

ANNUAL UPDATE OF THE COUNCIL'S FINANCIAL REGULATIONS

AGENDA ITEM NO. 10

MEETING: COUNCIL

DATE: 22ND APRIL 2026

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 Officers are in the process of undertaking the annual review of the Council's Constitution, which provide the overall framework and guidelines within which the Council operates.
- 1.2 The purpose of this report is to attach for Members consideration and approval the annual update of the Council's Financial Regulations.
- 1.3 Agreement at this meeting will then allow the updated Financial Regulations to be formally adopted at the Annual Meeting of the Council on 13th May 2026.

2.0 Background to the Report

- 2.1 The Financial Regulations provide the framework rules for the management of the Council's finances.
- 2.2 The Council has a responsibility in law for '*making arrangements for the proper administration of its financial affairs*'.
- 2.3 This responsibility includes ensuring that the Council complies with the law, implementing an effective system of governance, financial management and internal control, making proper arrangements for the management of risk, preparing accounts and budgets, undertaking effective internal audit, preventing and detecting fraud, and putting in place arrangements for securing economy, efficiency, and effectiveness in its use of resources, and achieving value for money.
- 2.4 The Financial Regulations are designed to demonstrate how the Council will meet these financial responsibilities and they apply to every Member and Officer of the Council.
- 2.5 The Finance Manager is the Council's Responsible Financial Officer (RFO), as required under Section 151 of the Local Government Act, and, acting under the policy direction of the Policy and Resources Committee, is responsible for the proper administration of the Council's financial affairs.
- 2.6 It should be noted that the framework for the procurement of all works, goods, materials, and services and tendering and contract procedures are set out separately in the Council's Standing Orders for Contracts and Procurement and are subject to a separate report.

3.0 Financial Regulations Update

- 3.1 The Financial Regulations must be regularly reviewed and updated and to ensure that they comply with current statutory requirements, internal and external audit expectations, and current 'proper practices' with regard to financial management issued by professional bodies such as the National Association of Local Councils (NALC), Society of Local Council Clerks (SLCC) and the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.2 The Financial Regulations cover all areas of the financial management of the Council's affairs and are broken down into the following areas:-
- Financial Management Responsibilities
 - Risk Management
 - The System of Internal Control
 - Internal and External Audit
 - Accounting Systems, Records, Policies and Procedures
 - Annual Governance and Accountability Return
 - Financial Planning and Budgeting
 - Budget Monitoring and Budgetary Control
 - Virement and Treatment of Year End Budget Balances
 - Banking Arrangements
 - Purchase Ordering and Payments for Goods and Services
 - Payment of Salaries and Wages and Members' Allowances
 - Collection and Banking of Income
 - Treasury Management (Loans and Investments)
 - Management of Consumable Stocks
 - Capital Programme Works and Contracts
 - Management of Land and Property
 - Asset Management
 - Insurance Arrangements
 - Taxation
- 3.3 In many cases the Financial Regulations are supported by more detailed policies and procedures in respect of specific areas including the Treasury Management Code of Practice, Anti-Fraud and Corruption Policy, Purchase Ordering and Payments for Goods and Services Policy and the Income Collection and Debt Recovery Policy.
- 3.4 This year, the Financial Regulations have been updated to reflect any changes in line with the proper governance and accounting practices for town and parish councils as set out in the latest version of the Governance and accountability for smaller authorities (Practitioners' Guide) published by the Smaller Authorities Proper Practices Panel.
- 3.5 The update also incorporates any changes within the Council e.g. to staffing structures and working practices, and the opportunity has also been taken, where necessary, to add clarity and explanations of the various requirements within the Regulations.

- 3.6 The update incorporates very few changes with the following specific changes:-
- Annual updated public contract procurement;
 - Increase the value of procurement over £6,000 to £6,500 where it is required to obtain three competitive quotes;
 - Increase the value of deposits where it must be approved by the Town Clerk in consultation with the Chairman of Policy and Resources from £6,000 to £6,500;
 - Clarification on officers who have access to payroll and personnel records;
 - Increased clarity and explanation of the requirements in the Regulations;
 - Inclusion of the additional assertion in the Practitioners' Guide around arrangements for the effective IT and data management requirements;
 - Removal of the £2,000 change float as following the opening of the banking hub, change can be acquired from here;
 - An updated authorised officers list incorporating recent staffing changes e.g. staff leaving, new staff etc.

3.7 The updated Financial Regulations are attached to this report and all changes are highlighted in grey.

3.8 The 'Practitioners' Guide', referred to in the Financial Regulations, has not been attached to this report, it is available from the following link
[Practitioners' Guide 2026/27](https://www.nalc.gov.uk/resource/practitioners-guide-2026-27.html)
(<https://www.nalc.gov.uk/resource/practitioners-guide-2026-27.html>)

4.0 Policy Implications

4.1 The Financial Regulations support the delivery of the Council's Strategic Aims:-

1. *To provide good quality governance and management of the Council.*
2. *To manage the council's finances and assets in a responsible manner.*

5.0 Staffing Implications

5.1 All officers of the Council must comply with the provisions of the Financial Regulations.

5.2 The updated Financial Regulations will be made available to all staff via the policy folders at the Council's operational buildings and are also issued and discussed as part of the staff induction programme.

5.3 Financial training, including reference to the key requirements of the Financial Regulations, is also provided to managers and staff as and when required.

6.0 Financial Implications

6.1 Approval and implementation of the Financial Regulations will help the Council to meet all of its statutory responsibilities in relation to financial management, risk management, governance, and internal control, and help to put in place effective arrangements to secure value for money.

7.0 Crime and Disorder Implications

7.1 None.

8.0 Equal Opportunities Implications

8.1 None.

9.0 Environmental, Biodiversity and Climate Change Implications

9.1 None.

10.0 Risk Assessment

10.1 The Financial Regulations include detailed sections on the Council's risk management and internal control arrangements.

11.0 General Data Protection Regulation (GDPR)

11.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

12.0 Recommendations

12.1 It is recommended that the Council consider the updated Financial Regulations, agree the proposed changes, and make any recommendations for any further amendments prior to their formal adoption at the Annual Meeting of the Council on 13th May.