MARBURY & DISTRICT PARISH COUNCIL

FINANCIAL REGULATIONS 2026/27(NALC model provided by ChALC)

The Financial Regulations form a core part of the Council's governance framework. The Council ensures that key governance documents, including the Financial Statements and the Scheme of Delegation, are regularly reviewed and adopted in line with best practice and statutory requirements.

- Adopted by Full Council: 19 May 2026

Review Date: May 2027

Contents

1. GENERAL

- 1.1 These Financial Regulations govern the conduct of financial management by Marbury & District Parish Council and may only be amended or varied by resolution of the Council.

- 1.2 These Regulations form part of the Council's governance framework and shall be read alongside the Council's Standing Orders, Code of Conduct, Risk Management Policy and Scheme of Delegation.

- 1.3 Councillors and officers are expected to observe these Regulations and shall not knowingly authorise or encourage any breach.

- 1.4 In these Financial Regulations:

    - "Accounts and Audit Regulations" means the regulations issued under the Local Audit and Accountability Act 2014 or any succeeding legislation.
    - "Proper Practices" refers to the current edition of the Practitioners' Guide issued by the Joint Panel on Accountability and Governance (JPAG).
    - "RFO" means the Responsible Financial Officer.
    - "Council" means Marbury & District Parish Council.

- 1.5 The Clerk shall act as Responsible Financial Officer unless otherwise appointed by the Council.

- 1.6 The RFO shall:

    - administer the Council's financial affairs;
    - maintain accounting records;
    - ensure effective financial controls;
    - produce financial information for Council;
    - ensure compliance with statutory requirements;
    - maintain adequate insurance and banking arrangements;
    - seek economy, efficiency and effectiveness in Council expenditure.

- 1.7 The following matters shall not be delegated:

    - setting the budget and precept;
    - borrowing money;
    - approval of the Annual Governance Statement;
    - approval of the Accounting Statements;
    - approval of the Annual Governance and Accountability Return (AGAR);
    - approval of loans or investments;

- review of the effectiveness of internal control.

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2. RISK MANAGEMENT AND INTERNAL CONTROL

- 2.1 The Council shall maintain adequate and effective internal controls, accounting records and systems of risk management.
- 2.2 The Council shall review the effectiveness of internal control annually before approval of the Annual Governance Statement.
- 2.3 The RFO shall prepare and maintain a Risk Management Policy which shall be reviewed annually.
- 2.4 All new projects, services or activities shall be subject to appropriate risk assessment.
- 2.5 The Council shall maintain appropriate cybersecurity arrangements including:
    - secure passwords;
    - controlled user access;
    - secure cloud backup systems;
    - multi-factor authentication where available;
    - regular software and antivirus updates.
- 2.6 Financial records shall be securely backed up and retained in accordance with statutory requirements.
- 2.7 Bank reconciliations shall be prepared regularly by the RFO and independently verified by an appointed councillor at least quarterly and at financial year end.
- 2.8 No member involved in verification of reconciliations shall be authorised to process payments independently.

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3. ACCOUNTS AND AUDIT

- 3.1 All accounting procedures shall comply with the Accounts and Audit Regulations and Proper Practices.
- 3.2 The accounting records shall:
    - accurately record all income and expenditure;
    - record assets and liabilities;

- facilitate preparation of the AGAR;
- provide an audit trail for all transactions.

- 3.3 The RFO shall complete the Accounting Statements as soon as practicable after the end of the financial year and present them to the Council for approval.

- 3.4 The Council shall appoint an independent and competent internal auditor.

- 3.5 Internal audit shall be carried out in accordance with Proper Practices and reported to Council in writing.

- 3.6 The Council shall ensure appropriate arrangements are in place for the exercise of electors' rights.

- 3.7 All recommendations from internal or external audit shall be considered by Council and appropriately actioned.

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4. BUDGET AND PRECEPT

- 4.1 The Council shall prepare and approve an annual budget before setting the precept.

- 4.2 The budget shall include estimates for:

  - operational expenditure;
  - staff costs;
  - earmarked reserves;
  - projects and capital expenditure;
  - contingencies.

- 4.3 The Council shall determine the level of reserves annually as part of the budget-setting process.

- 4.4 The precept shall be approved no later than January each year.

- 4.5 The RFO shall provide regular budget monitoring reports to Council during the financial year.

- 4.6 Any member disqualified under Section 106 of the Local Government Finance Act 1992 shall declare this and not vote on the precept.

