

COWES TOWN

COUNCIL

FINANCIAL REGULATIONS

Adopted 5 February 2003
Amended 6 April 2011
Amended November 2014
Amended 21 May 2015
Amended 10 May 2016
Amended 2 June 2016
Amended 20 July 2017
Amended 17 May 2018
Reviewed 9 May 2019
Reviewed 3 September 2020
Reviewed 20 May 2021
Reviewed 2 September 2021
Reviewed 7 October 2021
Reviewed 5 May 2022
Amended 3 November 2022
Reviewed 11 May 2023

1 GENERAL

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of the Town Council and may only be amended or varied by resolution of the Town Council.
- 1.2 The Clerk shall be the Town Council's Responsible Financial Officer (RFO).
- 1.3 The RFO will be responsible for the proper administration of the Town Council's financial affairs and will be responsible for the production of financial management information.

2 ANNUAL ESTIMATES

- 2.1 Detailed estimates of expenditure on services will be prepared by the RFO for the forthcoming year, and submitted to the Finance, Acquisitions & Staffing Committee.
- 2.2 The recommendation of the Finance, Acquisitions & Staffing Committee will be submitted to the December meeting of the Town Council for approval of the precept to be levied for the ensuing financial year.

3 BUDGETARY CONTROL

- 3.1 Expenditure must always be incurred in accordance with the annual estimated budget and precept levied.
- 3.2 All expenditure over £1,500 incurred on behalf of the Town Council must be approved by resolution of the Town Council.
- 3.3 At the Annual Meeting of the Council two Town Councillors, who are not on the Finance, Acquisitions & Staffing Committee, will be appointed to review and report back to Full Council, on a quarterly basis, the Town Council's accounts.
- 3.4 Town Council Committees and Working Groups shall be at liberty to recommend expenditures against their allocated budgets for ratification by the full Council.

4 ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Town Council shall be determined by the RFO, as required by the Accounts and Audit Regulations of 2011.
- 4.2 The RFO will be responsible for ensuring that the annual accounts of the Town Council are completed as soon as practicable after the end of the financial year and will submit them, and report thereon, to the Annual Meeting of the Town Council.
- 4.3 The Town Council will employ a competent internal auditor with sufficient organisational independence and status to undertake the role in accordance with regulation 5 of the Accounts and Audit Regulations of 2011.
- 4.4 Councillors charged with the duty of examining and checking the accounts should not be engaged in any of the transactions contained within the accounts.

5 BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Town Council's banking arrangements will be made by the RFO, as approved by the Town Council. The accounts to be maintained are a current account and deposit accounts.
- 5.2 A schedule of the payment of money will be prepared by the RFO and presented to the Town Council monthly. If the schedule of payments is in order, it will be confirmed and noted by resolution of the Town Council.
- 5.3 Cheques and withdrawal forms for the bank accounts will be signed by the RFO, or Assistant Town Clerk, together with any other two authorised signatories for the respective accounts, even after the repeal of section 150 (5) of the Local Government Act 1972.

6 PAYMENT OF ACCOUNTS

- 6.1 Apart from petty cash payments, all payments shall be effected by cheque or BACs payment from the Town Council's bank accounts.
- 6.2 All invoices will be examined, verified and certified by the RFO. Before certifying an invoice, the RFO will satisfy himself/herself that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
- 6.3 The RFO, when satisfied as to validity of the invoice, will take all possible steps to settle invoices received within the time allowed by the contractor, or within 30 days of receipt if at all practicable.
- 6.4 All certified invoices will be kept for auditing purposes with the accounts.
- 6.5 To comply with the Local Government Transparency Code 2015, individual items of expenditure exceeding £500 (net) – excluding salary payments to staff, will be published quarterly on the Town Council website.
- 6.6 The RFO will maintain a petty cash float, as required, for operational and other expenses. Receipts for payments made from the petty cash float will be kept to substantiate the payments.
- 6.7 Income received must not be paid into the petty cash float, rather banked separately into one of the Town Council's accounts.
- 6.8 Payments to maintain the petty cash float will be shown separately in a 'Petty Cash' book.

7 PAYMENT OF SALARIES AND WAGES

- 7.1 The Town Clerk & Assistant Town Clerk's salaries will be paid monthly in accordance with the terms agreed in the contracts of employment with the Town Council.
- 7.2 The Town Clerk & Assistant Town Clerk's salary details will be entered in the relevant section of the general accounts by the RFO.

