certifying an invoice the RFO shall satisfy himself/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
23. The RFO shall examine invoices in relation to arithmetical accuracy and shall code them to the appropriate expenditure head. He/she shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt, subject to there being an available meeting during that period at which they may be approved for payment by the Council and, should there be no such available meeting thereof, without reasonable delay following the next meeting of the Council.
24. All duly certified invoices shall be entered on a schedule referred to in Regulation 18 above.
25. The Council shall provide the RFO with an appropriate sum of petty cash for the purpose of defraying operational and other expenses (postage etc.). The RFO shall keep a record of petty cash received and the payments made therefrom.
26. Income received shall not be paid into the petty cash float but must be banked without undue delay by the RFO
27. Payments to maintain the petty cash float shall be shown separately on the schedule of the payments of money presented to the Council under Regulation 18 above.

Payment of Salary

28. The salary of Council Staff and previously approved allowances shall be paid by the Council monthly by cheque or bank transfer. These payments and allowances shall be shown on the schedule of the payment of money presented to the Council under Regulation 18 above.
29. The accounts of the Council shall be scrutinised on the monthly basis by nominate members of the Finance and General Purposes Committee. The RFO will provide the scrutineers with all necessary information

Remuneration of Councillors

30. The provisions relating to the remuneration of Town Councillors are outlined within the document produced by the Independent Remuneration Panel for Wales

Loans and Investment

31. All loans and investments 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. Changes to, loans and investments shall be reported to the council at the earliest opportunity.

32. All investments of money under the control of the Council shall be in the name of the Council.

33. All borrowings shall be effected in the name of the Council.

34. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO unless otherwise determined by the Council.

Income

35. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO

36. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the RFO who shall be ultimately responsible for the collection of all accounts due to the Council.

37. The Council will review all fees and charges annually, following submission of a report thereon by the RFO

38. Any bad debts shall be reported to the Council by the RFO

39. All sums received on behalf of the Council shall either be paid to the RFO for banking or be banked 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 by no later than 1 month of being received.

40. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.

41. Personal cheques shall not be cashed out of money held on behalf of the Council.

Orders for Work, Goods and Services

42. An Official Order or letter shall be issued by the RFO for all work, goods and services, unless a formal contract is to be prepared or an Official Order would be inappropriate. Copies of Orders issued shall be maintained.

43. Order books shall be controlled by the RFO

44. The RFO shall be responsible for obtaining best value for money at all times. He/she shall ensure, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction.

45. Procedures as to the letting of contracts are as laid down in the Council's Standing Orders relating thereto.

46. Where contracts provide for payments 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 contract, excluding fluctuation clause, will exceed the contract sum by 5% or more, a report shall be submitted to the Council.

47. Any variation to a contract or addition to or omission from a contract shall be approved by the RFO in writing, the Council being informed where the final cost is likely to exceed the financial provision made therefore.

Insurance

48. The RFO shall effect all insurances and negotiate all claims on the Council's insurers

49. The RFO shall give prompt notification to the Council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

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

51. The RFO shall be notified of any loss, liability or damage or of any event likely to lead to a claim

52. All Members and appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

Revision of Financial Regulations

53. It shall be the duty of the Council to review its Financial Regulations from time to time and to make such revisions thereto as may be considered desirable.

GLT/Fin Regs 2015 amended at Council on 10th June 2015 and accepted

GLT/Fin Regs 2016 amended at Council on 13th July 2016 and accepted

GLT/Fin Regs 2017 amended at AGM on 10th May 2017

GLT/Fin REGS 2017 further amended September 2017 re BACS

GLT/Fin REGS 2018 reviewed May 2018