

## Part 4 – Rules of Procedure

### 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 ~~delivery units~~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

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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.~~ [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~~ [SS](#) 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<sup>1</sup>.
- 2.2 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.

<sup>1</sup> [Chief Finance Officer means the same as Chief Financial Officer or Responsible Financial Officer, where appropriate](#)

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- \* **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 an appropriately qualified 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 Governance Audit & Democracy** has delegated responsibility under the Accounts and Audit Regulations 2003<sup>2</sup> 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 Governance Audit & Democracy has the ability to report directly, without fear or favour, to any level within the organisation or to the External Auditor.
- \* **Corporate Management Team (Chief Executive, Directors and Assistant Chief Executive)** are responsible for ensuring that Heads of Service provide services that meet the Council's overall policy objectives. This includes ensuring compliance by Heads of Service with the Council's governance arrangements including with Financial Regulations by Heads of Service and Contract Procedure Rules in meeting such objectives.
- \* **The Chief Executive 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 Delivery Business Units. This includes ensuring compliance by Delivery Business Managers with Financial Regulations and Contract Procedure Rules ~~Standing orders~~ within their service areas.

<sup>2</sup> As updated by the Accounts and Audit (Amendment)(England) Regulations 2006 (SI2006/564)

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\* [DeliveryBusiness Managers](#) are responsible for the day to day provision of services and the management of the associated budget. This includes ensuring that all staff comply with Financial Regulations [and Contract Procedure Rules](#)[Standing orders](#) in performance of their duties.

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

### 2.3 Financial Training

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

The Head of Finance should through senior finance staff identify financial competencies for managers and members and provide adequate financial training to enable them to undertake their roles effectively and understand the financial requirements of the Constitution and associated financial policies and procedures.

## 3. Financial Planning

### 3.1 Introduction

The Council is responsible for approving the budget, various plans and policies, which will be proposed by the Cabinet. This will include the policy framework, the budget (including the capital programme) and the Council Plan. See Budget and Policy Framework Procedure Rules within the Constitution.

### 3.2 Financial Forecasting

The Chief Finance Officer shall, within the general direction of the Cabinet, produce forecasts of financial resources and advise upon the financial and economic implications of medium and long-term service development plans and programmes and budget strategies. In exercising this duty he/she shall be mindful of the Accounts and Audit Regulations 2003 (as amended 2006), the Code of Practice on a Prudential Approach to Local Government Commitments and current accepted local government accounting codes and will review levels of reserves and balances and ensure that a robust budget process has been undertaken. The Chief Finance Officer is responsible for the Council's arrangements for under and overspendings to be carried forward to the following year.

3.3 The forecasts will indicate the likely changes to the Council's budget for the specified period both in terms of commitments arising out of statutory variations and Council policy and also the likely variations to funding from central or local sources.

3.4 The Cabinet, having considered the forecasts and options for the specified period shall, propose the overall budget strategy to the Council for approval after the consultation process as outlined in the Budget and Policy Framework Procedures Rules within the Constitution.

3.5 All matters relating to the financial administration of the authority shall be kept under review by the member of the Cabinet responsible for Resources.

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- 3.6 The full Council is also responsible for approving procedures and for agreeing variations to approved budgets, plans and strategies forming the policy framework.

**CONTACT: Head of Finance**

### 4. Accounting Systems, Financial Records and Returns

- 4.1 Proper accounting records are one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to internal and external audit. This provides assurance that the accounts are properly prepared and proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resource.
- 4.2 The Chief Finance Officer should ensure that there is a proper retention policy for financial documents. The periods for which documents are to be retained is specified separately in the retention of records procedure note, ~~available on the Intranet.~~
- 4.3 The Head of Finance is responsible for determining the accounting systems and procedures adopted by the Council. No variations shall be made to accounting records and procedures without the written agreement of the Head of Finance. In particular ~~Corporate Directors and~~ Heads of Service should confer with the Head of Finance before introducing or amending any books, forms, records, administrative procedures or computerised systems used in conjunction with accounting for cash, income, expenditure, stores and financial transactions generally.
- 4.4 ~~Corporate Directors and~~ Heads of Service must maintain through their ~~o~~Officers full and accurate records as agreed with the Head of Finance to ensure the availability of all financial, costing and statistical and other information as may be required to fully and accurately maintain the accounts of the Council, and report on its finances. This includes the correct coding of expenditure in line with the CIPFA standard classifications. All accounting records will be maintained in accordance with current CIPFA Codes of Practice,
- 4.5 Heads of Service are responsible for ensuring the completion and submission of Grant applications and financial returns. The Chief Finance Officer is entitled to such explanations or information as may be required prior to forwarding to the relevant government department or agency under his signature. No bid for external funding shall be submitted without approval from the relevant [Priority lead](#)~~Corporate~~ Director and [relevant](#) Finance Manager.
- 4.6 Heads of Service are responsible for ensuring adequate records, financial and otherwise, have been maintained for all externally funded schemes subject to audit by the European Commission or grant awarding bodies