8 LOANS AND INVESTMENTS

- 8.1 All loans and investments will be negotiated by the RFO in the name of the Town Council. Changes to loans and investments must be reported to the Town Council at the earliest opportunity.
- 8.2 All investments of money under the control of the Town Council will be in the name of the Town Council.
- 8.3 All borrowings will be effected in the name of the Town Council.
- 8.4 All investment certificates and other documents relating thereto will be retained in the custody of the RFO.

9 INCOME

- 9.1 The collection of all sums due to the Town Council will be the responsibility of, and under the supervision of, the RFO.
- 9.2 The RFO will be responsible for the collection of any accounts due to the Town Council.
- 9.3 The Town Council will review all fees and charges annually, following a report from the RFO.
- 9.4 Any bad debts will be reported to the Town Council by the RFO.
- 9.5 All sums received on behalf of the Town Council will be banked by the RFO as soon as is possible.
- 9.6 Personal cheques will not be cashed out of money held on behalf of the Town Council.

10 CONTRACTS FOR WORK, GOODS AND SERVICES

- 10.1 The principles of best value will be embraced at all times when negotiating any work, goods or services.
- 10.2 The Town Clerk is authorised to purchase goods or undertake small works to a value of up to £500.
- 10.3 The Town Clerk, following consultation with the Town Mayor or appropriate Committee Chairman, is authorised to purchase goods or undertake emergency small works to a value of £1,500.
- 10.4 For work of a value exceeding £1,500 but below £50,000 three written quotations shall be obtained and brought to a Council Meeting for consideration by members.
- 10.5 Where it is intended to enter into a contract exceeding £50,000 in value, the Town Clerk shall give at least three weeks' public notice of such intention in the same manner as public notice of meetings of the Council is given and an advertisement placed in either the local or national press and/or trade journals to target the appropriate market. The advertisement should specify the period allocated for the return of tenders.
- 10.6 Where tenders are invited by advertisement, no tender will be considered unless contained in a plain securely sealed envelope bearing the word 'Tender' followed by the subject to which the tender relates. Such envelope shall be addressed impersonally to the Town Clerk and until the time appointed for its opening shall remain in

the custody of the Town Clerk. All tenders shall be numbered consecutively as received and shall be recorded and dated by the Town Clerk.

- 10.7 All tenders invited by advertisement received in respect of any particular contract shall be opened at one time in the presence of the Town Clerk and Town Mayor or appropriate Committee Chairman plus any two other Councillors.
- 10.8 Any tender received after the specified time shall remain unopened, save that such tender may be considered when the Council is satisfied that there is evidence of posting in time for delivery by the due date in the normal course of post delivery and the other tenders have not been opened.
- 10.9 All contracts entered into by the Town Council will be passed by a resolution made by the Town Council.
- 10.10 The RFO will maintain a 'Register' with details of companies tendering for contracts, tenders received, details of tender opening and evaluation and the Town Council decision.
- 10.11 The Town Council should always consider best value principles when deciding upon a contract, but is not bound to select the lowest, or any, tender.
- 10.12 Any contracts entered into by Cowes Town Council must be signed by the Town Clerk and the Town Mayor.

11 INSURANCE

- 11.1 The RFO will effect all insurance matters and negotiate all claims with the Town Council's insurers.
- 11.2 The RFO will ensure that all new risks are brought to the attention of the Town Council.
- 11.3 The RFO will ensure that all Town Council property, effects and risks are covered by policy, and annually review the situation.
- 11.4 The RFO will inform the Town Council in the event of any loss liability or any other situation, which may lead to a claim.
- 11.5 The RFO will be included in a suitable fidelity guarantee.

12 GRANT APPLICATIONS

- 12.1 All applications for grants or other financial assistance shall be communicated in writing to the Town Clerk and should include a completed application form and all other documents as detailed in the guidelines / criteria. These are available from the Town Council Office or the Town Council website.
- 12.2 Notwithstanding the provisions of section 12.1, where the organisation has been newly formed within the previous fifteen months, or the application is in regard to a one-off event, Cowes Town Council shall be at liberty to accept budget costs and expenditures in lieu of audited annual accounts.
- 12.3 Representations shall be made exclusively through the Town Clerk and Councillors shall so inform anyone seeking to influence them.
- 12.4 Councillors who are responsible officers of the requesting organisation must be aware that they have a pecuniary interest in the application and may not take part in the Council's deliberations nor lobby other Councillors on behalf of that organisation, except that in Town Council meetings where members of the public are given the opportunity to speak on an application, they may apply to speak on the same basis, but must leave the room prior to any substantive discussion.
- 12.5 Councillors who are Cowes Town Council appointees to the requesting organisation must be aware that they have a non-pecuniary interest in the application.