

Fleet Town Council

Financial Regulations July 2026

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These Financial Regulations were approved by the Council at its meeting held on 2 April 2025.

1. General

- 1.1 These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. They are one of the Council's governing documents and shall be observed in conjunction with the Council's Standing Orders. The Council is responsible in law for ensuring that its financial management is adequate and effective, and that the Council has a sound system of financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the Council meets these responsibilities.
- 1.2 The Executive Officer is the Proper Officer of the Town Council for the purpose of Section 112 of the Local Government Act 1972 and is also the Responsible Financial Officer (RFO) for the purpose of Section 151 of the same Act. The RFO, acting under the policy direction of the Council, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the Council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with proper practice; seek economy, efficiency and effectiveness in the use of Council resources; and produces financial management information as required by the Council.
- 1.3 In the event that the Executive Officer is unable to fulfil these responsibilities owing to illness or other cause another duly authorised person shall be the appointed Proper Officer and RFO.
- 1.4 At least once a year, prior to approving the Annual Governance Statement, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practice.
- 1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean the Regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
- 1.6 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in The Practitioners' Guide – the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England.
- 1.7 Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of Councillor into disrepute.
- 1.8 Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.9 The Council must not delegate any decision regarding:
 - setting the final budget or the precept (Council tax requirement);
 - the outcome of a review of the effectiveness of its internal controls
 - approving accounting statements;
 - approving an annual governance statement;
 - borrowing;
 - declaring eligibility for the General Power of Competence; and
 - addressing recommendations from the internal or external auditors

2. Annual Estimates (Budget)

- 2.1 Before setting a precept, the Council must calculate its Council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.
- 2.2 Officers shall formulate and submit proposals to the Policy and Finance Committee in respect of revenue and capital including the use of reserves and sources of funding for the following financial year not later than the end of October each year.
- 2.3 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the Council.
- 2.4 Budgets for salaries and wages, including employer contributions shall be reviewed by the Council at least annually in October for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Proper Officer and the Chair of the Council or relevant committee. The RFO will inform committees of any salary implications before they consider their draft budgets.
- 2.5 The Council shall review the budget not later than the end of January each year and shall fix the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority no later than the end of February and shall supply each member with a copy of the approved budget.
- 2.6 The annual budgets shall form the basis of financial control for the ensuing year.
- 2.7 The Council shall consider the need for and shall have regard to a three-year forecast of Revenue and Capital Receipts and Payments which may be prepared at the same time as the annual budget.
- 2.8 Any member with Council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.

3. Budgetary Control

3.1 Budget and Responsibilities

Policy and Finance		Recreation Leisure and Amenities		Full Council
The Executive Officer Administration		The Harlington General Manager Harlington	The Executive Officer Open Spaces and Parks	The Executive Officer Harlington Development
Cost Centres		Cost Centres	Cost Centres	Cost Centres

101	Central Admin		200	General		301	Open Spaces	160	New Harlington Dev.
105	Civic & Democratic		201	Events		208	AF Park		
110	Grants		202	Coffee Shop		310	Calthorpe Park		
115	Precept		203	The Point		315	Oakley Park		
150	Events		204	Building		320	B/bourne Pk		
475	Lengthsman		205	AFCC		325	The Views		
900	Ear Marked Reserves					330	Edenbrook Cemetery		
						350			

- 3.1.1 No expenditure may be incurred that will exceed the amount provided in the budget for that Committee's expenditure except in an emergency.
- 3.1.2 The RFO shall regularly provide the Policy and Finance Committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget and year end projections. These statements are to be prepared at least at the end of each financial quarter.
- 3.2 Financial Authorities**
- 3.2.1 The Executive Officer is authorised to spend all budgeted items to deliver the smooth running of the Council.
- 3.2.2 The Harlington General Manager may spend, without further authorisation, any amount within budget that falls within the Harlington cost centres 200-205.
- 3.2.3 The Executive Officer and The Harlington General Manager are authorised to manage the items within a cost centre provided it does not exceed the net cost centre total.
- 3.2.4 The Executive Officer 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 at once, whether or not there is any budgetary provision subject to a limit of £5,000. The Executive Officer shall report the action to the Chair as soon as possible and the Council as soon as practicable thereafter.
- 3.2.5 The Executive Officer may arrange in consultation with the Chairman of the Council, to effect an emergency repair to an unlimited amount on any matter which carries a high risk to staff or members of the public, or a high risk in relation to loss of assets.

4. Accounting and Audit

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the Council, within the timescales required by the Accounts and Audit Regulations.
- 4.3 The RFO shall ensure that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practice. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for

the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.

- 4.4 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
- 4.5 The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 4.6 The RFO shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is on a purely administrative matter.
- 4.7 The accounting records determined by the RFO must be sufficient to explain the Council's transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:
- day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate;
 - a record of the assets and liabilities of the Council;

5. Banking Arrangements

- 5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by Full Council. They shall be regularly reviewed for efficiency.
- 5.2 The bank mandate agreed by the Council shall identify a minimum of four Councillors who will be authorised to approve transactions on those accounts.
- 5.3 Every month a member who is not a signatory to the bank account shall verify the bank reconciliations for all accounts. The member shall sign and date the reconciliations and the bank statements as evidence of this. This activity, including any exceptions, shall be reported to and noted by Full Council.

