GRANBOROUGH PARISH COUNCIL

FINANCIAL

REGULATIONS 2026

Version: Final

Adopted: At the meeting of the Council on 12th May 2026

Review: May 2027

Contents

1. General

1.1. These Financial Regulations govern the financial management of 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.

1.2. 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.

1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.

1.4. In these Financial Regulations:

- 'Accounts and Audit Regulations' means 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.
- "Approve" refers to an online action, allowing an electronic transaction to take place.
- "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
- 'Proper practices' means those set out in *The Practitioners' Guide*
- *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
- 'Must' and **bold text** refer to a statutory obligation the council cannot change.
- 'Shall' refers to a non-statutory instruction by the council to its members and staff.

1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. The Clerk has been appointed as RFO and these regulations apply accordingly. The RFO;

- acts under the policy direction of the council;
- administers the council's financial affairs in accordance with all Acts, Regulations, and proper practices;
- determines on behalf of the council its accounting records and control systems;
- ensures the accounting control systems are observed;
- ensures the accounting records are kept up to date;

- seeks economy, efficiency, and effectiveness in the use of council resources; and
- produces financial management information as required by the council.

1.6. **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**

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment more than £500; and

2. Risk management and internal control.

2.1. **The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**

2.2. The Clerk/RFO shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.

2.3. When considering any new activity, the Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration by the council.

2.4. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.5. **The accounting control systems determined by the RFO must include measures to:**

- **ensure that risk is appropriately managed;**
- **ensure the prompt, accurate recording of financial transactions;**
- **prevent and detect inaccuracy or fraud; and**
- **allow the reconstitution of any lost records;**
- **identify the duties of officers dealing with transactions and**
- **ensure division of responsibilities.**

2.6. Each month, and at each financial year end, the Council shall verify bank reconciliations produced by the Clerk/RFO as part of the monthly accounts, and record this in the minutes. In addition, once each quarter a Councillor shall be appointed to carry out a random check of payments, against bank statements, a form shall be signed and kept in the accounts folder as evidence.

2.7. All Council records shall be stored on the secure Office 365 OneDrive and not left on the Council laptop. The Clerk/RFO will keep a password protected document listing all usernames and passwords, both on the secure OneDrive and locally on the laptop's desktop. The Chairman and Vice Chairman as a minimum, will have the password for this document in case the Clerk/RFO leaves or is incapacitated for any reason.

3. Accounts and audit

3.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.

3.2. **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;**
- A record of expenditure against each budget heading,
- A record of devolved services expenditure in line with the Buckinghamshire Council requirements for the devolved services grant,
- A monthly bank reconciliation giving an accurate total of funds available,
- A record of expenditure on regular bills.

3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

3.4. 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.

3.5. **The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices**.

3.6. **Any officer or member of the council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the council, supply the RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary.

3.7. The internal auditor shall be appointed by the council and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.

3.8. The council shall ensure that the internal auditor:

- is competent and independent of the financial operations of the council;
- reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
- can demonstrate competence, objectivity, and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- is not involved in the management or control of the council.

3.9. Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions;
- provide financial, legal, or other advice including in relation to any future transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

3.11. 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.

3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. Budget and precept

4.1. **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.**

4.2. Budgets for salaries, including employer contributions, shall be reviewed by the council at least annually at the budget setting meeting following which a draft budget is produced by the Clerk/RFO and approved at the following meeting.

4.3. No later than November each year, the Clerk/RFO will provide the Council with a summary of spending against budget, and a forecast of spending to come in order to forecast a year end bank balance. The Clerk/RFO will then consider for each budget heading, expenditure in the current year, as a benchmark to forecast spending in the coming year including an inflation rise as appropriate. Reserve requirements and expenditure on any projects will be added, providing a total budget requirement for the coming year. The forecasted year end balance will be deducted from the total budget requirement, providing a shortfall to be requested as the precept.

4.4. Unspent budgets shall not be carried forward to the coming year, as they shall form part of the year end bank balance for redistribution.

4.5. The draft budget forecast shall be considered by the council at the meeting in November, any required amendments will be carried out and circulated to all Council members for consideration, prior to the December meeting.

4.6. Council Tax implications will be calculated during the November meeting, and confirmed with the circulation of the amended budget, prior to the December meeting.

