

Part 4 – Rules of Procedure

~~Section 1~~ **Section 6** – Financial Regulations

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1 Status of Financial Regulations

- 1.1 Financial Regulations are part of the Council's control environment providing a framework for managing the authority's financial affairs and contributing to good corporate governance, internal control and the management of risks. In addition they assist sound administration, reduce the risk of irregularities and support delivery of effective, efficient and economical services.
- 1.2 The Financial Regulations apply to all officers and members of the Council and anyone acting on behalf of the Council. They also apply to any partnerships that the Council is a member of and for which the Council is the accountable body. (Where the Council is not the accountable body then the lead Council officer is responsible for ensuring propriety and proper processes are followed so that the Council's reputation is not at risk).
- 1.3 It is the responsibility of Corporate Directors and Heads of Service to ensure that all staff in their portfolios are aware of their responsibilities according to the Financial Regulations and other internal regulatory documents (e.g. the Anti-Fraud and Corruption Policy) and comply with them.
- 1.4 Specific positions and/or officers are named in the regulations and it is their responsibility to ensure compliance. However, if the named officer wishes for reasons of practicality to delegate their authority to another appropriate officer in their area this is permissible as long as it has been documented.
- 1.5 Where the Cabinet has been named in Regulations it will be their responsibility to ensure compliance. The Cabinet can delegate such responsibility to one of its Cabinet members as set out in the Constitution procedures.

- 1.6 All members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.
- 1.7 To help assist members and officers, the Financial Regulations are set out in self-contained sections, each covering a specific area of control. Each section provides a contact point for further information or clarification. Where appropriate the Regulations are supported by detailed procedure notes which are included on the Intranet in the section 'Policies Affecting your Job'. These procedures, though printed under separate cover, must be treated as an integral part of the Regulations.
- 1.8 Any financial values are summarised in **Appendix A** to allow ease of update.
- 1.9 These Financial Regulations cover all areas of Council activity with the exception of schools which have their own set of regulations as part of the Local Management of schools (LMS) Scheme.
- 1.10 Failure to comply with Financial Regulations, or procedures issued under them, may lead to disciplinary action for employees and an investigation by the section 151/Monitoring Officer for Members and if necessary referral to the local Standards Committee.

2 Responsibilities

- 2.1 Any major organisation requires a set of clearly understood rules and regulations for the management of its financial affairs. Section 151 of the Local Government Act (LGA) 1972 places a duty on the Council to make arrangements for the proper administration of its financial affairs, including the appointment of a Chief Finance Officer (CFO).

2. ~~3.22~~ Section 114 of the Local Government Finance Act (LGFA) 1988 requires the Chief Finance Officer to report to the Council if the authority, one of its committees, the Cabinet or one of its officers:

- Has made – or is about to make – a decision which has or would result in unlawful expenditure;
- Has taken, or is about to take, an unlawful action which has or would result in a loss or deficiency to the authority; or
- Is about to make an unlawful entry in the Council's accounts.

Section 114 of the LGFA 1988 also requires the Chief Finance Officer to nominate a properly qualified member of staff to deputise, should the Chief Finance Officer be unable to perform the duties under Section 114 personally.

* **The Council** – means the full Council who provide the political and strategic direction of the authority. They approve the policies of the authority, including those for strategy and the budget.

* **The Cabinet** – means the Leader of the Council and the Cabinet members, who propose to Council policy and budget strategies.

* **Chief Finance Officer Responsibilities (s151/s114) – these have been allocated to the Corporate Director: Resources and include:**

- provision of financial advice for service delivery, strategic planning and policy making across the authority;
- provision of advice on the optimum use of available resources on the management of capital and revenue budgets;
- provision of financial management information;
- preparation of statutory and other accounts, associated grant claims and supporting records;
- provision of an effective internal audit function and assistance to management in providing safe and efficient financial arrangements;
- provision of effective financial management systems and procedures

- provision of effective income collection and payments systems;
 - advising on treasury, investment and cash-flow management; and
 - advising on the safe custody of assets and insurance.
 - Co-ordination of the corporate risk management systems
- * **The Head of Audit & Democracy** has delegated responsibility under the Accounts and Audit Regulations 2003¹ to maintain an adequate and effective Internal Audit service and has direct responsibility for the operation and support of the Council's Scrutiny function. The Head of Audit & Democracy has the ability to report directly, without fear or favour, to any level within the organisation or to the External Auditor~~Audit Commission~~.
- * **Corporate Directors** are responsible for ensuring that Heads of Service provide services that meet the Council's overall policy objectives. This includes ensuring compliance with Financial Regulations by Heads of Service in meeting such objectives.
- * **The Corporate Director: Resources** is responsible for leading on corporate governance issues throughout the Council.
- * **The Head of Finance** will act as deputy Section 151 Officer
- * **Heads of Service** are responsible for ensuring the delivery of services by their respective Business Units. This includes ensuring compliance by Business Managers with Financial Regulations within their service areas.
- * **Business Managers** are responsible for the day to day provision of services and the management of the associated budget. This includes ensuring that staff comply with Financial Regulations in performance of their duties.

Note: 'Business Managers' also includes managers and/or team leaders with budget and staff responsibilities.

2.433 **Financial Training**

The CFO should assess the financial skills required by members of the Cabinet and Corporate Management Team commit to develop the specific skills to enable their roles to be carried out effectively.

The Head of Finance ~~Senior Officers~~ should through senior finance staff identify financial competencies for managers and members and provide adequate financial training to enable them ~~employees and Members to so that they can~~ undertake their roles effectively and understand the financial requirements of the Constitution and associated financial policies and procedures.

¹ As updated by the Accounts and Audit (Amendment) (England) Regulations 2006 (SI 2006/564)