WARBOROUGH PARISH COUNCIL — FINANCIAL REGULATIONS

Based on the NALC Model Financial Regulations (2024/25), tailored for Warborough Parish Council. Bold text denotes a statutory requirement that the Council cannot change.

These Financial Regulations were adopted by the Council at its meeting held on **2nd September 2026** (minute ref 2026/126). They will be reviewed at least annually and following any change of Clerk or RFO.

Schedule of financial limits (for the Council to confirm)

All the money figures used below, gathered here for review. Amounts exclude VAT unless stated.

Item	Limit
Value-for-money purchases (no competition needed)	up to £500
Obtain at least 3 estimates/prices**, where appropriate**	£500 – £3,000
Obtain at least 3 fixed-price written quotations**, where available**	over £3,000
Formal tender process (Appendix 1)	over £25,000
Statutory advertising of contract opportunities (per legislation)	over £30,000 incl VAT
Clerk (as RFO) may authorise a purchase within budget	up to £500
Clerk, in consultation with the Chair, may authorise within budget	up to £3,000
Council authorises (all larger items, and any grant/single commitment)	over £3,000
Clerk emergency expenditure (serious risk to services/safety)	up to £3,000
Official order required for work/goods/services above	£250
Clerk/RFO delegated payment authority (within budget)	up to £500

Fund transfers between the Council's own accounts (list to next meeting)	up to £10,000
Debit card — single transaction maximum (Clerk/RFO only)	£500
Disposal/purchase of moveable assets without Council approval	up to £500
Members' personal cards — expenses only, per policy	up to £250 incl VAT

*Standing choices adopted: the Clerk is also the RFO; the Council banks with Lloyds Bank**; payments are made by **online banking** with dual authorisation; the Council does **not** hold petty cash; VAT is reclaimed under **s33 VAT Act 1994 (Form VAT126)**; budget preparation is by the **Finance, General Purposes & Policy (FG&P) Committee**, with the budget and precept approved by **full Council**.*

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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 the Local Audit and Accountability Act 2014 then in force; *'Approve'* refers to an online action allowing an electronic transaction to take place; *'Authorise'* refers to a decision by the Council, a committee or an officer to allow something to happen; *'Proper practices'* means

those set out in the Practitioners' Guide issued by JPAG; **'Must' and bold text refer to a statutory obligation the Council cannot change*;* 'Shall'* refers to a non-statutory instruction.

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 the Council's accounting records and control systems; ensures those systems are observed and the records 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; 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; and authorise any grant or single commitment in excess of £3,000.

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

2.6 At least once in each quarter, and at each financial year end, a member other than the Chair shall be appointed to verify the bank reconciliations (for all accounts) produced by the RFO. That member shall sign and date the reconciliations and the original bank statements as evidence. This activity, including any exceptions, **shall be reported to and noted by the Council**.

2.7 Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location. The Council shall put measures in place to ensure that access to any Council computer is not lost if an employee leaves or is incapacitated.

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 must be sufficient to explain the Council's transactions and to disclose its financial position with reasonable accuracy at any time**, and must contain day-to-day entries of all sums received and expended and the matters to which they relate, and a record of the Council's assets and liabilities.

3.3 The RFO shall complete and certify the annual Accounting Statements in the Annual Governance

and Accountability Return (AGAR) in accordance with proper practices, as soon as practicable after

the year end, and submit them to the Council within the timescales required by the Accounts and

Audit Regulations.

3.4 **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.** The

internal auditor shall be appointed by the Council and shall be competent and independent of the

financial operations of the Council, reporting to the Council in writing at least once each year.

3.5 **The internal (or external) auditor may not** perform any operational duties for the Council,

initiate or approve accounting transactions, provide financial or legal advice on future

transactions, or direct the activities of any employee (except an employee properly assigned to

assist the internal auditor).

3.6 The RFO shall make arrangements for the exercise of electors' rights in relation to the

accounts, including displaying or publishing any notices required by the Local Audit and

Accountability Act 2014 and the Accounts and Audit Regulations, and shall without undue delay

bring to the attention of all councillors any correspondence or report from the 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.

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, the final version evidenced by a hard-copy schedule signed by the Clerk and the Chair of the Council.

4.3 No later than the end of October each year, the RFO shall prepare a draft budget with detailed estimates of all receipts and payments for the following financial year, taking account of the lifespan of assets and the cost of repair or replacement.