4.7. Having considered the proposed budget prior to the meeting in December, the council shall determine its budget and precept requirement at the meeting.

4.8. **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.**

4.9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.

4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned. Funds may be moved between budgets occasionally if required, subject to prior approval by the Council.

4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

5. Procurement

5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained.

5.2. The RFO should ensure that any purchase is covered by a legal power and will inform the Council and note in the minutes, any proposed purchase which does not meet this requirement.

5.3. Every contract shall comply with the council's Standing Orders and these Financial Regulations, and no exceptions shall be made, except in an emergency.

5.4. **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.**

5.5. Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 6.12) obtain prices as follows:

5.6. For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from three suppliers, agreed by the council OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.

5.7. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**

5.8. For contracts greater than £5,000 excluding VAT the Clerk/RFO shall seek 3 fixed-price quotes;

5.9. where the value is between £500 and £5,000 excluding VAT, the Clerk/RFO shall try to obtain 3 estimates except where the Council has a regular supplier meeting requirements, in which case the Council may renew an annual contract which falls within the forecasted budget.

5.10. For smaller purchases, the Clerk/RFO shall seek to achieve value for money.

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

5.12. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:

i. specialist services, such as legal professionals acting in disputes;

ii. repairs to, or parts for, existing machinery or equipment;

iii. works, goods or services that constitute an extension of an existing contract;

iv. goods or services available from one supplier only or are sold at a fixed price.

5.13. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council. Avoidance of competition is not a valid reason.

5.14. The council shall not be obliged to accept the lowest or any tender, quote or estimate.

5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- the Clerk/RFO, under delegated authority, for any items below £500 excluding VAT.
- the Clerk/RFO, in consultation with the Chair and/or Vice Chair of the Council, for any items below £2,000 excluding VAT.
- the council for all items over £2,000;

Such authorisation must be supported by a minute or other auditable evidence trail.

5.16. 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.

5.17. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council except in an emergency.

5.18. In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure of up to £2,000 excluding VAT on repair, replacement, or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair and/or Vice Chair as soon as possible and to the council as soon as practicable thereafter.

5.19. 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.

5.20. An official order or letter shall be issued for all work, goods and services above £500 excluding VAT 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.

6. Electronic Banking and payments

6.1. The council's banking arrangements, including the bank mandate, shall be made by the Clerk/RFO, and authorised by the council; banking arrangements shall not be delegated to a committee. The council has resolved to bank with Unity Bank.

6.2. The Clerk/RFO is appointed as the Service Administrator and may not be an authorised signatory. Six Councillors are authorised signatories with the ability to view the online bank account and two of the councillors will authorise all transactions.

6.3. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking.

6.4. The Clerk/RFO will check all payment requests for arithmetical accuracy and confirm that the work, goods, or services were received, and that the expenditure is in accordance with a resolution of the Council.

6.5. The Clerk/RFO will record the payment and any VAT payable, on the Accounts spreadsheet, updating the regular bills and/or devolved services tabs as required. A category will be assigned to the payment, which will automatically record it against the relevant budget heading.

6.6. The Clerk/RFO will log into the Unity Bank Account and raise the payment for authorisation, then select which signatories should receive an email requesting them to authorise the payments (usually all signatories).

6.7. The Clerk/RFO will also email all Councillors requesting that any two, authorise the payments raised. The email will state the amount to be paid, the sort code, and the account number, and a copy of the invoice will be attached wherever possible.

6.8. Two authorised signatories shall check the payment details raised against the invoices before approving each payment or querying any discrepancies with the Clerk/RFO.

6.9. Prior to each meeting, a list of all payments made or received (including standing orders and direct debits), shall be circulated to the Councillors, raised as an agenda item, and recorded as an appendix to the minutes. Personal payments (salaries, expenses) will be shared with the Council, but amounts shall not be made public.

6.10. With the approval of the council in each case, regular payments (such as electricity payments) may be made by variable direct debit, provided that the instructions are approved online by two authorised signatories. The approval of the use of each variable direct debit shall be reviewed by the council at least every two years.

6.11. Regular payments of fixed sums (such as Salaries) may be made by banker's standing order, provided that the instructions approved online by two members signatories. The approval of the use of a banker's standing order shall be reviewed by the council every two years.

