

HUGGATE PARISH COUNCIL

FINANCIAL REGULATIONS

Adopted by Resolution of Huggate Parish Council on: 15th June 2026

Review Date: 15th June 2028

1. GENERAL

1.1 These Financial Regulations govern the conduct of financial management by Huggate 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 it maintains a sound system of internal control.

1.3 These Regulations shall be read in conjunction with the Council's Standing Orders, Code of Conduct, Risk Management Policy, Asset Register and all relevant legislation.

1.4 The Responsible Financial Officer (RFO), appointed by the Council, shall be responsible for the proper administration of the Council's financial affairs.

1.5 The Council shall review the effectiveness of its system of internal control at least annually.

2. RISK MANAGEMENT AND INTERNAL CONTROL

2.1 The Council shall maintain an effective system of internal controls designed to safeguard public funds and assets.

2.2 A risk assessment shall be undertaken annually and reviewed whenever significant changes occur.

2.3 The Clerk and RFO shall implement procedures to:

- Prevent and detect fraud and corruption.
- Safeguard assets and records.
- Ensure the accuracy of accounting records.
- Manage financial risks appropriately.

2.4 Internal audit arrangements shall be maintained in accordance with statutory requirements.

3. ACCOUNTS AND AUDIT

3.1 The Council's accounting records shall be maintained in accordance with the Accounts and Audit Regulations and proper practices.

3.2 The RFO shall:

- Maintain accurate accounting records.
- Prepare annual accounts.

- Submit statutory returns.
- Ensure compliance with audit requirements.

3.3 The Council shall appoint an independent Internal Auditor.

3.4 The Annual Governance and Accountability Return (AGAR) shall be approved by the Council before submission to the External Auditor.

4. BUDGET AND PRECEPT

4.1 The Council shall prepare an annual budget for consideration no later than January each year.

4.2 The budget shall include:

- Estimated income.
- Estimated expenditure.
- Planned reserves.
- Capital projects.

4.3 The Council shall determine and approve the annual precept requirement.

4.4 No expenditure shall be incurred unless budget provision exists or Council approval has been obtained.

5. PROCUREMENT

5.1 The Council shall obtain best value in all purchasing decisions.

5.2 Procurement shall be conducted openly, fairly and transparently.

5.3 Competitive quotations shall normally be obtained as follows:

- Up to £1,000: One quotation or price comparison.
- £1,001 to £5,000: Minimum of three quotations.
- Over £5,000: Formal written quotations.
- Over the prevailing Public Contract Regulations threshold: Formal tender process.

5.4 The Council shall not split contracts to avoid procurement thresholds.

5.5 Councillors and officers shall declare any interests in procurement decisions.

6. BANKING AND PAYMENTS

6.1 The Council shall maintain bank accounts in its own name.

6.2 The bank mandate shall be reviewed annually.

6.3 All payments shall be authorised by the Council unless delegated under approved schemes.

6.4 Bank reconciliations shall be prepared regularly and reported to the Council.

7. ELECTRONIC PAYMENTS

7.1 Electronic banking facilities may be used where appropriate.

7.2 All electronic payments shall be supported by:

- An invoice or supporting document.
- Approval by the Council or delegated authority.
- Verification by the RFO.

7.3 Online banking credentials shall be securely managed.

7.4 Dual authorisation shall be used wherever banking facilities permit.

8. CHEQUE PAYMENTS

8.1 Where cheques are used, they shall be signed by two authorised signatories.

8.2 Signatories shall not sign blank cheques.

8.3 Supporting documentation shall be available before signing.

10. PETTY CASH

10.1 The Council shall not normally operate a petty cash system.

10.2 Exceptional cash payments shall require specific Council approval.

11. PAYMENT OF SALARIES AND ALLOWANCES

11.1 Salaries shall be paid in accordance with employment contracts and statutory requirements.

11.2 PAYE, National Insurance and pension obligations shall be administered correctly.

11.3 Payroll records shall be maintained securely.

11.4 Any changes to staffing expenditure shall require Council approval.

12. LOANS AND INVESTMENTS

12.1 All borrowing shall require Council approval and compliance with statutory requirements.

12.2 Surplus funds may only be invested in low-risk institutions approved by the Council.

12.3 Investments shall prioritise security and liquidity over yield.

13. INCOME

13.1 The collection of all income shall be the responsibility of the RFO.

13.2 All income received shall be banked promptly.

13.3 Cash receipts shall be minimised where possible.

13.4 Grants, fees and other receipts shall be recorded accurately.

14. PAYMENTS UNDER CONTRACTS FOR BUILDING OR CONSTRUCTION WORKS

14.1 Contracts for construction projects shall be monitored by the Council.

14.2 Payments shall only be made against certified invoices or verified completion stages.

14.3 Retention sums may be applied where appropriate.

15. STORES AND EQUIPMENT

15.1 Equipment shall be recorded and safeguarded.

15.2 An inventory shall be maintained and reviewed annually.

15.3 Disposal of assets shall require Council approval.

16. ASSETS, PROPERTIES AND ESTATES

16.1 The Council shall maintain an Asset Register.

16.2 Assets shall be reviewed annually for insurance and valuation purposes.

16.3 Property transactions shall require full Council approval.

17. INSURANCE

17.1 Adequate insurance cover shall be maintained at all times.

17.2 Insurance arrangements shall be reviewed annually.

17.3 Claims shall be reported promptly to insurers.

18. FRAUD AND CORRUPTION

18.1 The Council adopts a zero-tolerance approach to fraud, theft, bribery and corruption.

18.2 Suspected irregularities shall be reported immediately to the Clerk, Chair and appropriate authorities.

18.3 The Council shall maintain appropriate anti-fraud controls.

19. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

19.1 These Regulations shall be reviewed annually.

19.2 Amendments may only be made by formal resolution of the Council.

19.3 Any suspension of a Regulation shall be specifically approved by Council resolution and recorded in the minutes.

CERTIFICATION

These Financial Regulations were adopted by Huggate Parish Council at a meeting held on:

Date: 15th June 2026_____

Minute Reference: _9_____

Chairman: _____

Clerk / Responsible Financial Officer: _____