

BARNTON PARISH COUNCIL

REPORT TO FULL COUNCIL

REVISED FINANCIAL REGULATIONS 2026

Report of: Responsible Financial Officer

Purpose: To consider and approve the revised Barnton Parish Council Financial Regulations 2026.

1. Background and Governance History

The Financial Regulations currently under review are based on the **Barnton Parish Council Financial Regulations approved on 20 May 2024**.

The Financial Regulations were subsequently considered and approved/readopted by the Council in **May 2025 under Minute Reference 10.9/05/2025**.

The following councillors were recorded as approving the Financial Regulations at that meeting, listed alphabetically by surname:

1. **Cllr Ayhok**
2. **Cllr Burgess**
3. **Cllr Carter**
4. **Cllr Chambers**
5. **Cllr Coombes**
6. **Cllr Diane Devine**
7. **Cllr James Devine**
8. **Cllr Hooper**
9. **Cllr Phoenix**

Following a subsequent review by the newly appointed RFO, it was identified that the Financial Regulations require updating.

In particular, the existing document contains unresolved options and bracketed wording from the model Financial Regulations, together with references and provisions requiring amendment to reflect current proper practices, legislation and the Council's financial-control arrangements.

The proposed revisions were presented by the RFO to the **Finance Committee at its meeting held on 21 September 2026**.

The members attending that meeting were:

- **Cllr Carter**
- **Cllr D Devine**
- **Cllr Gray**

At that meeting, consideration of the revised Financial Regulations was **deferred pending the provision of a simplified explanation** of the proposed changes to assist members in understanding their purpose and practical application.

The RFO has therefore prepared this report together with a **one-page Councillor Cheat Sheet at Appendix 1**.

2. Why Do the Financial Regulations Need Updating?

Financial Regulations are the rules which the Council, its councillors and officers must follow when dealing with public money.

The RFO's review identified areas requiring correction, clarification or updating, including:

- unresolved brackets and alternative wording remaining from the model Financial Regulations;
- updating references to current proper practices;
- clarification of the responsibilities of Full Council, the Clerk and RFO;
- delegated expenditure arrangements;
- quotation, tender and procurement requirements;
- online banking and payment controls;
- independent verification of supplier bank-detail changes;
- independent bank-reconciliation checks;
- budget monitoring;
- virements and earmarked reserves;
- internal-audit independence and follow-up of recommendations;
- asset-register and insurance controls;
- VAT procedures; and
- updating procurement provisions to reflect the current legislative framework.

The purpose is to provide the Council with a **clear, current and workable set of Financial Regulations** and an appropriate audit trail for decisions involving public money.

3. Key Changes – Simplified Explanation

Spending Authority

Amount	Authority
Below £500	Clerk/RFO under delegated authority within an approved budget
Below £2,000	Clerk/RFO, in consultation with the Chair, within an approved budget
Above £5,000	Full Council
Emergency up to £2,000	Clerk/RFO where necessary because of serious risk to Council services or public safety; subsequently reported to Council

Individual Councillors

Being a councillor does **not** automatically give an individual councillor authority to spend Council money.

A councillor cannot instruct a contractor, place an order, enter into a contract or otherwise commit Council expenditure unless specifically authorised in advance by Council.

Quotations

Value	Requirement
Up to £500 excluding VAT	Demonstrate reasonable value for money
Over £500–£3,000 excluding VAT	Try to obtain three estimates
Over £3,000 excluding VAT	Normally obtain at least three written fixed-price quotations
Formal procurement	Follow applicable tender and procurement requirements

Purchase Orders

For expenditure above **£250 excluding VAT**, an official purchase order, written instruction or contract should normally be issued.

Payments

Approving expenditure and **paying an invoice** are not the same thing.

Where expenditure has already been properly authorised, the Clerk/RFO may arrange payment without waiting for another meeting where delay could result in late-payment charges, breach of contractual terms or operational risk.

Online Banking

There should be a minimum of **two people involved in the payment process**, with two authorised councillors approving release wherever the banking system permits.

Approvers should check:

PAYEE → BANK DETAILS → AMOUNT → INVOICE/EVIDENCE

Supplier Bank Details

Changes to supplier bank details must be **independently verified using a trusted contact route** before payment is made.

Budget

RFO prepares the draft → Full Council approves the budget and precept → RFO monitors performance → Council receives reports

Virements and Reserves

Moving money between budget headings normally requires Council approval.

Additions to or withdrawals from earmarked reserves must also be properly approved and recorded.

Bank Reconciliations

At least **quarterly and at year end**, an independent councillor should check the bank reconciliations against the underlying bank evidence.

