



CARDIGAN TOWN COUNCIL FINANCIAL REGULATIONS

1. GENERAL

- 1.1 These regulations govern the conduct of financial management by the Town Council.
- 1.2 The Responsible Financial Officer (RFO) shall be responsible for implementing these regulations. The Clerk has been appointed as RFO and these regulations apply accordingly.
- 1.3 The Council shall conduct its financial affairs with integrity, transparency, and accountability.

2. ANNUAL ESTIMATES (BUDGET)

- 2.1 Full Council shall prepare an annual budget before setting the precept.
- 2.2 The budget shall include all expected income and expenditure for the financial year.
- 2.3 The Council shall approve the budget and precept by **31 January** each year.

3. BUDGETARY CONTROL & AUTHORITY TO SPEND

- 3.1 Expenditure shall not be incurred unless it is included in the budget or approved by the Council.
- 3.2 The Clerk or RFO may authorize expenditure up to **£500** in emergencies, reporting it at the next meeting.
- 3.3 Transfers between budget heads require Council approval unless under **£1,000**, which the RFO may approve.
- 3.4 The RFO shall provide the Council with a statement of payments to date under each head of the budgets, comparing actual expenditure against that planned, on a quarterly basis.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year, but will be added to the council reserves.
- 3.6 Declaration of eligibility for the General Power of Competence shall be made by Full Council in their AGM meeting in May.
- 3.7 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.

4. ACCOUNTING & AUDIT CONTROLS

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO as required by the Accounts and Audit Regulations 1996 as amended.
- 4.2 The RFO shall be responsible for ensuring the completion the annual financial statements of the Council as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall be responsible for completing the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time by the Audit Commission) and for submitting the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations 1996 as amended,



or set by the Auditor.

4.4 The RFO shall be responsible for ensuring that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with Public Audit (Wales) Act 2004. 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.

4.5 The RFO shall carry out the work assisted by the Internal Auditor, or by the Council, with a view to satisfactory completion of the accounts and Internal Auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.

4.6 The RFO shall make arrangements for the opportunity for inspection of the accounts, books, and vouchers required by Audit Commission Act 1998 section 15 and the Accounts and Audit Regulations 1996 as amended.

4.7 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 of a purely administrative matter.

5. BANKING & PAYMENT CONTROLS

5.1 The Council shall maintain **two bank accounts** for operational purposes.

5.2 All payments must be authorised by at least **two signatories**, who are councillors or RFO.

5.3 Online banking transactions shall require **dual authorisation**.

5.4 Cheques must be signed by two authorised signatories.

6. RECEIPTS & INCOME

6.1 The RFO shall ensure that all income due to the Council is properly recorded and banked promptly.

6.2 Cash payments should be discouraged, but where received, they must be recorded and banked immediately.

6.3 The RFO shall reconcile bank statements monthly and report to the Council quarterly.

6.4 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 annually coinciding with the financial year end.

7. EXPENDITURE CONTROLS

7.1 All invoices shall be verified by the RFO before payment.

7.2 A schedule of payments shall be presented to the Council for approval.

7.3 Direct Debits and Standing Orders may be set up for recurring payments (e.g., utilities).



8. SALARIES & PAYROLL

8.1 Staff salaries shall be paid in accordance with employment contracts and approved by the Council.

8.2 The RFO shall ensure compliance with HMRC regulations for PAYE and pensions.

9. PROCUREMENT & CONTRACTS

9.1 Purchases over **£5,000** require at least three written quotations.

9.2 For contracts over **£25,000**, formal tendering procedures shall apply.

9.3 The Council shall strive for value for money in all procurements.

10. ASSET MANAGEMENT

10.1 The RFO shall maintain an Asset Register, updated annually.

10.2 All assets shall be insured at appropriate levels.

11. INTERNAL CONTROLS & AUDIT

11.1 The Council shall appoint an independent Internal Auditor annually.

11.2 The RFO shall conduct monthly bank reconciliations, reporting quarterly to the Council.

11.3 The Council shall review financial controls and risk management annually.

11.4 Councillors can conduct a paper trail exercise with the RFO with no forward warning.

12. INSURANCE

12.1 The Council shall maintain insurance for public liability, employer's liability, and assets.

12.2 Insurance policies shall be reviewed annually.

13. FINANCIAL REPORTING & TRANSPARENCY

13.1 The RFO shall prepare quarterly financial reports for the Council.

13.2 An annual statement of accounts shall be prepared and published in line with the Accounts & Audit Regulations.

14. RISK MANAGEMENT

14.1 The Council shall maintain a Risk Management Policy to identify and mitigate financial risks.

14.2 The RFO shall report any financial risks or irregularities to the Council immediately.

15. REVIEW & AMENDMENT OF REGULATIONS

15.1 These regulations shall be reviewed annually by the Council.

15.2 Any amendments must be approved by a resolution of the Council.



Adopted by CardiganTown Council on 4 March 2025

Signed:

A handwritten signature in black ink, appearing to read 'Olwen Davies'.

The Mayor:
Cllr Olwen Davies

A handwritten signature in black ink, appearing to read 'Eleri Maskell'.

Clerk/RFO:
Eleri Maskell

Minute Reference: Eitem/Item 9 g).
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