



Highley Parish Council

Financial Regulations 2026

Adopted by Council on **Tuesday 5 May 2026** at the Annual Council Meeting

These Financial Regulations govern the financial management of Highley Parish Council and may only be amended or varied by resolution of the Council. They shall be observed in conjunction with the Council's Standing Orders and all relevant legislation.

1. General

These Regulations set out the framework for financial administration and control. Councillors must follow them and must not entice employees to breach them. Wilful breach by an employee may result in disciplinary action.

Definitions follow those in the 2025 edition, updated for 2026. The Clerk continues to serve as the Responsible Financial Officer (RFO).

The Council **must not delegate** decisions relating to:

- Setting the final budget or precept
- Reviewing the effectiveness of internal controls
- Approving the Accounting Statements
- Approving the Annual Governance Statement
- Borrowing
- Declaring eligibility for the General Power of Competence
- Addressing internal/external audit recommendations

The Council shall:

- Review and approve the bank mandate annually
- Authorise any grant or single commitment over **£5,000**

2. Risk Management and Internal Control

The Council must maintain a sound system of internal control. The Clerk/RFO shall prepare a Risk Management Policy for annual approval.

A member (not the Chair or a bank signatory) shall verify bank reconciliations **quarterly** and at year-end.

Regular data back-ups must be maintained, and access to Council systems must be protected.

3. Accounts and Audit

All accounting procedures shall comply with the **Accounts and Audit Regulations 2015 (as amended)**.

The RFO shall:

- Maintain accounting records sufficient to explain transactions
- Prepare the AGAR Accounting Statements
- Arrange internal audit
- Facilitate electors' rights
- Report audit correspondence to Council

Internal audit must remain independent and competent.

4. Budget and Precept

The Council must set its annual budget and precept in accordance with the **Local Government Finance Act 1992**.

Key deadlines:

- September: Salary budget review (R&R Committee)
- November: Draft budget and 3-year forecast prepared by RFO
- January: Final budget and precept set by Council

Unspent budgets for completed projects shall not be carried forward unless placed in earmarked reserves.

5. Procurement

Procurement must comply with:

- **The Procurement Act 2023** (fully in force from October 2024)
- **The Procurement Regulations 2024**
- Council Standing Orders

Updated thresholds for 2026:

- **Over £60,000 (incl. VAT):** Formal tender process (Appendix 1)
- **£30,000–£60,000:** Publication requirements under the Procurement Act
- **£3,000–£30,000 (excl. VAT):** Minimum 3 written quotes
- **£500–£3,000 (excl. VAT):** Clerk to obtain 3 estimates where practicable
- **Under £500:** Clerk to seek value for money

Authorisation limits:

- Clerk: up to **£500**
- Clerk + Chair: up to **£2,000**
- R&R Committee: up to **£5,000**
- Full Council: over **£5,000**

Emergency expenditure (risk to service delivery or safety): Clerk may authorise up to **£2,000**.

6. Banking and Payments

Banking arrangements (Lloyds and CCLA) shall be reviewed annually.

Payments must be authorised and verified before release. Dual authorisation is required for online banking.

Delegated authority:

- Clerk/RFO may authorise payments up to **£500** within budget
- Up to **£2,000** in urgent cases
- Payments required before next meeting to avoid penalties
- Internal transfers up to **£10,000**

A schedule of payments must be presented to each Council or R&R meeting.

7. Electronic Payments

The RFO is the Service Administrator for online banking.

Regular payments (utilities, HMRC, pensions) may be made by direct debit or standing order with Council approval.

Supplier bank details may only be changed following written verification.

8. Cheque Payments

Cheques must be signed by two members. Signatories must initial the cheque, counterfoil and invoice.

9. Payment Cards

Debit cards may be issued to the Clerk and Chair with a **£500** transaction limit unless otherwise authorised.

Pre-paid cards may be issued with limits set by Council.

10. Petty Cash

The RFO shall maintain a petty cash float of not more than **£200**.

11. Payment of Salaries and Allowances

The Council must comply with PAYE legislation.

Salary changes must be approved by Staffing Committee and Council or R&R Committee.

Payroll reports shall be reviewed by R&R.

12. Loans and Investments

Borrowing requires full Council approval and (where required) Secretary of State approval.

The Council shall maintain an Investment Strategy if holding investments.

13. Income

The RFO is responsible for collection of all income.

Fees and charges shall be reviewed annually.

Bad debts must be reported and written off by Council.

VAT claims shall be submitted quarterly where appropriate.

14. Payments Under Contracts for Building or Construction Works

Payments shall comply with contract terms and be verified before release.

15. Stores and Equipment

The RFO shall maintain appropriate stock records.

16. Assets, Properties and Estates

The RFO shall maintain the Asset Register, updated annually and whenever assets are acquired or disposed of.

17. Insurance

The Council shall maintain adequate insurance cover and review it annually.

18. Suspension and Revision of Financial Regulations

The Council shall review these Regulations annually. They may only be suspended or amended by resolution of the Council.

Appendix 1 – Tender Process

(Updated to reflect the Procurement Act 2023 and Procurement Regulations 2024.)

A full tender process shall be followed for contracts exceeding **£60,000** including VAT. This includes:

- Public notice of invitation to tender
- Clear specification
- Sealed bids
- Evaluation against published criteria
- Council resolution to award

These Financial Regulations replace the 2025 version. A full updated Financial Regulations document for 2026