

SEDGWICK PARISH COUNCIL

FINANCIAL REGULATIONS 2026

Based on the Latest NALC Model Financial Regulations with Sedgwick Parish Council Amendments

1. GENERAL

1.1 These Financial Regulations govern the conduct of the financial management and transactions of Sedgwick Parish Council and may only be amended or varied by resolution of the Council.

1.2 The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control.

1.3 These Financial Regulations shall apply together with:

- the Council's Standing Orders;
- the Accounts and Audit Regulations;
- proper practices;
- the Practitioners' Guide;
- and all relevant legislation.

1.4 The Clerk shall be the Responsible Financial Officer (RFO) unless the Council appoints another officer.

1.5 The RFO shall determine on behalf of the Council:

- accounting records;
- accounting control systems;
- accounting procedures; and
- financial reporting arrangements.

1.6 The RFO shall produce financial management information as required by the Council.

1.7 The Council shall review these Financial Regulations annually.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

2.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with proper practices.

2.2 The RFO shall complete the Annual Governance and Accountability Return (AGAR).

2.3 The Council shall review and approve:

- Section 1 – Annual Governance Statement;
- Section 2 – Accounting Statements; and
- arrangements for the Exercise of Public Rights.

2.4 The Council shall ensure that there is an adequate and effective system of internal audit.

2.5 The internal auditor shall be independent and competent.

2.6 The RFO shall:

- maintain accounting records;
- complete bank reconciliations at least quarterly;
- report financial performance to Council;
- retain financial records in accordance with legislation; and
- prepare financial reports for audit.

2.7 The Council shall review the effectiveness of internal control annually.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

3.1 The RFO shall prepare annual budget estimates for consideration by the Council.

3.2 The budget shall include:

- forecast expenditure;
- forecast income;
- reserves;
- known liabilities; and
- anticipated projects.

3.3 The Council shall:

- review the draft budget;
- determine and approve the precept;
- and consider the adequacy of reserves.

3.4 The approved annual budget shall form the basis of financial control for the year.

3.5 The Council shall maintain adequate general and earmarked reserves appropriate to its activities and risk profile.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

4.1 Expenditure may only be incurred in accordance with:

- approved budgets;
- Council resolutions;
- these Financial Regulations; or
- delegated authority.

4.2 The Clerk/RFO may incur routine expenditure up to £100 for operational purposes including stationery, postage, subscriptions or minor office supplies.

4.3 Routine expenditure authorised under Regulation 4.2 shall be reported to the next Council meeting.

4.4 Emergency expenditure up to £250 may be authorised by the Clerk/RFO in consultation with the Chair where necessary to protect:

- Council property;
- public safety;
- legal compliance; or
- the Council's operational interests.

4.5 Emergency expenditure shall be reported to the next meeting of the Council.

4.6 No expenditure shall exceed approved budgets without Council approval.

5. BANKING ARRANGEMENTS

5.1 The Council's banking arrangements shall be approved by the Council.

5.2 The Council currently intends to move to online banking arrangements with Unity Trust Bank or another Council-approved banking provider.

5.3 The Council shall maintain at least two councillors as authorised signatories or approvers.

5.4 Online banking arrangements shall ensure:

- separation between payment creation and authorisation;
- no individual may both create and authorise the same payment;
- dual oversight of payments where available;
- secure password management;
- use of multi-factor authentication where available; and
- secure management of banking devices and credentials.

5.5 The RFO may set up payments for authorisation by councillors in accordance with Council approvals.

5.6 Changes to authorised signatories or banking arrangements shall be approved by resolution of the Council.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

6.1 Payments may be made by:

- cheque;
- online banking;
- direct debit;
- standing order; or
- debit card where specifically approved by Council.

6.2 All payments shall be supported by invoices, receipts or appropriate evidence.

6.3 The RFO shall examine invoices and verify:

- arithmetic accuracy;
- legality;
- correct VAT treatment;
- and proper authorisation.

6.4 Payments shall be authorised by resolution of the Council except where delegated authority applies.

6.5 A schedule of payments shall be presented to each Council meeting for approval and recording in the minutes.

6.6 Direct debits and standing orders may only be established by resolution of the Council.

6.7 Regular salary payments may be processed in accordance with approved contracts and payroll arrangements.

6.8 Councillors shall not commit the Council to expenditure unless authorised.

7. PAYMENT OF SALARIES

7.1 Salaries shall be paid in accordance with:

- contracts of employment;
- national pay agreements;
- PAYE requirements; and
- pension obligations where applicable.