6. Payment of Accounts

- 6.1 Payments shall be effected electronically or by cheque drawn on the Council's bankers. Electronic payments will be made by BACS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made.
- 6.2 All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the Council before being certified by the RFO. The RFO shall take all steps to settle all invoices submitted, and which are in order, within 14 days of receipt.
- 6.3 Invoices will be scanned and sent via email to signatories of the bank together with the purchase ledger showing the list of payments to be made and the BACS payment schedule.
- 6.4 Two bank signatories will check the invoices against the purchase ledger report and BACS payment schedule; using the security device provided by the bank they will authorise the payment electronically or sign a raised cheque. An email should then be sent confirming the authorisation.

- 6.5 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) A cash float of up to £100 for the administrative office and up to £2,500 for the Harlington for the purpose of defraying operational and other expenses and floats. 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.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council.
- 6.6 If thought appropriate by the Policy and Finance Committee, payment for utility supplies (energy, telephone and water) 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.
- 6.7 The Proper Officer and RFO shall have delegated authority to authorise fund transfers within the Council's banking arrangements up to the sum of £100,000, provided that a list of such transfers shall be submitted to the next appropriate meeting of Council or Policy & Finance committee, whichever is soonest.

7. Payment of Salaries

- 7.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Establishment Committee.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts.

8. Loans and Investments

- 8.1 All loans and investments shall be negotiated and made in the name of the Council and shall be for a set period.
- 8.2 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.
- 8.3 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.4 The Council shall have an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which shall be reviewed by the Council at least annually.

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 The appropriate Committee will review all fees and charges annually, following a report of the Executive Officer.

- 9.3 Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.
- 9.4 All sums received on behalf of the Council shall be banked intact 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.
- 9.5 The origin of each receipt shall be entered on the paying-in slip.
- 9.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.7 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least quarterly.
- 9.8 Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

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. Copies of orders shall be retained, along with evidence of receipt of goods.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 All Members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining two or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (I) below.

11. Contracts

- 11.1 Procedures as to contracts are laid down as follows:
- (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
- (i) for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - (v) for additional audit work of the external Auditor up to an estimated value of £500;
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b) For contracts estimated to be over £30,000 including VAT, other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a), the council must

comply with any requirements of the Legislation regarding the publication of invitations and notices.

- (c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d) Such invitation to tender shall state the general nature of the intended contract and the Executive Officer 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 Executive Officer. Each tendering firm shall be supplied with a tender for that contract.
- (e) All returned tenders shall be opened at the same time on the prescribed date by the Executive Officer in the presence of at least one member of Council.
- (f) If less than three tenders are received for contracts above £25,000 excluding VAT the Council may accept the lowest tender or seek further tenders.
- (g) When it is to enter into a contract less than £25,000 in value excluding VAT for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Executive Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £500 the Executive Officer shall obtain more than one quote if it is deemed necessary.
- (h) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- (i) For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.

11.2 Contracts must not be split to avoid compliance with these rules.

11.3 No individual member, or informal group of members may issue an official order {unless instructed to do so in advance by a resolution of the Council} or make any contract on behalf of the Council.

11.4 No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

12. Payments Under Contracts for Buildings 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 authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more a report shall be submitted to the Council.

12.3 Subject to de minimus levels, any variation to a contract or addition to or omission from a contract must be approved by the Executive Officer (in Consultation with the Chairman of Policy and Finance) notified to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. Stores and Equipment

- 13.1 Officers shall be accountable for the care and custody of stores and equipment within their designated section.
- 13.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for periodic checks of stocks and stores, and at least annually.

14. Assets, Properties and Estates

- 14.1 The Executive Officer 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 the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.
- 14.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. Insurance

- 15.1 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the Council's review of risk management.
- 15.2 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.
- 15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 15.4 All appropriate employees and Members of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

16. Charities

- 16.1 Where the Council is sole managing trustee of a Charitable body the RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, 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.

17. Risk Management

- 17.1 The Council is responsible for putting in place arrangements for the management of risk. The Executive Officer shall prepare, for approval by the Policy and Finance Committee, a risk management register / policy in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Policy and Finance Committee at least annually.
- 17.2 When considering any new activity, on the recommendation of the Risk Working Group to the Policy and Finance Committee for onward recommendation to Full Council, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption.

18. Revision of Financial Regulations

- 18.1 It shall be the duty of the Council to review the Financial Regulations of the Council from time to time and following any change of Proper Officer or RFO. The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Policy and Finance Committee of any requirement for a consequential amendment to these financial regulations.
- 18.2 The Council may, by resolution duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all Members. Suspension does not disapply any legislation or permit the Council to act unlawfully.
- 18.3 The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.