**CONTACT: Corporate Finance Manager**

### 5. Financial Management and Control – Revenue

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### 5.1 Background

5.1.1 The Council is responsible for adopting the authority's Constitution and Code of Conduct and for determining the budget and policy framework within which the Cabinet operates. It is also responsible for setting and monitoring compliance with the authority's overall framework of accountability and control via the scrutiny process. The framework is set out in the constitution.

5.1.2 This section of the regulations deals with the preparation and approval of budgets, budgetary control and variations from budget provision. It applies to all areas of the Council's activities except schools.

5.1.3 No expenditure is to be incurred or reduction in income authorised unless covered by these regulations.

### 5.2 Preparation and Approval of Budget

5.2.1 The Council will approve the overall spending plans of the Council.

5.2.2 The form of revenue estimates shall be determined by the Head of Finance in consultation with Heads of Service within the general guidelines of the Cabinet and relevant professional requirements. Estimates shall be prepared annually before the start of the financial year and revised during the course of the year.

5.2.3 Prior to the commencement of each financial year each [Service Delivery Business Unit Manager](#)s should prepare a [Service Delivery Business Plan](#) setting out the [Service Delivery Business](#) Unit's aims and objectives and expenditure and income projections within corporately agreed allocations of resources. These should be agreed with [Corporate Management Team \(the relevant Corporate Director/CMT\)](#) and [Head of Service](#).

5.2.4 Once the council's budget for the year has been approved the [Heads of Service and Delivery Business Managers](#) can authorise expenditure within the limits agreed subject to the separate rules on virement.

5.2.5 The [Delivery Business Managers](#) in conjunction with ~~the relevant~~ [Finance Manager](#) must ensure that a satisfactory monitoring system is in existence during the financial year with regular reports to the Head of Finance.

### 5.3 Budgetary Control (see also para 4.4 above)

5.3.1 The corporate finance information system determined by the [Head of Finance/Chief Finance Officer](#) is the Council's prime accounting record. It provides the mechanism for Heads of Service and [Delivery Business Managers](#) ~~with the assistance of their Accounting Team~~ to monitor and control budgets.

5.3.2 Heads of Service and [Delivery Business Managers](#) are required to monitor their budgets regularly during the year and take immediate action as necessary. If it is considered that a particular budget head requires increasing, virement must be sought before any overspending occurs (see Virement section). Under no circumstances should expenditure be incurred without appropriate provision being put in place first.

5.3.3 Regular financial updates will be taken to Cabinet.

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5.3.4 Generally all Council budgets are prepared on a cash limited (outturn) price base. This means that no supplementary estimates will be provided for inflation increases once budgets have been approved, except in exceptional circumstances.

5.3.5 Unavoidable cost increase, e.g. public utilities, increments etc, for which insufficient allowance has been made at budget time will need to be met by equivalent reductions elsewhere.

| 5.3.6 -All reports to ~~CM~~[Corporate Directors' Board](#) or Members must be cleared by finance staff for financial implications and should be made available to those staff in reasonable time before due for submission.

### 5.4 Supplementary Estimates

5.4.1 The Council sets budgets for gross expenditure and income in the context of a cash limit. Therefore it is important that any additional commitments not covered in Business Unit budgets, (including where the net budget requirement of the Council is not increased), are funded by savings elsewhere or additional grant funding and do not increase the net budget requirement of the Council (see Virement section). In exceptional circumstances this may not be possible and if this is the case, approval should be sought from the Council for additional funding.

### 5.5 Grants

| 5.5.1 All grant bids must be approved by the relevant [Priority lead](#) Director and [a](#) Finance Manager prior to submission.

| 5.5.2 Acceptance of grant terms must also be approved by the relevant [Head of Service](#) Director and [a](#) Finance Manager.

| 5.5.3 All grant claims must be certified by ~~a~~[the relevant](#) Finance Manager. (Subject to the conditions of the grant awarding body)

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### 5.6 Virement

5.6.1 Virement between budget heads is an integral and important feature of budgetary control. It provides Senior Managers with the flexibility to adapt expenditure patterns which they consider appropriate in meeting changing locally determined service needs and objectives consistent with Council policy. The ability to exercise virement applies to all controllable budgets.

