

FINANCIAL REGULATIONS

**ADOPTED BY SHOCKLACH OVIATT AND DISTRICT PARISH
COUNCIL 13 MAY 2026**

(ADOPTED BASED ON NALC MODEL FINANCIAL REGULATIONS FOR LOCAL COUNCILS)

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SHOCKLACH OVIATT AND DISTRICT PARISH COUNCIL FINANCIAL REGULATIONS

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These Financial Regulations were adopted by the Council at its meeting held on 13 May 2026.

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 Clerk has been appointed as Responsible Financial Officer and these regulations apply accordingly. The Responsible Financial Officer;
 - 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 Parish 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**

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. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
- 2.3. **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.**

3. Accounts and audit

- 3.1. **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;**
- 3.2. **The Clerk and Responsible Financial Officer shall complete and certify the annual Accounting Statements of the Parish 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 Responsible Financial Officer shall submit them (with any related documents) to the Parish Council.**
- 3.3. **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.**

- 3.4. **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.**
- 3.5. The internal auditor shall be appointed by the Parish 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.
- 3.6. The Parish Council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the council;
 - reports to council in writing, with a minimum of one written report during each financial year;
- 3.7. The Responsible Financial Officer 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.
- 3.8. The Responsible Financial Officer 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. No later than November each year, the Responsible Financial Officer shall prepare a draft budget for the following financial year.
- 4.3. Having considered the proposed budget, the Parish Council shall determine its Council tax requirement by setting a budget. The Parish Council shall set a precept for this amount no later than the end of January for the ensuing financial year.
- 4.4. **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 and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.5. The Clerk and Responsible Financial Officer shall **issue the precept to the billing authority no later than the end of February.**

5. Procurement

- 5.1. **Members and officers are responsible for obtaining value for money at all times.**
- 5.2. **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 Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**

- 5.3. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts.**
- 5.4. **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.5. INDIVIDUAL PURCHASES within an agreed budget for that type of expenditure may be authorised by:
- the Clerk, in consultation with the Chair of the Parish Council, for any items below £250;
 - the Parish Council for all items over £250.
- Such authorisation must be supported by a minute and approval may be obtained by email to enable a timely transaction.
- 5.6. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Parish Council except in an emergency.
- 5.7. In cases of serious risk to the delivery of Parish Council services, the Clerk may authorise revenue expenditure on behalf of the Parish Council which in the Clerks judgement it is essential to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budget for such expenditure, subject to a limit of £250. The Clerk shall report such action to the Chair as soon as possible and to the Parish Council as soon as practicable thereafter.
- 5.8. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless the Parish Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

6. Banking

- 6.1. The Parish Council's banking arrangements, including the bank mandate, shall be made by the Responsible Financial Officer and authorised by the Parish Council; banking arrangements shall not be delegated to a committee. The Parish Council has resolved to bank with Unity Trust Bank. The arrangements shall be reviewed annually for security and efficiency.

7. Electronic payments

- 7.1. Where internet banking arrangements are made with any bank, the Clerk and Responsible Financial Officer shall be appointed as the Service Administrator. The bank mandate agreed by the Parish Council shall identify the Councillors who will be authorised to approve transactions on those accounts, submitted for approval by the Clerk and a minimum of two Councillors will be involved in any online approval process.
- 7.2. All authorised signatories shall have access to view the council's bank accounts online.

¹ The Regulations require councils to use the Contracts Finder website if they advertise contract opportunities and also to publicise the award of contracts over £30,000 including VAT, regardless of whether they were advertised.

- 7.3. 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.
- 7.4. 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.
- 7.5. The Service Administrator shall set up all items due for payment online.
- 7.6. Two Councillors who are authorised signatories shall check the payment details before approving each payment using the online banking system.
- 7.7. All payments made between meetings shall be reported to the next Parish Council meeting.

8. Cheque payments

- 8.1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by the requisite members of the Parish Council.
- 8.2. 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.

9. Payment cards

- 9.1. Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250, incurred in accordance with council policy.

10. Petty Cash

- 10.1. The Parish Council will not maintain any form of cash float and the Clerk and Responsible Financial Officer will not receive any cash. All transactions shall be by Bank Transfer or cheque.

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.**
- 11.2. **Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 11.3. The Parish Council will employ an independent qualified payroll organisation to provide payroll services.

12. Loans and investments

- 12.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full Parish Council and recorded in the minutes. All borrowing shall be in the name of the Parish Council, after obtaining any necessary approval.
- 12.2. Any investment of money under the control of the Parish Council shall be in the name of the Parish Council.

13. Income

13.1. Any cheques received on behalf of the Parish Council shall be deposited with the council's bankers, by the Clerk and Responsible Financial Officer. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.

13.2. The Clerk and Responsible Financial Officer shall ensure that VAT is correctly recorded and any repayment claim under section 33 of the VAT Act 1994 shall be made at least annually.

14. Assets, properties and estates

14.1. The Parish Council shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date.

15. Insurance

15.1. The Clerk and Responsible Financial Officer 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. Suspension and revision of Financial Regulations

16.1. The Parish Council shall review these Financial Regulations annually and following any change of clerk or Responsible Financial Officer. The Clerk shall monitor changes in legislation or proper practices and advise the Parish Council of any need to amend these Financial Regulations.

16.2. The Parish 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.

16.3. The Parish 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.