6.12. For any payment on the list in excess of £200, two Councillors will sign in invoice at the meeting to verify the correct amount.

6.13. Once each quarter a Councillor shall be appointed to carry out a random check of payments, against bank statements, a form shall be signed and kept in the accounts folder as evidence.

6.14. Councillors and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

6.15. The Clerk/RFO shall have delegated authority to authorise payments in the following circumstances:

i. any payments of up to £500 excluding VAT, within an agreed budget.

ii. payments of up to £2,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.

iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 (or to comply with contractual terms), where the due date for payment is before the next scheduled meeting of the council, where the Clerk/RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council.

iv. The Clerk/RFO will inform the Chairman and/or Vice Chairman of any payments authorised under delegated authority. Any payments will be communicated to the Council as soon as is practicable and included in the monthly payment list.

7. Cheque payments

7.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two members and countersigned by the Clerk.

7.2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.

7.3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

7.4. Cheques or orders for payment shall not normally be presented for signature other than at, or immediately before or after a council meeting. Any signatures obtained away from council meetings shall be reported to the council at the next convenient meeting.

8. Payment cards

8.1. Currently Granborough Parish Council does not have any payment cards.

9. Petty Cash

9.1. Currently, Granborough Parish Council does not use Petty Cash.

10. Payment of salaries and allowances

10.1. **As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.**

10.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**

10.3. Salary rates shall be agreed by the council. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the council.

10.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.

10.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.

10.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed to ensure that the correct payments have been made.

10.7. Any termination payments shall be supported by a report to the council, setting out a clear business case. Termination payments shall only be authorised by the full council.

10.8. Before employing interim staff, the council must consider a full business case.

11. Loans and investments

11.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.

11.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full council, following a written report on the value for money of the proposed transaction.

11.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must written be in accordance with relevant regulations, proper practices, and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

11.4. All investment of money under the control of the council shall be in the name of the council.

11.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

11.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

12. Income

12.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

12.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The Clerk/RFO shall be responsible for the collection of all amounts due to the council.

12.3. Any sums found to be irrecoverable, and any bad debts shall be reported to the council by the Clerk/RFO and shall be written off in the year. The council’s approval shall be shown in the accounting records.

12.4. All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded.

12.5. Personal cheques shall not be cashed out of money held on behalf of the council.

12.6. The Clerk/RFO shall ensure that VAT paid, is correctly recorded in the council’s accounting spreadsheet, and is reclaimed under section 33 of the VAT Act 1994, at least annually towards the end of the financial year.

13. Payments under contracts for building or other construction works

13.1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

13.2. Any variation of, addition to or omission from a contract must be authorised by [the Clerk] to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

14. Stationery and equipment

14.1. The Clerk/RFO shall be responsible for the care and custody of stationery and equipment,

14.2. Receipts shall be obtained in respect of all goods purchased and goods must be checked as to order and quality at the time delivery is made,

14.3. Stationery, including printer ink, shall be kept at the minimum levels consistent with operational requirements,

14.4. The RFO shall be responsible for periodic checks and re-ordering as required.

15. Assets

15.1. The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.

15.2. The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date, their location and purchase details, in accordance with Accounts and Audit Regulations.

15.3. 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.

16. Insurance

16.1. The Clerk/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.

16.2. The Clerk/RFO shall give prompt notification to the council and the insurer, of all new risks which require to be insured and of any alterations affecting existing insurances.

16.3. The Clerk/RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council at the next available meeting. The Clerk/RFO shall negotiate all claims on the council's insurers.

16.4. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council.

17. Suspension and revision of Financial Regulations

17.1. The council shall review these Financial Regulations annually and following any change of Clerk/RFO. The Clerk/RFO shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

17.2. 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.

17.3. 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.

Appendix 1 - Tender process

1) Any invitation to tender shall state the general nature of the intended contract and the Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
2) The invitation shall in addition state that tenders must be addressed to the Clerk/RFO in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
3) Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk/RFO in the presence of at least one member of council.
4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
5) Any invitation to tender issued under this regulation shall be subject to Standing Order point 18 and shall refer to the terms of the Bribery Act 2010.
6) Where the council, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.