4.4 Unspent budgets for completed projects shall not be carried forward. Unspent funds for partially completed projects may only be carried forward, by placing them in an earmarked reserve, with the formal approval of full Council.

4.5 The FG&P Committee shall review the draft budget, including any recommendations for the use or accumulation of reserves, and make a recommendation to the Council no later than the end of November each year.

4.6 Having considered the draft budget, **the Council shall determine its council tax requirement by setting a budget, and shall set a precept for this amount no later than the end of January** for the ensuing financial year. The full budget and the precept value shall be recorded in the minutes.

4.7 **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 this at the start of the meeting.

4.8 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. Actual spending and income shall be monitored against the budget through the year, and reported to the Council at least quarterly.

4.9 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, 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, for

new or infrequent purchases, ensure that the legal power being used is reported to the meeting at

which the order is authorised and 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 whose estimated value will exceed the thresholds set by Parliament, the full

requirements of The Public Contracts Regulations 2015 (and/or the Procurement Act 2023) or any

superseding legislation ("the Legislation") must be followed.**

5.5 Where the estimated value is below the Government threshold, the Council shall obtain prices as

follows:

- (a) For contracts estimated to exceed **£25,000** , the Clerk shall seek formal

  tenders from at least three suppliers agreed by the Council, in accordance with Appendix 1.

- (b) **For contracts over £30,000 including VAT, the Council must comply with the Legislation

  regarding the advertising of contract opportunities and the publication of contract-award

  notices.**

- (c) For contracts greater than £3,000 excluding VAT, the Clerk (or RFO) shall seek at least three fixed-price quotations**, where available**.

- (d) Where the value is between £500 and £3,000 excluding VAT, the Clerk (or RFO) shall try to obtain three estimates**, where appropriate** (which may include online prices or recent prices from regular suppliers).
- (e) For smaller purchases (up to £500), the Clerk shall seek to achieve value for money.

5.6 Contracts must not be split into smaller lots to avoid compliance with these rules.

5.7 The requirement to obtain competitive prices need not apply to: specialist services (e.g. legal professionals in disputes); repairs to, or parts for, existing machinery; an extension of an existing contract; or goods/services available from only one supplier or sold at a fixed price. Any application to waive competition must be set out in a recommendation to the Council; avoidance of competition is not a valid reason.

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

5.9 Individual purchases within an agreed budget may be authorised by: the Clerk, under delegated authority, for items below £500 excluding VAT; the Clerk in consultation with the Chair for items **up to £3,000** excluding VAT; and the Council for all items **over £3,000**.

5.10 No individual member, or informal group of members, may issue an official order or make any contract on behalf of the Council unless instructed to do so in advance by resolution of the Council.

5.11 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.

5.12 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 £3,000 excluding VAT on necessary work, whether or not there is any budget. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable.

5.13 No expenditure, contract or tender in relation to any major project shall be authorised unless the Council is satisfied that the necessary funds are available and, where a loan is required, that Government borrowing approval has been obtained first.

5.14 An official order shall be issued for all work, goods and services above £250 excluding VAT, unless a formal contract is prepared or an order would be inappropriate. Copies of orders shall be retained with evidence of receipt of goods. Access to the ordering system 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 Lloyds 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 shall be involved in any payment (dual online authorisation). Even where a purchase has been authorised, the payment must also be authorised, and only authorised payments shall be approved.

6.3 All invoices shall be examined for arithmetical accuracy, analysed to the appropriate expenditure heading, and verified to confirm that the work/goods/services were received and represent previously authorised expenditure, before being certified by the RFO.

6.4 Personal payments (salaries, wages, expenses and termination payments) may be summarised to avoid disclosing 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 The RFO shall present a schedule of payments requiring authorisation, with the relevant invoices, as part of the agenda for the meeting. The Council shall review the schedule for

compliance and authorise payment by resolution. The authorised schedule shall be initialled below

the last item by the person chairing the meeting, and a detailed list of all payments shall be

disclosed within, or attached to, the minutes.

6.7 The Clerk and RFO shall have delegated authority to authorise payments only in the following

circumstances: payments of up to £500 excluding VAT within an agreed budget; payments of up to

£3,000 in cases of serious risk to services or safety; any payment necessary to avoid a charge

under the Late Payment of Commercial Debts (Interest) Act 1998 where the due date falls before the

next meeting and the Clerk/RFO certify there is no dispute; and fund transfers between the

Council's own accounts up to £10,000. A list of any such payments shall be submitted to the next

meeting of the Council.