5.6.2 Virement may be necessary for several reasons. For example:

- \* unforeseen cost increases,
- \* demand for a particular service, in line with existing policies, exceeding estimates,
- \* a local requirement to provide a different service from that anticipated at budget time for a particular client or to meet a particular situation, or
- \* utilising efficiency or other savings.

5.6.3 Except where allowed under the scheme of virement only the Council can approve changes to the budget it has previously agreed.

5.6.4 ~~Corporate Directors and/or~~ Heads of Service, in consultation with the relevant~~the relevant~~ Finance Manager, shall have the authority to make virements **within** each approved service delivery unit budget provided:

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- It is within the overall policy framework;
- It does not involve an increasing commitment in future years, which cannot be contained within existing approved budget allocations.

5.6.5 The Head of Finance, in consultation with ~~the~~the relevant Finance Manager and relevant Corporate Director and/or Heads of Service, shall have the authority to make virements **between** service delivery units provided:

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- The amount does not exceed £50,000 (**LIMIT G**)
- It is within the overall policy framework
- It does not involve an increasing commitment in future years, which cannot be contained within existing approved budget allocations.

For amounts over £50,000 Heads of Service~~Corporate Director(s)~~ and the Chief Finance Officer~~Chief Finance Officer~~, shall have the authority to make virements **between** service delivery units with Cabinet approval provided that

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- It is within the policy framework
- It does not involve an increasing commitment in future years, which cannot be contained within existing approved budget allocations.
- The amount does not exceed £250,000

For amounts above £250,000s approval by full Council is required.

5.6.6 All virement decisions must be notified to ~~the~~the relevant Finance Manager (and the financial information system updated) before expenditure is incurred.

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### 5.7 Year End Arrangements

5.7.1 Year end arrangements (carry forwards of over or underspending), have been designed to be as flexible as possible, consistent with the Council's overall financial situation and with regard to the controls exercised by the Government.

#### Overspending and Underspending

5.7.2 No Head of Service or [Delivery Business](#) Manager should plan to overspend his/her budget. All expenditure plans should be consistent with [Service Delivery Business Plans](#) ~~and the Unit's Service Plan~~. Potential overspends on particular budget heads will have been addressed during the year and, in some cases, virement will have been exercised.

5.7.3 All underspends and deficits on controllable budgets will be carried forward to the next financial year as a first call on the budget for the year.

**CONTACT:** Corporate Finance Manager

### 5.8 Reserves & Balances and the Robustness of Estimates

5.8.1 The budget report will contain a comment by the CFO (Chief Finance Officer) on the robustness of the estimates and the adequacy of reserves, in accordance with the requirements of the Local Government Act 2003 and CIPFA guidance. The CFO must also be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

5.8.2 Specifically, the budget report will include a statement on the adequacy of general reserves and provisions for the forthcoming year, linked to the medium term financial strategy.

5.8.3 An annual review of earmarked reserves will be undertaken as part of the budget preparation process and a statement will be presented to Council alongside the budget report.

5.8.4 The level and purpose of reserves and balances held must be clearly defined and justified by [Heads of Service Portfolios](#). Further regular reviews should be undertaken to ensure continuing relevance and adequacy.

5.8.5 There is no statutory minimum level of reserves required. This will be a matter of local judgement determined by the CFO but following current Audit Commission guidance.

**CONTACT:** Corporate Finance Manager

## 6. Financial Management – Capital

6.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long-term and create financial commitments for the future in the form of financing costs and revenue running costs.

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- 6.2 The Council will comply with the requirements of CIPFA's Prudential Code for Capital Finance in Local Authorities and will set and monitor a range of Prudential Indicators accordingly to ensure that borrowing is affordable, prudent and sustainable.
- 6.3 The Council will determine the capital programme for the Authority in line with overall Corporate Priorities, the Council's Asset Management Plan, Capital Strategy and availability of funding.
- 6.4 The capital programme shall focus on the medium term service & financial planning period but reflect the total cost and phasing of each approved scheme along with the proposed source(s) of funding.
- 6.5 The capital programme will demonstrate:
- the original and revised total estimated cost of each scheme
  - actual expenditure to the end of the previous financial year
  - forecast phased expenditure for the current and subsequent years
  - the revenue budget implications of the proposed programme
- 6.6 The Head of Finance shall determine the method of funding for each capital scheme, having consulted with the relevant Head of Service and working within the context of the various capital resources available. All proposed investments should be subject to an appropriate level of analysis/appraisal by the relevant service area before commitment.
- 6.7 The Head of Finance shall ensure that an effective monitoring system is in place during the year to control capital expenditure. Heads of Service will be responsible for notifying the Head of Finance if it seems likely that there will be a significant variation in spending on a scheme. Variations may be permitted only if they can be accommodated by virement within the total capital resources available.
- 6.8 Variations, subject to the following limits, can be approved by those designated below if there is no significant impact on the delivery of individual elements of the capital programme and/or on the overall capital strategy.
- (a) Up to £50,000 (**LIMIT G**) – Head of Finance in consultation with the ~~relevant Corporate Director~~ Head of Service
- (b) Over £50,000 up to £250,000 (**LIMIT K**) – Cabinet approval required
- (c) Over £250,000 (**LIMIT R**) – the Council.
- 6.9 Any capital expenditure over £50,000 even if entirely covered by additional external funding but outside the approved capital programme, must be approved by Council.

