



Yarm Town Council
Yarm Town Hall
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TS15 9AH

FINANCIAL REGULATIONS

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1. GENERAL

1.1 These Financial Regulations govern the conduct of the financial management of Yarm Town Council and may only be amended or varied by resolution of Yarm Town Council.

1.2 These Regulations form one of Yarm Town Council's key governance documents and must be read in conjunction with:

- Standing Orders
- Any adopted Procurement or Contract Standing Orders
- All relevant policies of Yarm Town Council

1.3 Yarm Town Council is responsible in law for ensuring that:

- Its financial management is adequate and effective
- It has a sound system of internal control
- Public money is safeguarded and properly accounted for

1.4 These responsibilities arise in particular from:

- The Local Audit and Accountability Act 2014
- The Accounts and Audit Regulations 2015 (as amended)

1.5 At least once each year, before approving the Annual Governance Statement, Yarm Town Council shall review the effectiveness of its system of internal control, including arrangements for the management of risk, in accordance with proper practices.

1.6 A breach of these Financial Regulations by an employee may constitute gross misconduct.

1.7 Councillors are expected to observe these Regulations at all times. Any failure to do so may bring the office of Councillor into disrepute.

1.8 The Responsible Financial Officer (RFO) is a statutory officer appointed by Yarm Town Council. The Clerk to Yarm Town Council is appointed as RFO.



1.9 The RFO shall:

- Act under the policy direction of Yarm Town Council
- Administer Yarm Town Council's financial affairs in accordance with legislation and proper practices
- Maintain accounting records and systems of internal control
- Ensure timely production of financial and management information
- Assist Yarm Town Council in securing economy, efficiency and effectiveness

1.10 Proper practice shall mean guidance issued jointly by NALC and SLCC in *Governance and Accountability for Smaller Authorities (England)*, as amended from time to time.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

2.1 Accounting procedures and records shall be determined by the RFO in accordance with the Accounts and Audit Regulations 2015 and proper practices.

2.2 Yarm Town Council shall appoint an independent and competent Internal Auditor, who:

- Is not involved in Yarm Town Council's financial management
- Has no conflicts of interest
- Reports to Yarm Town Council at least annually in writing

2.3 The RFO shall prepare the Annual Governance and Accountability Return (AGAR) and supporting papers as soon as practicable after the financial year-end and present them to Yarm Town Council within statutory timescales.

2.4 Yarm Town Council shall ensure that electors' rights are exercised in accordance with the Local Audit and Accountability Act 2014, including inspection of accounts and publication requirements.

2.5 All correspondence and reports from internal or external auditors shall be reported to all Councillors without delay.



3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

3.1 Each committee shall prepare revenue and capital forecasts covering a minimum of three financial years.

3.2 By January each year, the RFO shall prepare a detailed draft budget for the following financial year, including:

- Estimated income and expenditure
- Use of reserves
- Funding sources

3.3 Yarm Town Council shall consider the draft budget and fix the precept by the statutory deadline.

3.4 The approved budget shall form the basis of financial control for the year.

3.5 The calculation of Yarm Town Council Tax requirement and Band D equivalent shall be based on the tax base provided annually by Stockton-on-Tees Borough Council and shall be formally approved and minuted by Full Yarm Town Council when setting the precept.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

4.1 Expenditure shall not be incurred unless included within the approved budget or authorised by Yarm Town Council resolution.

4.2 Authority to spend is delegated as follows:

- Over £500: Full Yarm Town Council
- Up to £500: Clerk with Chair and Vice Chair in emergencies relating to Yarm Town Council property

4.3 All emergency expenditure shall be reported to Yarm Town Council and minuted at the next meeting.

4.4 The RFO shall provide quarterly budget monitoring reports showing material variances (greater than £100 or 15%).



4.5 Yarm Town Council shall maintain and annually review a Reserves Policy.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

5.1 Banking arrangements and mandates shall be approved by Yarm Town Council and reviewed regularly.

5.2 Payments shall be authorised by Yarm Town Council resolution and supported by a schedule of payments.

5.3 All payments shall require:

- Certification of invoices by the RFO
- Authorisation by two Councillors named on the bank mandate

5.4 Councillors shall not authorise payments in which they have a disclosable pecuniary interest.

5.5 Debit Card Use

5.5.1 Yarm Town Council may authorise the issue of a debit card linked to its bank account where this is necessary for operational efficiency.

5.5.2 Any debit card issued shall:

- Be held securely by the **authorised holder of Yarm Town Council debit card** as approved by Yarm Town Council
- Be used solely for Yarm Town Council business
- Not be used for personal expenditure under any circumstances.

5.5.3 The debit card shall only be used where payment must be made **at the point of purchase for a confirmed payment** and where payment by invoice, BACS, cheque or direct debit is not reasonably practicable.

5.5.4 The debit card shall **not be used to pay invoices** where the supplier provides an invoice payable through Yarm Town Council's normal payment approval process.