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5. PROCUREMENT

- 5.1 Procurement shall achieve value for money and comply with the Procurement Act 2023 and any associated regulations.
- 5.2 The RFO shall ensure expenditure is lawful and within Council powers.
- 5.3 Contracts shall not be artificially split to avoid procurement thresholds.
- 5.4 Procurement thresholds shall apply as follows:
    - Up to £3,000 excluding VAT:
      Best value and reasonable evidence of pricing.
    - £3,001 to £25,000 excluding VAT:
      Minimum of three quotations where practicable.
    - Over £25,000 excluding VAT:
      Formal tender process approved by Council.
- 5.5 The Council shall not be bound to accept the lowest quotation or tender.
- 5.6 Exceptions to competitive procurement may include:
    - specialist professional services;
    - emergency works;
    - sole suppliers;
    - compatibility with existing systems.
- 5.7 All procurement decisions shall be supported by an auditable record.
- 5.8 The Clerk/RFO may authorise emergency expenditure up to £2,000 excluding VAT where necessary to protect Council property, services or public safety, subject to reporting to the next Council meeting.
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6. BANKING AND PAYMENTS

- 6.1 The Council shall maintain appropriate banking arrangements approved by Council.
- 6.2 The Council shall review banking arrangements annually.
- 6.3 All invoices shall be examined and verified prior to payment.
- 6.4 Payments may be made by:
    - online banking;

  - BACS;
  - cheque;
  - direct debit;
  - standing order;
  - debit card;
  - other approved electronic methods.

- 6.5 A schedule of payments shall be presented to each Council meeting for approval.

- 6.6 Online banking payments shall be authorised in accordance with the approved bank mandate and shall wherever practicable require dual authorisation.

- 6.7 The Clerk/RFO may authorise:

  - routine payments within approved budgets;
  - urgent payments to avoid penalties or service disruption;
  - transfers between Council accounts.

- 6.8 All payments made under delegated authority shall be reported to the next Council meeting.

- 6.9 Councillors shall regularly review bank reconciliations and payment reports.

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7. PAYMENT CARDS

- 7.1 Payment cards may only be issued with Council approval.

- 7.2 Debit or payment cards shall only be used for official Council business.

- 7.3 Cash withdrawals are prohibited.

- 7.4 Receipts shall be retained for all card transactions.

- 7.5 Card transactions shall be reported to Council as part of the payment schedule.

- 7.6 The Council shall determine spending limits for payment cards.

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8. PAYMENT OF SALARIES AND ALLOWANCES

- 8.1 Salaries shall be paid in accordance with employment contracts and PAYE legislation.
- 8.2 Payroll shall be administered confidentially and in compliance with HMRC requirements.
- 8.3 Salary rates and changes to employment terms shall be approved by Council.
- 8.4 Pension, tax and National Insurance deductions shall be paid promptly to the relevant bodies.
- 8.5 Payroll records shall be maintained securely and confidentially.
- 8.6 Any termination payment shall require approval by full Council.

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9. LOANS AND INVESTMENTS

- 9.1 All borrowing shall require approval by full Council.
- 9.2 The Council shall maintain an Investment Strategy where required by legislation or guidance.
- 9.3 Investments shall be made in the name of the Council.
- 9.4 The Council shall prioritise security and liquidity over yield.

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10. INCOME

- 10.1 The collection of income shall be the responsibility of the RFO.
- 10.2 All income received shall be banked promptly and recorded appropriately.
- 10.3 The Council shall review fees and charges annually.
- 10.4 VAT records shall be maintained accurately and VAT reclaimed where appropriate.
- 10.5 Bad debts shall only be written off by Council approval.

11. CONTRACTS FOR BUILDING OR CONSTRUCTION WORKS

- 11.1 Payments under building contracts shall be made in accordance with contract terms and certified where appropriate.
- 11.2 Variations to contracts shall be authorised in writing.
- 11.3 Council shall be informed where project costs are likely to exceed budget provision.
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12. ASSETS AND PROPERTY

- 12.1 The RFO shall maintain an accurate Asset Register.
- 12.2 The Asset Register shall be reviewed annually.
- 12.3 Council assets shall be insured appropriately and regularly inspected where necessary.
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13. INSURANCE

- 13.1 The Council shall maintain adequate insurance cover for all activities, assets, liabilities and risks.
- 13.2 The RFO shall notify insurers promptly of any matter likely to give rise to a claim.
- 13.3 Insurance arrangements shall be reviewed annually by Council.
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14. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 14.1 These Financial Regulations shall be reviewed annually.
- 14.2 The Council may temporarily suspend Financial Regulations only by resolution and where lawful to do so.

- 14.3 Any suspension shall be recorded in the minutes together with the reasons and associated risk assessment.

- 14.4 The Clerk/RFO shall advise Council of any legislative changes requiring amendment to these Regulations.

APPENDIX 1 – TENDER PROCESS

1. Invitations to tender shall include a clear specification.
2. Tenders shall be submitted in writing or electronically by the specified deadline.
3. Electronic tenders shall be held securely and unopened until the deadline has passed.
4. Tenders shall be opened in the presence of the Clerk/RFO and at least one councillor.
5. Tender decisions shall be recorded in the minutes.
6. The Council shall comply with the Bribery Act 2010 and relevant procurement legislation at all times.