**CONTACT:** Corporate Finance Manager

## 7. Taxation and Leasing

### Taxation

- 7.1 Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly

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accounting for tax are severe. It is therefore very important for all officers and members to be aware of their roles and responsibilities.

- 7.2 It is the responsibility of Heads of Services to ensure compliance with all tax regulations relating to their [Delivery Business](#) Units. This will include Income Tax, National Insurance, V.A.T. and tax accounted for under C.I.S. If in doubt, Heads of Services should consult with the Head of Finance. [Delivery Business](#) Units will be liable for any costs, including any penalties and interest charged for incorrect tax treatment.
- 7.3 Detailed guidance on taxation issues is incorporated within specific procedure notes which are included on the Intranet.

### Leasing

- 7.4 Leasing is a method of financing the acquisition of certain types of capital assets and allows the cost to be spread over several financial years through annual rentals. It is a specialised area of finance with complex legal and financial agreements. Leasing arrangements may only therefore, be entered into by the Head of Finance or his designated officer.
- 7.5 The normal contract procedures should be followed in relation to leasing arrangements [See Part 4, Section 7, Contracts Procedure Rules]
- 7.6 Detailed guidance on leasing issues are incorporated within specific procedure notes on the Intranet.

**CONTACT:** Corporate Finance Manager

## 8. Controlled Stationery and Authorised Signatories

- 8.1 All cheques and other controlled stationery, including order books, receipt books, invoices, ~~travel vouchers, and~~ Electronic Fund Transfer (E.F.T.) forms may only be ordered by the Head of Finance or an authorised representative who shall make proper arrangements for their safekeeping.
- 8.2 ~~Corporate Directors and~~ Heads of Service are responsible for maintaining a listing of authorised signatories in the form prescribed by the Head of Finance. ~~.-~~ All officers on the signatories listing must be authorised by ~~an appropriate Corporate Director or~~ Head of Service [\(or Corporate Director if a HOS\)](#).
- 8.3 Only authorised signatories may commit the Council to expenditure, including electronically, in line with relevant procedure notes by:
- Authorising Orders
  - Certifying invoices
  - Certifying expenses claims
  - Authorising petty cash purchase
  - Certifying timesheets and overtime claims
  - Signing and awarding contracts (see also Section 7, appendices 1 to 4)

More than one officer should be involved in the authorising process e.g. it should not be the same officer who authorises the order and invoice that certifies receipt of the goods or service.

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8.4 A financial limit shall be prescribed for all officers. ~~Each Corporate Director shall determine the limit for officers within their portfolio area in consultation with their Finance Manager.~~ The Head of Finance ~~in consultation with the Head of~~ Governance shall be responsible for establishing a consistent ~~framework for financial~~ limits across the Council based on ~~the roles day to day activities,~~ and the responsibilities of ~~officers.~~

8.5 Heads of Service are responsible for ensuring that the authorised signatories list is kept up to date at all times, by informing the Head of Finance of any changes to authorised signatories and the responsibilities of the officer.

~~8.6 Heads of Service are responsible for replying to any request from the Head of Finance or Head of Audit & Democracy to confirm that any details are correct.~~

8.67 Guidance on authorised signatories is available from Audit Services.

### CONTACT:

For authorised signatories: ~~Employment Services or Procurement Portfolio Administration Officer~~

For controlled stationery: ~~Asset & Property & Design Management Administration~~

## 9. Internal Audit

9.1 The Chief Financial Officer under section 114 of the LGFA 1988 and the Accounts and Audit Regulations 2003 (as amended 2006) has a statutory responsibility for the overall financial administration of the Council's affairs. Section 6 of the Accounts and Audit Regulations 2003 (as amended 2006), says that the authority "shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control,..". The Chief Financial Officer shall, therefore, in accordance with relevant legislation arrange for a continuous and current internal audit of all areas of Council activities.