7.2 The Council shall approve staffing budgets.

7.3 Payroll records shall be maintained confidentially.

7.4 PAYE and National Insurance shall be operated where required.

8. LOANS AND INVESTMENTS

8.1 All loans and investments shall be approved by the Council.

8.2 Investments shall be made with regard to:

- security;
- liquidity; and
- yield.

8.3 The Council currently holds no loans or long-term investments.

8.4 Any borrowing shall comply with statutory requirements and proper practices.

9. INCOME

9.1 The collection, custody and banking of income shall be the responsibility of the RFO.

9.2 Income shall be banked promptly.

9.3 Cash handling shall be minimised wherever practicable.

9.4 The RFO shall maintain records of all income received.

10. ORDERS FOR WORK, GOODS AND SERVICES

10.1 Orders for work, goods and services shall be issued by the Clerk/RFO where appropriate.

10.2 Official orders shall generally be issued for significant purchases.

10.3 Councillors shall not issue instructions or orders to suppliers or contractors unless authorised.

11. CONTRACTS AND PROCUREMENT

11.1 Procurement shall be conducted in accordance with:

- relevant procurement legislation;
- proper practices;
- transparency requirements; and

- these Financial Regulations.

11.2 The Council shall seek value for money in all procurement activity.

11.3 For expenditure below £1,000, the RFO shall seek value for money.

11.4 For expenditure between £1,000 and £3,000, the Council shall normally seek two quotations where practicable.

11.5 For expenditure between £3,000 and £25,000, the Council shall normally seek three quotations.

11.6 Contracts above relevant statutory procurement thresholds shall comply with applicable procurement legislation.

11.7 The Council shall not be bound to accept the lowest quotation or tender.

11.8 Procurement decisions shall take account of:

- quality;
- suitability;
- reliability;
- experience;
- and value for money.

12. ASSETS, PROPERTY AND EQUIPMENT

12.1 The RFO shall maintain an Asset Register.

12.2 The Asset Register shall be reviewed annually.

12.3 The Council currently owns minimal assets including:

- noticeboards;
- office equipment;
- and IT equipment.

12.4 The Council currently owns no:

- land;
- buildings;
- allotments;
- cemeteries; or
- recreational facilities.

12.5 Assets shall be appropriately insured.

13. INSURANCE

13.1 The Council shall maintain adequate insurance cover.

13.2 Insurance arrangements shall be reviewed annually.

13.3 Fidelity guarantee cover shall be maintained in accordance with risk assessment and audit requirements.

14. RISK MANAGEMENT

14.1 The Council shall maintain and review annually a Risk Assessment covering:

- financial risk;
- operational risk;
- governance risk;
- cyber-security risk;
- and legal compliance.

14.2 The RFO shall report significant new risks to the Council.

14.3 The Council shall maintain appropriate cyber-security arrangements including:

- secure passwords;
 - secure backups;
 - restricted access;
 - and multi-factor authentication where available.
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15. PETTY CASH AND DEBIT CARDS

15.1 Petty cash shall be avoided wherever practicable.

15.2 Any petty cash arrangements shall be subject to appropriate controls and reconciliations.

15.3 Debit cards may only be used where specifically authorised by the Council.

15.4 Debit card expenditure shall be reported to the next Council meeting.

16. VAT

16.1 The RFO shall ensure VAT is properly accounted for and reclaimed where appropriate.

16.2 VAT records shall be maintained in accordance with HMRC requirements.

17. GRANTS

17.1 Grant applications shall be considered by the Council.

17.2 Grants shall only be awarded where they benefit the residents of Sedgwick.

17.3 Grant payments shall be recorded in the minutes and accounting records.

18. COMMUNITY INFRASTRUCTURE LEVY (CIL)

18.1 CIL funds shall be used in accordance with legislation.

18.2 CIL receipts and expenditure shall be recorded separately.

18.3 The RFO shall maintain records of:

- CIL receipts;
- expenditure;
- balances;
- and reporting requirements.

18.4 CIL balances shall be reported annually.

19. FREEDOM OF INFORMATION AND TRANSPARENCY

19.1 The Council shall publish information in accordance with:

- the Freedom of Information Act 2000;
- the Transparency Code;
- and the Council's Publication Scheme.

19.2 Financial information shall be published where required by law.

20. REVIEW OF FINANCIAL REGULATIONS

20.1 These Financial Regulations shall be reviewed annually at the Annual Meeting of the Council.

20.2 Amendments may only be made by resolution of the Council.

20.3 Mandatory statutory or legal requirements may not be disapplied by these Financial Regulations.

Adopted by Sedgwick Parish Council on: _____

Signed (Chair): _____

Signed (Clerk/RFO): _____