Reviewed 12 May 2026.
Next review May 2027

UFFORD PARISH COUNCIL FINANCIAL REGULATIONS 2025

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Contents

These Financial Regulations were adopted by the council at its meeting held on 13th May 2025.

They were reviewed on 12th May 2026.
Next review May 2027.

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 in excess of £1,000;

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 (as 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 (as 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. At least twice each financial year, including at the financial year end, a member of the council (other than the Chair or a bank signatory) shall verify the bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and corresponding bank statements as evidence of the check. This activity, including any exceptions, shall be reported to and noted by the council.

2.7. The Clerk shall ensure that regular backups are made of all council financial and governance records and that these are stored securely. The council shall ensure that login details and access to key files are recorded and can be accessed by the Chair in the event of staff absence.

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 reasonable 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;**

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
- has no involvement 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 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 Clerk and the Chair of the Council.

4.3. No later than December each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year, taking account of any expected asset maintenance or replacement costs.

4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. {Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the full council.}

4.5. Each committee (if any) shall review its draft budget and submit any proposed amendments to the council {finance committee} not later than the end of November each year.

4.6. The draft budget, including any proposals for earmarked reserves, shall be considered by the full council before the precept is set.

4.7. Having considered the proposed budget, the council shall set its precept no later than the end of January for the following financial year.

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.

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

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, usually by obtaining prices from several suppliers.

5.2. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.

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 5.12) obtain prices as follows:

5.6. For contracts estimated to exceed £10,000 including VAT, the Clerk shall invite formal tenders from at least three suppliers agreed by the council. 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 £1,000 excluding VAT, the Clerk (as RFO) shall seek at least three fixed-price quotes.

5.9. Where the value is between £250 and £1,000 excluding VAT, the Clerk (as RFO) shall seek to obtain three estimates, which may include online prices or quotes from regular suppliers.

5.10. For smaller purchases, the clerk 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 that are only available from one supplier 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 {or relevant committee}. 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 (as RFO), under delegated authority, for any items below £250 excluding VAT.
- The Clerk, in consultation with the Chair of the Council, for any items up to £1,000 excluding VAT.
- The full council for all items over £1,000.

Such authorisation must be supported by a minute (in the case of council or committee decisions) 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 {or a duly delegated committee acting within its Terms of Reference} 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 £500 excluding VAT on repair, replacement, or other work that in their judgement is necessary, whether or not there is a budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.

5.19. No expenditure shall be authorised, and no contract or tender accepted for any major project, unless the council is satisfied that sufficient funds are available and, where a loan is required, that Government borrowing approval has been obtained.

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 or services.

5.21. Any ordering system can be misused and access to them shall be controlled by the RFO.

6. Banking and payments

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

6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.

6.3. All invoices for payment shall be checked for accuracy, coded to the correct budget heading, and verified by the Clerk (as RFO) to confirm that the goods or services were received and that the expenditure was properly authorised.

6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.

6.5. All payments shall be made by online banking, in accordance with a resolution of the council, unless the council resolves to use a different method.

6.6. At the start of each financial year, the Clerk (as RFO) may prepare a schedule of regular payments (such as salaries, PAYE, pension contributions, and recurring subscriptions) for approval by the council. Once approved, these payments may be made without separate authorisation each time.

6.7. A schedule of regular payments shall be retained by the Clerk and made available to councillors upon request.

6.8. A list of such payments shall be reported to the next appropriate meeting of the council for information.

6.9. The Clerk and RFO shall have delegated authority to authorise payments {only} in the following circumstances:

i. Payments of up to £250 excluding VAT, within an agreed budget..
ii. Payments of up to £500 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 is before the next scheduled meeting of the council, provided that there is no dispute or reason to delay payment.
iv. Transfers between the council's own bank accounts, where required for operational reasons.

6.10. The RFO shall present a schedule of payments requiring authorisation as part of the meeting agenda, along with the relevant invoices. The council shall review the schedule and, if satisfied, authorise the payments by resolution. The schedule shall be initialled below the last item by the person chairing the meeting. A detailed list of all payments shall be included in the minutes or as an attachment.

7. Electronic payments

7.1. Where internet banking is used, the Clerk (as RFO) shall act as the Service Administrator. The bank mandate shall identify councillors authorised to approve transactions, and at least two people must be involved in any online approval process. The Clerk may be an authorised signatory, but must not approve any payment to themselves.