5.5.5 The debit card shall be subject to a **maximum transaction limit of £100 per purchase**.

5.5.6 **All debit card transactions must be authorised in advance by two Yarm Town Council Councillors who are authorised signatories on Yarm Town Council's bank mandate.** Authorisation may be given by email or written confirmation and retained with the transaction record.

5.5.7 All debit card transactions must:

- Be supported by a receipt or electronic confirmation
- Be recorded in Yarm Town Council's accounting system
- Be reported to the next Yarm Town Council meeting within the schedule of payments.

5.5.8 The debit card shall **not be used to:**

- Withdraw cash
- Set up recurring payments
- Circumvent procurement rules or delegated spending limits.

5.5.9 Yarm Town Council may cancel or amend debit card authority at any time by resolution.

5.5.10 Transactions shall not be deliberately split into multiple debit card payments in order to circumvent:

- The £100 debit card transaction limit
- Procurement thresholds
- Delegated spending limits contained within these Financial Regulations.

Where the total value of goods or services exceeds £100, the purchase must be made through Yarm Town Council's normal purchasing and invoice payment procedures unless prior approval has been granted by Yarm Town Council.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

6.1 Payments shall be made by cheque, BACS, CHAPS, standing order, direct debit, or **authorised debit card transaction in accordance with Regulation 5.5,**



as approved by Yarm Town Council.

6.2 Internet banking arrangements shall:

- Require dual authorisation
- Comply with UK GDPR and cyber security best practice

6.3 The Clerk/RFO shall act as Service Administrator for online banking.

6.4 Debit Card Transaction Controls

6.4.1 Debit card transactions shall be reported to Yarm Town Council through the schedule of payments at the next meeting.

6.4.2 The **authorised holder of the debit card** shall ensure that:

- A full audit trail exists for each transaction
- Receipts or electronic confirmations are retained
- Transactions are reconciled with the bank statement.

6.4.3 Debit card payments **must not exceed the £100 limit** and must have **dual authorisation in advance** from two Councillors who are authorised bank signatories.

7. PAYMENT OF SALARIES

7.1 Yarm Town Council shall comply with PAYE, National Insurance, pension, and employment legislation.

7.2 Salary payments shall be made via an approved payroll system.

7.3 Changes to pay or conditions shall only be made with Yarm Town Council approval. 7.4 Payroll records shall be confidential and processed in compliance with the Data Protection Act 2018.

8. LOANS AND INVESTMENTS

8.1 All borrowing shall be approved by full Yarm Town Council and comply with statutory requirements.



8.2 Yarm Town Council shall adopt and annually review an Investment Strategy where appropriate.

8.3 All investments shall be made in the name of Yarm Town Council.

9. INCOME

9.1 The RFO shall be responsible for the collection and banking of all income.

9.2 All income shall be banked intact and promptly.

9.3 Fees and charges shall be reviewed annually.

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1 Official orders shall be issued for all purchases unless a formal contract is required.

10.2 Members may not place orders on behalf of Yarm Town Council.

10.3 Value for money must be demonstrated in all purchasing decisions.

11. CONTRACTS AND PROCUREMENT

11.1 All procurement shall comply with:

- These Financial Regulations
- Standing Orders
- The Procurement Act 2023

11.2 Thresholds:

- £500.00 – £25,000: At least three written quotations
- Over £25,000: Formal tender process

11.3 Yarm Town Council is not obliged to accept the lowest tender.

12. PAYMENTS UNDER BUILDING AND CONSTRUCTION CONTRACTS

12.1 Payments shall be made only on authorised certificates.



12.2 Variations exceeding 5% of the contract value shall be reported to Yarm Town Council.

13. STORES AND EQUIPMENT

13.1 Officers are responsible for custody of equipment.

13.2 Stock levels shall be kept to a minimum consistent with operational needs.

14. ASSETS, PROPERTIES AND ESTATES

14.1 The Clerk/RFO shall maintain an up-to-date Asset Register.

14.2 Disposal or acquisition of land or property shall require full Yarm Town Council approval.

14.3 Assets shall be verified at least annually.

15. INSURANCE

15.1 The RFO shall ensure adequate insurance cover based on the annual risk assessment.

15.2 Insurance arrangements shall be reviewed annually.

16. CHARITIES

16.1 Where Yarm Town Council is sole managing trustee, separate charitable accounts shall be maintained in accordance with Charity Law.

17. RISK MANAGEMENT

17.1 Yarm Town Council shall maintain a Risk Register which shall be reviewed and approved annually.

17.2 Risk management shall inform insurance, budgeting and policy decisions.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS



18.1 These Regulations shall be reviewed at least every four years or earlier if required by changes in legislation or proper practice.

18.2 Any suspension of these Regulations must be by Yarm Town Council resolution with recorded reasons and a documented risk assessment.

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