CHECK → SIGN → DATE

Internal Audit

The Internal Auditor should be:

COMPETENT → INDEPENDENT → FREE FROM ACTUAL OR PERCEIVED CONFLICTS OF INTEREST

Audit recommendations should be:

CONSIDERED → ACTIONED WHERE APPROPRIATE → TRACKED TO COMPLETION

Assets and Insurance

At least annually:

ASSET REGISTER → PHYSICAL CHECK → INSURANCE RECORDS

should be compared.

Annual Review

The Financial Regulations should be reviewed **at least annually** and sooner where circumstances materially change.

4. RFO Recommendation

Having reviewed the Financial Regulations currently in operation, the RFO recommends adoption of the revised **Barnton Parish Council Financial Regulations 2026**.

The proposed regulations remove unresolved model wording and update and strengthen the Council's financial-control arrangements.

The purpose is to ensure that the Council's financial governance arrangements are **clear, current and workable**, with a demonstrable audit trail for the authorisation, expenditure, payment and oversight of public funds.

5. Recommendation to Full Council

Council is recommended to:

1. **note** that the Financial Regulations under review are based on the Financial Regulations originally approved on **20 May 2024**;
2. **note** that the Financial Regulations were subsequently considered and approved/readopted in **May 2025 under Minute Reference 10.9/05/2025**;
3. **note** the areas subsequently identified by the RFO as requiring updating, clarification or strengthening;
4. **note** that the proposed revised Financial Regulations were presented by the RFO to the Finance Committee on **21 September 2026**, attended by **Cllr Carter, Cllr D Devine and Cllr Gray**, when consideration was deferred pending the provision of a simplified explanation;

5. **note** the simplified explanation contained within this report and the **Councillor Cheat Sheet at Appendix 1**, prepared by the RFO in response to the Finance Committee's decision;
6. **approve and adopt the Barnton Parish Council Financial Regulations 2026;**
and
7. **agree** that the Financial Regulations will subsequently be reviewed at least annually, or earlier where required by changes in legislation, proper practices, banking arrangements, staffing, audit findings or Council operations.

APPENDIX 1

BARNTON PARISH COUNCIL

FINANCIAL REGULATIONS 2026

ONE-PAGE COUNCILLOR SHEET

WHAT ARE FINANCIAL REGULATIONS?

They are simply the Council's **rules for looking after and spending public money**.

WHO CAN SPEND WHAT?

Amount	Who can authorise it?
Below £500	Clerk/RFO within an approved budget
Below £2,000	Clerk/RFO + consultation with Chair, within an approved budget
Above £5,000	FULL COUNCIL
Emergency up to £2,000	Clerk/RFO – report to Council afterwards

IMPORTANT FOR COUNCILLORS

Being a councillor **DOES NOT** automatically give you authority to spend Council money.

Unless specifically authorised, an individual councillor must **NOT**:

INSTRUCT A CONTRACTOR

PLACE AN ORDER

AGREE TO SPEND COUNCIL MONEY

ENTER INTO A CONTRACT

COMMIT THE COUNCIL FINANCIALLY

 DO WE NEED QUOTES?

Amount What do we do?

Up to £500 Show reasonable value for money

£500–£3,000 Try to get **3 estimates**

Over £3,000 Normally get **3 written fixed-price quotes**

Over £250? Normally issue a purchase order/written instruction.

 APPROVING A BANK PAYMENT?

Check:

PAYEE → BANK DETAILS → AMOUNT → INVOICE → AUTHORITY

There should normally be **at least two people involved in the payment process.**

 SUPPLIER SAYS THEIR BANK DETAILS HAVE CHANGED?

STOP – DON'T JUST CHANGE THEM

Independently verify the new details using a trusted contact route before paying.

 BUDGET

RFO PREPARES → COUNCIL APPROVES → RFO MONITORS → COUNCIL CHECKS

Moving money between budgets or taking money from an earmarked reserve normally requires Council approval.

 BANK RECONCILIATION

At least **quarterly and at year end**, an independent councillor should:

CHECK IT → SIGN IT → DATE IT

INTERNAL AUDITOR

Must be:

COMPETENT → INDEPENDENT → FREE FROM CONFLICTS OF INTEREST

Audit recommendations must be followed up.

ASSETS & INSURANCE

At least annually:

ASSET REGISTER → PHYSICAL CHECK → INSURANCE

Make sure what the Council owns is recorded and properly insured.

THE GOLDEN RULES

- 1. Council money is PUBLIC money.**
 - 2. Check that you have AUTHORITY before committing it.**
 - 3. Get the required QUOTES.**
 - 4. Keep the EVIDENCE.**
 - 5. Check payments before approving them.**
 - 6. Record financial decisions properly.**
 - 7. Individual councillors cannot spend or commit Council money just because they are councillors.**
 - 8. IF IN DOUBT – ASK THE RFO BEFORE COMMITTING THE COUNCIL.**
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THE FIVE-WORD VERSION

AUTHORISE → EVIDENCE → PAY → RECORD → CHECK