7. Electronic payments

7.1 The RFO shall be appointed as the online banking Service Administrator. The bank mandate agreed

by the Council shall identify at least three councillors authorised to approve transactions, and a

minimum of two people shall be involved in any online approval. The Clerk may be an authorised

signatory, but no signatory shall approve any payment to themselves. All authorised signatories

shall have access to view the Council's bank accounts online.

7.2 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.

7.3 The Service Administrator shall set up all items due for payment online. A list of payments for

approval, with copies of the relevant invoices, shall be sent by email to two authorised

signatories, who shall check the payment details against the invoices before approving each payment

online. Evidence shall be retained of which members approved the payment, and a full list of

payments made shall be provided to the next Council meeting and appended to the minutes.

7.4 With the approval of the Council in each case, regular payments (e.g. gas, electricity,

telephone, broadband, water, refuse collection, pension contributions and HMRC payments) may be

made by variable direct debit, provided the instructions are approved online by two authorised

members. Every direct debit and standing order in force is listed in the Council's **Schedule of

Direct Debits and Standing Orders**. The use of each direct debit, and of any BACS/CHAPS or

standing-order arrangement, shall be reviewed by the Council at least every two years.

7.5 Supplier account details may only be changed upon written notification by the supplier,

verified by two of the Clerk, the RFO and a member. Data held shall be checked with suppliers every

two years.

7.6 Any computer used for the Council's financial business shall have adequate, regularly updated

security (anti-virus, anti-spyware and firewall). Remembered-password facilities shall not be used

on any computer used for Council banking.

8. Cheque payments

8.1 In the event that any cheque is used, cheques or orders for payment shall be signed by two

members and countersigned by the Clerk. A signatory having a family or business relationship with

the beneficiary shall not be a signatory to that payment. Signatories shall initial the cheque

counterfoil and invoice.

9. Payment cards

9.1 Any debit card issued will be restricted to the Clerk (as RFO) and to a single-transaction

maximum of £500, unless authorised by the Council in writing before the order is placed.

9.2 Any corporate credit or trade card account will be restricted to use by the Clerk, and any

balance shall be paid in full each month.

9.3 Personal credit or debit cards of members or staff shall not be used, except for expenses of up

to £250 including VAT incurred in accordance with Council policy.

10. Petty cash

10.1 The Council will not maintain any form of cash float. All cash received must be banked intact.

Any cash payments made by the Clerk (for example postage or minor stationery) shall be refunded on

a regular basis, at least quarterly, supported by receipts.

11. Payment of salaries and allowances

11.1 **As an employer, the Council must make arrangements to comply with the statutory requirements

of PAYE legislation.** Councillors' allowances (where paid) are also liable to PAYE and must be

taxed correctly before payment.

11.2 Salary rates shall be agreed by the Council. No changes shall be made to any employee's gross

pay, emoluments, or terms and conditions without the prior consent of the Council.

11.3 Payment of salaries shall be made, after statutory and discretionary deductions, on the dates

stipulated in employment contracts, and deductions paid to the relevant bodies within the required

timescales. Each net payment and each payment of deductions shall be recorded in a payroll control

account, with the monthly total reported in the cashbook. Payroll shall be reviewed by the Council

to confirm the correct payments have been made.

11.4 Any termination payment shall be supported by a report to the Council setting out a clear

business case, and shall be authorised only by full Council.

12. Loans and investments

12.1 **Any application for Government approval to borrow, and the subsequent loan, must be

authorised by full Council and recorded in the minutes.** All borrowing shall be in the name of the

Council.

12.2 Any financial arrangement not requiring borrowing approval (e.g. hire purchase, leasing, or

loans repaid within the year) must be authorised by full Council following a written value-for-

money report.

12.3 The Council shall consider the requirement for an Investment Strategy and Policy in accordance

with the Statutory Guidance on Local Government Investments; any such Strategy shall be reviewed at

least annually. All investments shall be in the name of the Council, and all certificates retained

by the RFO.

13. Income

13.1 The collection of all sums due to the Council shall be the responsibility of, and under the

supervision of, the RFO.