9.2 "Proper internal control practices" are defined in the guidance on the Accounts and Audit Regulations 2003 (as amended 2006)<sup>3</sup> as the CIPFA publication – "Code of Practice for Internal Audit in Local Government in the United Kingdom". Internal Audit will operate to this Code and any other relevant guidance. The definition of Internal Audit within the Code is:

*Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment<sup>4</sup> by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.*

<sup>3</sup> Department for Communities and Local Government Circular 03/2006 dated 18/08/06

<sup>4</sup> The control environment comprises the systems of governance, risk management and internal control.

**Comment [F1]:** This will be developed following the review of delegations.

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- 9.3 As the definition outlines Internal Audit has a key role to play in independently reviewing the Council's<sup>5</sup> arrangements for corporate governance, risk management and internal control. It contributes an objective opinion to the Council's Annual Governance Statement (including the Statement on Internal Control).
- 9.4 The existence of a continuous internal audit service does not in any way diminish the responsibility of Corporate Directors [for the delivery of priorities](#) and Heads of Service for the management of [the DeliveryBusiness](#) Units under their control and their responsibilities in respect to risk management and the systems of internal control.
- 9.5 The Audit & Risk Manager should ensure that Internal Audit remains independent in its planning and operation. The Audit & Risk Manager should be responsible for maintaining periodic audit plans which have due regard for the key strategic risks of the authority, the risks involved for each service area in delivering their services and the requirements of the external auditor. The plan will deliver work to provide reasonable assurance to the Council based on the resources available. The Audit & Risk Manager must report to the s151 officer or the Audit Committee if there are insufficient resources or limitations in the scope of their work to provide reasonable assurance or a service consistent with the definition of Internal Audit in paragraph 9.2.
- 9.6 It is the responsibility of Internal Audit to review, evaluate and report upon
- the soundness and adequacy of accounting records and the system of internal controls to provide their assurance for the Annual Governance Statement;
  - the extent to which the Council's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
    - fraud and other offences
    - waste extravagance and inefficient administration, poor value for money or other cause
    - the suitability and reliability of financial and other management data developed within the organisation.
  - The soundness and adequacy of the data quality systems operating to collect and report on performance information
  - The corporate governance arrangements of the Council
  - The risk management processes of the Council both at [StrategicCorporate](#) and Service [Delivery](#) Level
- 9.7 The Chief Finance Officer's authorised Internal Audit representatives shall be empowered to:
- enter at all reasonable times any Council premises or land

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<sup>5</sup> Internal Audit's remit extends to the entire control environment of the Council

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- have access to all Council and partner records<sup>6</sup>, documentation and correspondence relating to any financial and/or other transactions or other business of the Council, its employees or members, as considered necessary by the ~~CF~~~~Corporate Director: Resources~~, Head of ~~Governance~~~~Audit & Democracy~~ or Audit & Risk Manager.
  - have access to records belonging to third parties such as contractors or partners when required<sup>7</sup>
  - require and receive such explanations as are regarded necessary concerning any matter under examination from any employee, member, partner or third party.
  - require any employee or member of the Council or any partner/third party to account for cash, stores or any other Council property which is under his/her control or possession on behalf of the Council.
- 9.8 All work carried out shall have due regard for the requirements of the access to information legislation (e.g. Data Protection Act 1998, Freedom of Information Act 2000, etc.) and the Human Rights Act 1998, together with any other relevant legislation current at the time of the audit.
- 9.9 ~~Corporate Directors, Corporate Directors,~~ Heads of Service and ~~Delivery Business~~ Managers are responsible for responding to Internal Audit reports and the implementation of agreed recommendations within an appropriate timescale. Delivery Business Managers should indicate the actions they propose within one month of agreeing the draft report.
- 9.10 Failure to implement statutory, policy or financial regulation recommendations within the agreed timetables may be referred to the Chief Finance Officer and the appropriate members, following consultation with the appropriate Head of Service.
- 9.11 Internal Audit has specific fraud related responsibilities which are set out in the corporate Anti-Fraud & Corruption Policy. Within the scope of their work Internal Audit also provide advice and consultancy in respect to issues around controls and governance, based on their professional knowledge and expertise.
- 9.12 It is the duty of any Officer or Member to follow the corporate Anti-Fraud and Corruption Policy. Any officer or member who suspects that an irregularity involving cash, materials or any other property of the Council may have occurred must inform the Head of Service or report the matter directly to the Audit & Risk Manager or Section 151 Officer. Confidentiality, wherever possible, will be respected in any dealings on such matters.
- 9.13 The Section 151 Officer shall report to the Chief Executive, the relevant Head of Service, Corporate Director~~Corporate Director~~ and Cabinet, if appropriate, any matter of a significant nature.
- 9.14 Where Audit Services inform the Section 151 Officer of any such matter outlined in paragraph 9.12, the Section 151 Officer will inform the appropriate

<sup>6</sup> Records include business e-mail and internet records

<sup>7</sup> As defined in the articles of association/memorandum, SLA, grant conditions or contract

**Comment [F2]:** Should this be Cabinet or appropriate Cabinet member and Leader

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[Head of Service, Corporate Director](#)~~Corporate Director~~ and the Chief Executive and/~~Cabinet~~, if appropriate.