APPENDIX 2 - PAYMENTS & PAYROLL PROCEDURE

1. Purpose

This procedure sets out how the Council manages:

- creditor payments
- payroll payments
- authorisation controls
- reporting and transparency
- compliance with Financial Regulations and audit requirements

The aim is to ensure all payments are:

- properly authorised
- supported by documentation
- transparently reported
- accurately recorded in Council accounts

2. Overview of Financial Control System

The Council operates a **combined delegated and reporting system** which includes:

- Clerk / Responsible Financial Officer (RFO) financial administration
- external payroll processing (AVOW, Wrexham)
- Councillor financial oversight
- full Council review at meetings
- post-payment reporting and reconciliation

This ensures segregation of duties while maintaining efficient payment processing between meetings.

3. Delegated Authority for Payments

The Council has resolved that payments may be made **between meetings** under delegated authority where required for operational efficiency.

This is subject to the following controls:

- all invoices are recorded in the invoice's spreadsheet
- payment schedules are circulated to Councillors in advance
- supporting documentation is provided for review
- payments are made in accordance with Financial Regulations
- all payments are reported to the next Council meeting

4. Roles and Responsibilities

Clerk / RFO

- Maintains invoices and financial records
- Prepares payment schedules
- Completes monthly bank reconciliations
- Circulates financial reports and supporting documents to Councillors
- Ensures returns are submitted to HMRC (payroll)
- Ensures accurate recording in accounting records

Payroll Provider (AVOW, Wrexham)

- Calculates payroll (gross pay, tax, NI)
- Produces payslips and payroll summaries
- Ensures compliance with HMRC payroll rules

Councillor Financial Oversight

Councillors provide independent financial oversight of payment schedules prior to authorisation.

Their role includes:

- reviewing invoices and payment schedules
- verifying accuracy before payment is made
- supporting segregation of duties
- ensuring supporting documentation is complete

This role supports, but does not replace, full Council governance and approval.

Full Council

- receives financial reports at each meeting
- formally approves payments where required
- reviews payroll and expenditure
- ensures transparency and accountability

5. Creditor Payment Process

Step 1 – Invoice Processing

- All invoices are logged in the invoice register
- Each item is documented under appropriate budget heading
- Supporting documentation is attached or referenced

Step 2 – Pre-Payment Circulation

- Payment schedule and invoices are circulated to all Councillors
- Councillors review and verify payments prior to authorisation
- Councillors are given opportunity to raise queries

Step 3 – Payment Authorisation

- Payments are authorised in accordance with Financial Regulations
- Payments may be processed between meetings under delegated authority
- Online authorisation is undertaken following review

Step 4 – Post-Payment Reporting

- All payments are reported to the next Parish Council meeting
- Payments are recorded in meeting minutes
- Bank transactions are circulated to Councillors

Step 5 – Bank Reconciliation

- Bank reconciliations are completed by the Clerk/RFO
- Checked against invoices spreadsheet and bank statements
- Any discrepancies are investigated and resolved

6. Payroll Process

Payroll follows the same control framework:

- payroll is processed externally by **AVOW (Wrexham)**
- Clerk reviews payroll reports for accuracy
- payroll information is circulated to Councillors prior to payment
- Councillors review payroll within payment schedule
- Clerk ensures RTI returns are made directly to HMRC
- payroll is recorded under **AGAR Line 4 (Staff Costs)**
- payroll is reported at Council meetings

7. HMRC Compliance

The Council is responsible for:

- RTI submissions to HMRC
- payment of PAYE and National Insurance
- ensuring payroll records are accurate and up to date
- retaining HMRC confirmation records for audit

8. Financial Reporting & Transparency

The Council ensures transparency through:

- circulation of financial spreadsheets to Councillors
- inclusion of payments in Council agendas and minutes
- reporting of income and expenditure at meetings
- post-payment bank transaction updates
- annual audit preparation records

Electronic Financial Records

The Council maintains its financial records electronically using secure cloud storage approved for Council business. Appropriate password protection, access controls and regular backups are maintained to safeguard financial information, ensure business continuity and support compliance with data protection and audit requirements.

9. Procurement Controls

- Procurement shall be undertaken in accordance with Section 5 of these Financial Regulations
- Financial Regulations are followed for all procurement decisions
- all expenditure is supported by invoice and recorded appropriately

10. Internal Controls Summary

The Council ensures financial integrity through:

- external payroll processing (AVOW)
- Clerk/RFO financial management
- Councillor financial oversight
- delegated payment authority between meetings
- full Council reporting and approval
- bank reconciliation is undertaken
- transparent documentation and audit trail

Audit Statement (AGAR Supporting Note)

The Council operates a system of delegated financial control allowing payments to be made between meetings where necessary. All payments are supported by invoices and a Schedule of Payments, which is circulated to councillors in advance for review. An appointed councillor independently verifies the Schedule of Payments and supporting documentation prior to authorisation, maintaining appropriate segregation of duties. Payroll is processed by an external payroll provider (currently AVOW), with the Clerk/RFO completing the required RTI submissions to HMRC. All payments are reported to the next Council meeting, recorded in the minutes and supported by regular bank reconciliations, helping ensure the accuracy and completeness of the Council's accounting records.