

CITY OF BANGOR COUNCIL

FINANCIAL REGULATIONS

General

1. These Financial Regulations are made in accordance with the requirements of the Accounts and Audit Regulations 1996 and the Accounts and Audit (Wales) Regulations and shall govern the conduct of the financial transactions of the City of Bangor Council (hereinafter referred to as 'the Council') and may only be amended or varied by resolution of the Council.
2. The Council's properly appointed Responsible Financial Officer (R.F.O.), under the policy direction of the Finance and General Purposes Committee (F & GP Committee), shall be responsible for the proper administration of the Council's financial affairs.
3. The R.F.O. shall 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 R.F.O. for submission to the F & GP Committee in January in each financial year and he shall recommend the Precept to be levied for the ensuing financial year. Following their consideration by the F & GP Committee they shall be submitted to the Council together with the recommendation for the Precept to be levied for the ensuing financial year. The R.F.O. 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 year, during which the R.F.O. shall be authorised to approve the virement of money between heads of accounts therein as deemed necessary or desirable.
6. Expenditure may only be incurred up to the amounts included in each approved head of account in the revenue budget, unless appropriate virements have been authorised by the R.F.O., who shall report such virements to the F & GP Committee.
7. Inclusion of provision for a particular purpose in the annual revenue budget shall not be construed as authorising expenditure therefor. 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.
8. Notwithstanding the terms of Regulation 7 above, the Town Clerk/R.F.O. 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 £10,000 (or such other sum as may be approved by the Council from time to time). The Town Clerk/R.F.O shall report to the F & GP Committee any action thus taken as soon as practicable thereafter.
9. Where expenditure is incurred in accordance with Regulation 8 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 subject to the provisions of a supplementary estimate approved by the F & GP Committee.
 10. Unspent provisions in the revenue budget shall not be carried forward to a subsequent year.
 11. 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.
 12. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.
 13. The R.F.O. shall present to the Council, at regular intervals, financial statements showing actual income and expenditure against the planned budget.
 14. The R.F.O. shall carry out a bank reconciliation for each of the Council's accounts at on a monthly basis throughout the financial year and shall report to the F & GP Committee thereon on a quarterly basis.

Accounting and Audit

15. All accounting procedures and financial records of the Council shall be determined by the R.F.O. as required by the Accounts and Audit Regulations 1996 and the Accounts and Audit (Wales) Regulations or Regulations amending or superseding such Regulations
16. The R.F.O. 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 F & GP Committee accordingly.
17. The R.F.O. 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 and the Accounts and Audit (Wales) Regulations. Any officer or Member of the Council shall, if the R.F.O. so requires, make available such documents of the Council relating to his accounting and other records as appear to the R.F.O. to be necessary for the purpose of that audit and shall supply the R.F.O. with such information and explanation as the R.F.O. considers necessary for that purpose.

Banking Arrangements Payments and Cheques

18. The Council's banking arrangements including electronic banking shall be made by the R.F.O. and approved by the Council. A current account shall be maintained at the bank, (a general account) and a high interest account if and when interest rates recover to a reasonable return.
19. A schedule of the payment of money shall be prepared by the R.F.O. (and, if requested scanned copies of the relevant invoices, vouchers etc.) presented by email to the sitting Mayor, Deputy Mayor, Chair and Vice-Chair of Finance and General Purposes Committee. If the schedule is in order, it shall be authorised by email by any two of the above Members. Any queries will be responded to asap ensuring that the Council can pay its bills swiftly and efficiently.

20. Occasionally, cheques on the general account shall be signed by any two of the mandated Members of the Council. subject first to approval by email from any two of the following:-
- The Mayor
 - The Deputy Mayor
 - The Chairman of the F & GP Committee
 - The Vice-Chairman of the F & GP Committee
- Such approvers' shall satisfy themselves as necessary from the supporting paperwork that the amounts of such payments are correct. Payments shall additionally be countersigned by the R.F.O. (and/or the Finance/Admin Assistant so as to enable the R.F.O. 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 R.F.O.
21. The R.F.O. shall be authorised to transfer money from the Council's general account to the high interest account, and vice versa, as he deems appropriate from time to time and a bank mandate for that purpose shall be arranged by the R.F.O. If for any reason electronic banking is unavailable and a cheque needs to be issued, this may be done in accordance with the procedure outlined above.