**Comment [F3]:** See comment on 9.13 above

- 9.15 Any decision to refer a matter as outlined in paragraph 9.12 to the Police is to be taken by the Audit & Risk Manager after informing the Council's Section 151 Officer or their representative. Where a Member is involved the Chief Executive, Monitoring Officer and where appropriate, the External Auditor, will be consulted. Where Police advice is sought but it is not intended that any criminal prosecution shall take place, the Audit & Risk Manager shall ensure that the anonymity of the individual(s) concerned shall be maintained at all times.
- 9.16 Internal Audit should report to a body of members the following information:
- the Internal Audit plan and strategy;
  - quarterly reports summarising the internal audit work undertaken and any key findings; and
  - an Annual Report which provides Internal Audit assurance for the Annual Governance Statement.
- 9.17 The Audit & Risk Manager and Head of [Governance Audit & Democracy](#) have the authority to report, as appropriate, on any matter, without fear or favour, to all levels of the Council. This can include reporting directly to the Chief Executive, the Leader, Cabinet Member [Efficient Community Focussed Council Resources](#), Chairman of the Audit Committee, s151 Officer, ~~CM Corporate Directors~~, the Monitoring Officer or the Council's External Auditors.

**CONTACT:** Audit & Risk Manager

### 10. Public Accountability – Responsibilities

#### 10.1 General

- 10.1.1 Members should ensure that they follow the Members Local Code of Conduct and have read the Members Handbook, taking any guidance into account including the declaration of any interest.
- 10.1.2 Employees should ensure that they follow the Employee Code of Conduct.
- 10.1.3 The corporate Anti-Fraud and Corruption Policy applies to all Members and Officers of the Council and they should be aware of its contents whilst representing and working for the Council including the registration of Members and Officers interests.
- 10.1.4 An officer of the Council must not, under cover of his/her position or office of employment, accept any fee or reward, other than his/her proper remuneration without the express permission of the [Assistant Chief Executive/Head of Human Resources Manager](#).
- 10.1.5 A member or officer must not accept any bribe or personal inducement in connection with the Council's business.
- 10.1.6 A member or officer must not use Council property, assets, materials or information for other than the purposes of the Council.

## APPENDIX B

10.1.7 A member or officer must not subordinate his/her duty to the Council to his/her private interest or put himself/herself in a position where his/her duty and private interests conflict.

10.1.8 Employees must ensure that they declare any private interest they may have in any of the Council's activities. Such a declaration should be made where the employee could benefit in the form of a financial or other pecuniary gain. The interest should be recorded in the Register of Interests held in [Audit & Democracy Services](#).

### 10.2 The Cashing of Cheques

10.2.1 The cashing of cheques (whether Council or otherwise) by a member or officer is prohibited except in line with the Council's Code of Practice on cheque encashment.

### 10.3 Gifts

10.3.1 Officers and Members should follow the advice given in the guidance note on gifts and hospitality (see the Guidance Note on the Intranet). The receipt of personal gifts should be discouraged. If an officer, during the course of, or as a result of, official duties, receives or is offered any personal gift, other than one of only token value, the matter must be reported to the Head of Service. The Head of Service will decide if the item is to be returned, or forwarded to some charitable cause. The Head of Service should inform the donor of what has happened to the gift, and explain the reason why gifts should not be sent in the future. A record should be made of all gifts refused and / or returned.

10.3.2 ~~The CMT support team and Heads of Service support team. Each Corporate Director~~ must maintain a record for employees of ~~his/her portfolio of~~ all gifts offered, received, refused and any actions taken as outlined in the guidance.

**Comment [F4]:** If agreed the supporting guidance will be updated

10.3.3 Members should take equal care in receiving gifts whilst in office. Members Services will ~~hold them~~ maintain a records for members of all gifts offered, received, refused and any actions taken.

### 10.4 Hospitality and Services

10.4.1 Members and officers should follow the advice given in the guidance note on Gifts and Hospitality available on the Intranet. Hospitality must only be given or accepted when it is on a scale appropriate to the circumstances, reasonably incidental to the occasion, not extravagant and justifiable as in the public interest. It must be apparent that no cause could reasonably arise for adverse criticism or suggestions of improper influence by the acceptance of the hospitality. The circumstances and the type of hospitality should be agreed by the appropriate Head of Service who shall ensure that a record is kept of all hospitality offered, accepted or refused

10.4.2 Members and Officers should not accept services. Any approach should be politely but firmly refused and if required an explanation made. The offer and rejection should also be recorded.