13.2 The Council will review all fees and charges at least annually as part of the budget-setting

process. Any irrecoverable sums or bad debts shall be reported to the Council and written off in

the year, with approval shown in the accounting records.

13.3 All sums received shall be deposited intact with the Council's bankers as frequently as the

RFO considers necessary, with the origin of each receipt clearly recorded. Personal cheques shall not be cashed from money held on behalf of the Council.

13.4 The Council reclaims VAT under section 33 of the VAT Act 1994 (Form VAT126). A repayment claim shall be made annually at the end of the financial year.

14. Payments under construction contracts

14.1 Where contracts provide for payment by instalments, the RFO shall maintain a record of all such payments, made within the time specified in the contract based on signed certificates from the supervising architect or consultant. Any variation must be authorised by the Clerk in writing, with the Council informed where the final cost is likely to exceed the contract sum by 5% or more, or to exceed the budget available.

15. Stores and equipment

15.1 Delivery notes shall be obtained for all goods received, and goods checked as to order and quality at the time of delivery. Stocks shall be kept at the minimum levels consistent with operational requirements, and the RFO shall carry out periodic checks at least annually.

16. Assets, properties and estates

16.1 The Clerk shall arrange for the safe custody of all title deeds and Land Registry certificates of properties held by the Council.

16.2 **The RFO shall ensure that an accurate Register of Assets and Investments is kept up to date**, recording all properties held, their location, extent, plan/reference, purchase details, nature of interest, tenancies, rents and purpose, in accordance with the Accounts and Audit Regulations. The continued existence of tangible assets shall be verified at least annually, in conjunction with a health-and-safety inspection where practicable.

16.3 No interest in land shall be acquired or disposed of without the authority of the Council,

supported by a written report on valuation, condition, planning and covenants, and a business case.

16.4 No moveable property shall be acquired or disposed of without the authority of the Council,

except where the estimated value of any one item does not exceed £500.

17. Insurance

17.1 The RFO shall keep a record of all insurances and the property and risks covered, reviewing

these annually before the renewal date in conjunction with the review of risk management. The Clerk

shall give prompt notice to the RFO of any new risks or alterations.

17.2 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 meeting and negotiate all claims.

17.3 All appropriate members and employees shall be included in a suitable fidelity guarantee

insurance covering the maximum risk exposure, as determined annually by the Council.

18. Charities

18.1 Where the Council is sole managing trustee of a charitable body, the Clerk and RFO shall

ensure that separate accounts are kept of the charitable funds, with separate financial reports in

the form required by Charity Law or the Charity Commission, and shall arrange for any audit or

independent examination required. *(To be applied only if the Council is confirmed as a trustee —

see the 26/27 questionnaire item on trustee status.)*

19. Suspension and revision of Financial Regulations

19.1 The Council shall review these Financial Regulations annually and following any change of Clerk

or RFO. The Clerk shall monitor changes in legislation or proper practices and advise the Council of

any need to amend them.

19.2 The Council may, by resolution duly notified prior to the meeting, suspend any part of these

Financial Regulations, provided the reasons are recorded and an assessment of the risks has been

presented to all members. Suspension does not permit the Council to act unlawfully.

Appendix 1 — Tender process

A1.1 Any invitation to tender shall state the general nature of the intended contract, and the Clerk

shall obtain the necessary technical assistance to prepare a specification where appropriate.

A1.2 The invitation shall state that tenders must be addressed to the Clerk in the ordinary course

of post, unless an electronic tendering process has been agreed by the Council.

A1.3 Where a postal process is used, each firm shall be supplied with a specifically marked envelope

in which the tender is to be sealed and remain sealed until the prescribed opening date. All sealed

tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at

least one member.

A1.4 Where an electronic tendering process is used, the Council shall use a specific email address,

monitored to ensure no tender is accessed before the submission deadline.

A1.5 Any invitation to tender shall be subject to the Council's Standing Orders and shall refer to

the terms of the Bribery Act 2010.

A1.6 Where the Council does not accept any tender, quote or estimate and requires further pricing,

no person present when the original decision was being made shall be permitted to submit a later tender, estimate or quote.

Adopted by Warborough Parish Council on: ____2nd September 2026_____
(date) **Minute reference:** ____2026/126 _____

These Financial Regulations will be reviewed at least annually, unless circumstances dictate an earlier review.