Payment of Accounts

22. Apart from petty cash payments, all payments shall be effected by BACS, cheque or other order drawn on the Council's bankers.
23. All invoices for payment shall be examined, verified and certified by the R.F.O. Before certifying an invoice, the R.F.O. shall satisfy himself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
24. The R.F.O. shall examine invoices in relation to arithmetical accuracy and shall code them to the appropriate expenditure head. He shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
25. All duly certified invoices shall be entered on the schedule referred to in paragraph 19 above.
26. The Council shall provide the R.F.O. with an appropriate sum of petty cash for the purpose of defraying operational and other expenses (postage etc.) The R.F.O. shall keep a record of petty cash received and the payments made therefrom.
27. Income received shall not be paid into the petty cash float but banked without undue delay by the R.F.O.
28. Payments to maintain the petty cash float shall be shown separately on the schedule of the payment of money presented to the Council under paragraph 19 above.

Payment of Salaries and Wages

29. The payment of salaries and wages to permanent staff shall be made on a monthly basis by bank transfer. Casual staff shall be paid monthly or as determined by the Town Clerk.. These payments shall be shown on the schedule of the payment as prepared in accordance with paragraph 19 above.

Loans and Investment

30. All loans and investments shall be negotiated by the R.F.O. 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 F & GP Committee at the earliest opportunity.
31. All investments of money under the control of the Council shall be in the name of the Council.
32. All borrowings shall be effected in the name of the Council.
33. All investment certificates and other documents relating thereto shall be retained in the custody of the R.F.O., unless otherwise determined by the Council.

Income

34. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the R.F.O.
35. Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the R.F.O., who shall be ultimately responsible for the collection of all accounts due to the Council.
36. The Council will review all fees and charges annually, following submission of a report thereon by the Town Clerk/R.F.O.
37. Any bad debts shall be reported by the R.F.O. to the Council.
38. All sums received on behalf of the Council shall either be paid to the R.F.O. for banking or be banked as directed by the R.F.O. In all cases all receipts shall be deposited with the Council's bankers with such frequency as the R.F.O. considers necessary.
39. A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip.
40. Personal cheques shall not be cashed out of money held on behalf of the Council.

Orders for Work, Goods and Services

41. An Official Order or letter shall be issued by the R.F.O. for all work, goods and services, unless a formal contract is to be prepared or an Official Order would be inappropriate e.g. petty cash purchases etc. Copies of Orders issued shall be maintained.
42. Order books shall be controlled by the R.F.O.
43. The Town Clerk/R.F.O. shall be responsible for obtaining best value for money at all times. He shall ensure, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction.

Contracts

44. Procedures as to the letting of contracts are as laid down in the Council's Standing Orders relating thereto.
45. Where contracts provide for payment by instalments, the R.F.O. 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 5% or more, a report shall be submitted to the F & GP Committee.
46. The R.F.O. shall be given authorisation to purchase goods/contracts/services of up to £10,000 subject to three quotations for best value for money.
47. Anything over £10,000 and up to £25,000 shall be agreed by any two of the 'Financial Approvers' (for clarity these are the Mayor, Deputy Mayor, Chair and

Vice-Chair of Finance and General Purposes Committee) and then reported to the appropriate Committee/Council.

48. Any purchases over and above £25,000 shall be subject to the provisions laid out in Standing Orders No.s 66-69.
49. Any variation to a contract or addition to or omission from a contract shall be approved by the R.F.O. in writing, the F & GP Committee being informed where the final cost is likely to exceed the financial provision made therefor.

Stores and Equipment

50. Delivery notes shall be obtained in respect of all goods received into store and, as far as practicable, goods shall be checked as regard quality at the time delivery is made.
51. Stocks shall generally be maintained at the minimum levels consistent with operational requirements.

Properties and Estates

52. The Town Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The R.F.O. shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with the requirements of Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 and the Accounts and Audit (Wales) Regulations, or the equivalent requirements contained in succeeding Regulations.
53. No land or property shall be sold, leased or otherwise disposed of without the authority of the Council.

Insurance

54. The R.F.O. shall effect all insurances and negotiate all claims on the Council's insurers.
55. The R.F.O. 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.
56. The R.F.O. shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
57. The R.F.O. shall be notified of any loss, liability or damage or of any event likely to lead to a claim.
58. All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

Revision of Financial Regulations

59. 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.

Ian Jones
Town Clerk / Financial Officer

November 2019