## APPENDIX B

### 10.5 Private Work / Relations with Clients and Contractors

- 10.5.1 Officers who are, in accordance with the conditions of service and the procedure note on Business Activities and Private Work, permitted to carry out private or other paid work must not do so during Council time. Officers must declare to their Head of Service in writing the nature and duration of such private work.
- 10.5.2 Members or Officers must not use any Council premises, resources or facilities for the execution of private work. No stationery or publicity material is to indicate that the person is a Member or Council employee nor should the address or any telephone number of the Council be stated. Members and Officers should pay due notice to the relevant section of the Local Government Act 1972.
- 10.5.3 Officers must not work for any current or prospective supplier or contractor to the Council.
- 10.5.4 Officers and Members must respect the confidentiality of information and must not use information received for personal gain.
- 10.5.5 Officers and Members should avoid any arrangements which might prevent fair competition.
- 10.5.6 Detailed guidance on Business Activities and Private Work. All associated Procedures and Guidance referred to in this Section are available on the Intranet.

**CONTACT:** Audit & Risk Manager

### 11. Purchasing Arrangements

#### **General:**

- 11.1.1 These regulations should be considered in conjunction with the relevant parts of Contract Procedure Rules relating to contracts.
- 11.1.2 Heads of Service must ensure that any purchasing contracts comply with Contract Procedure Rules, Contracts Procedures Rules (in section 7), statutory requirements and European directives.
- 11.1.3 Officers should seek the advice of the Corporate Procurement & Purchasing Unit where appropriate.

#### **Financial Thresholds & Limits:**

- 11.2.1 The Corporate Procurement & [Paymentsurchasing](#) Unit shall be informed, either in writing or by e-mail, of all contracts, agreements, awards and other instruments involving the payment or receipt of money, of a value of £50,000 or over during the lifetime of the contract (LIMIT G).
- 11.2.2 All contracts should adhere to the following limits and thresholds. Quotes or tenders should be sought based on the values below:

## APPENDIX B

- Below £5,000 (LIMIT A) no formal action, however officers will be expected to have due regard to the need for accountability and securing value for money wherever possible and will preferably use suppliers who have met the criteria for inclusion on an approved list where one exists ;
- Between £5,000 (LIMIT A) and £50,000 (LIMIT G), three comparative written quotes should be sought; Suppliers must meet criteria for inclusion on an approved list, where one exists, prior to acceptance;
- For Supplies & Services between £50,000 (LIMIT G) up to £15639,442893 (LIMIT N), no fewer than four written tenders to be sought; Suppliers must meet criteria for inclusion on an approved list, where one exists, prior to acceptance;
- For Supplies & Services between £156,44239,893 (EU limit) up to £250,000 (LIMIT N), no fewer than five written tenders to be sought; EU procurement regulations apply;
- For Supplies & Services over £250,000 no fewer than six written tenders to be sought; EU procurement regulations apply;
- For Works between £50,000 and £250,000, at least four suppliers invited to tender (or three for Design & Build contracts only).
- For Works between £250,000 (LIMIT P) and £3,49297,260313 (EU limit), no fewer than six written tenders to be sought (or four for Design & Build contracts only); Suppliers must meet appraisal criteria for inclusion on an approved list, where one exists, prior to acceptance.
- For Works over £3,4927,260313 (EU limit), no fewer than six written tenders to be sought (or five for Design & Build contracts only); EU procurement regulations apply.

In relation to **Specialist work/contracts** the Head of [GovernanceLegal Services](#) and [aService](#) Finance Manager may, **in exceptional circumstances**, agree in writing a deviation from the number of quotes/tenders shown above. See also Section 7 I and (L) of this Constitution.

Further detailed guidance on Procurement and Purchasing is incorporated within specific procedure notes issued by the Corporate Procurement & Purchasing Unit, and available on the Council's intranet.

**CONTACT:** [Procurement and Payments Manager](#)~~Corporate Finance Manager~~

### 12. Schemes Financed Partly or Wholly by External Funding

- 12.1 Increasingly cross-agency working is generating collaborative schemes where multiple public sector partners share total costs, nominating one partner to lead the procurement process. The lead partner signs the contract on behalf of the partnership, and is liable for any resulting default or contractual risk.
- 12.2 Officers leading or participating in multi-agency schemes must ensure that the council's standards of probity, regulation and good practice are followed. If they have any concerns about the procedures being used they should report them to their Head of [Service](#)~~or Corporate Director~~.
- 12.3 Officers leading or participating in multi-agency schemes where the key decision process applies must obtain approval from the [Head of Chief](#) Finance ~~Officer~~ prior to committing the Council to participate in the scheme.