7.2. All authorised signatories shall have access to view the council's bank accounts online.

7.3. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.

7.4. Invoices due for payment shall be listed on the council agenda and considered for approval at the meeting. Once approved and recorded in the minutes, the Clerk (as Service Administrator) shall set up the payments online. Authorised signatories will then be notified by email that payments are ready for approval.

7.5. In the prolonged absence of the Clerk (as Service Administrator), an authorised signatory may set up any urgent payments due, subject to prior approval by the council or Chair, and ensuring all supporting documents are available.

7.6. Two councillors, who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.

7.7. A record of which councillors authorised each payment shall be included in the minutes of the meeting at which the payment was approved. This shall form the audit trail for online payments.

7.8. A full list of all payments made in a month shall be provided to the next council meeting {and appended to the minutes}.

7.9. With the approval of the council, regular payments (such as pension contributions, HMRC payments, and subscriptions) may be made by variable direct debit. The instructions must be approved online by two authorised signatories. The use of each direct debit shall be reviewed by the council at least every two years.

7.10. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved online by two authorised bank signatories, evidence is retained and any payments are reported to the council at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.

7.11. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are approved online by two members, evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by the council at least every two years.

7.12. Supplier bank account details may only be changed following written confirmation from the supplier and verification by the Clerk and one authorised councillor. This is a known area of fraud risk, and changes must be carefully checked. Supplier details should be reviewed at least every two years.

7.13. Members 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.

7.14. Remembered password facilities {other than secure password stores requiring separate identity verification} should not be used on any computer used for council banking.

8. Payment of salaries and allowances

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

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

8.3. 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.

8.4. 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.

8.5. 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.

8.6. 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 by the council to ensure that the correct payments have been made.

8.7. 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.

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

9. Loans and investments

9.1. 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.

9.2. Any financial arrangement that does not require formal borrowing approval (such as hire purchase, leasing, or short-term loans) must be authorised by the full council, following a written report explaining the value for money of the proposal.

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

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

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

9.6. 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.

10. Income

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

10.2. 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 RFO shall be responsible for the collection of all amounts due to the council.

10.3. Any sums found to be irrecoverable and any bad debts shall be reported to the council by the RFO and shall be written off in the year. The council's approval shall be shown in the accounting records.

10.4. 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 on the paying-in slip or other record.

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

10.6. Any VAT repayment claim under section 33 of the VAT Act 1994 shall be made at least annually at the end of the financial year, and more frequently if the claim exceeds £100.

11. Assets, properties and estates

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

11.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their 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.

11.3. 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.

11.4. No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a written report shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where required by law).

11.5. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, except where the estimated value of any one item does not exceed [£500]. In each case a written report shall be provided to council with a full business case.

12. Insurance

12.1. 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.

12.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

12.3. The 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 RFO shall negotiate all claims on the council's insurers.

12.4. The council shall maintain adequate fidelity guarantee insurance to cover the maximum risk exposure, reviewed annually as part of its insurance arrangements.

13. Suspension and revision of Financial Regulations

13.1. The council shall review these Financial Regulations annually, and following any change in Clerk (who also acts as RFO). The Clerk shall monitor changes in legislation or proper practices and advise the council of any necessary amendments.

13.2. The council may, by resolution given in advance of a meeting, suspend or temporarily amend any part of these Financial Regulations, provided that the reasons are recorded and the risks have been considered. This does not permit the council to act unlawfully or override any legal requirement.

Appendix 1 - Tender process

1) Any invitation to tender shall state the general nature of the intended contract, and the Clerk may obtain technical assistance to prepare a specification where appropriate.
2) The invitation shall also state that tenders must be submitted to the Clerk, either by post in a sealed envelope or, if agreed by the council, by a secure electronic method.
3) For postal submissions, each tendering firm shall be provided with a clearly marked envelope. All sealed tenders shall be opened at the same time on the closing date by the Clerk, in the presence of at least one member of the council.
4) For electronic tenders, a dedicated email address shall be used, which will be monitored to ensure that tenders are not accessed before the deadline.
5) Any invitation to tender shall refer to the relevant Standing Order [insert number] and to the Bribery Act 2010.
6) If the council does not accept any tender, quote or estimate, and seeks further pricing, no person involved in the original decision may submit a revised offer.