## APPENDIX B

12.4 Officers leading other multi-agency schemes must ensure that partnership working agreements are in place before procurement activity for the scheme begins or the contract is let.

These must be in writing, and as a minimum should cover:

- A definition of who the funding bodies are and what they are committed to under the agreement e.g. allocation of contractual risks, roles and responsibilities, who will be responsible for any cost overruns, etc.
- Express agreement as to whether the Contracts (Rights of Third Parties) Act 1999 should apply to any contract subsequently entered into with a supplier by the lead partner on behalf of the partnership. This will allow the partners other than the lead body to both enforce their rights under the contract and to be held liable for default or risk under it. Please note that this clause must also be expressly stated in the contract with the supplier to be valid.
- How the specification will be agreed by all of the funding bodies, plus any 'exit' arrangements if the parties are unable to agree. The specification should include:
  - a description of the goods/services/outputs to be produced
  - timescales
  - testing/effects procedures
  - ownership of any intellectual property (e.g. copyright, design rights etc) or physical property (e.g. goods, buildings) resulting from the agreement
  - procedure for making variations to the agreement or the project
  - measures of quality/success
  - how disputes between the funding partners will be dealt with
  - written agreement to pay/physical fund transfer to the lead body (when and how this will be done)

12.5 Officers leading or participating in multi-agency schemes must keep records of all correspondence between the funding partners, especially those relating to agreement of specification, roles, risks and responsibilities.

12.6 Officers leading or participating on multi-agency schemes must keep all appropriate documents and evidence required to satisfy internal and external audit.

**CONTACT** – Corporate Finance Manager

### 13. Orders for Work, Goods and Services

13.1 Every officer and member of the authority has a responsibility to declare any links or personal interests which they may have with purchasers or suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council. Officers should declare any such interest to their [Head of Service](#) or relevant Corporate Director [as soon as they become aware of such an interest](#). ~~M~~ and ~~m~~embers [are responsible for amending their own entries in the register of interests held by Member Servicesto the Chief Executive](#) as soon as they become aware of such an interest.

## APPENDIX B

- 13.2 Official Orders are to be issued only by officers authorised by [Corporate Directors](#) or Heads of Service. Authorised officers are responsible for issuing orders within their control and in particular for ensuring that costs are covered by approved estimates or by a special financial provision.
- 13.3 The Head of Finance should be notified of all officers authorised by [Corporate Directors](#) or Heads of Service to authorise official orders.
- 13.4 ~~CM~~[Corporate Directors](#) and Heads of Service must ensure that Financial Regulations and Contract Procedure Rules relating to contracts and tenders have been complied with.
- 13.5 Official orders shall be issued for all work, goods or services to be supplied to the Council; this can be in the form of an electronic order generated by the approved Corporate Procurement System. Authorising officers must be able to demonstrate that the work, goods or services are required in order to provide Council Services. Orders should not be raised for supplies of utilities, periodic payments such as rent or rates, or for purchases made by petty cash.
- 13.6 All official orders should be in writing and delivered /passed to the supplier, unless the Government Procurement card is used (see section 14 below). Telephone orders may be used in exceptional circumstances but when this happens they must be confirmed, in writing to the supplier, at the earliest opportunity by a clearly marked confirmation order. Standard terms and conditions must not be varied without the prior approval of the Head of Finance. Goods and services should be checked on receipt to ensure they are in accordance with the order. This check should, wherever possible be carried out by a different officer from the person who signed the order. .
- 13.7 Official orders shall indicate clearly the date of the order, the quantity, quality and nature of the goods, works and services and the contract or agreed price. An estimated price shall be provided when an agreed price is not available.
- 13.8 Official order books shall be ordered and supplied to [DeliveryBusiness](#) Units by the Head of Finance who shall satisfy himself as to arrangements for their control. Electronic orders may only be used where these are part of an official council system, in line with controls specified at 13.11
- 13.9 Apart from petty cash and payments from cheque imprest accounts the normal method of payment of money due from the Council shall be by BACS or other instrument drawn on the Council's bank account by the Head of Finance. The use of direct debit and credit shall require the prior agreement of the Head of Finance.
- 13.10 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.
- 13.11 E-commerce – the purchases of goods via electronic means shall be strictly controllable and the necessary processes and controls must be in place to maintain the security and integrity of data.
- 13.12 Invoices, not subject to dispute, should be promptly passed to the Payments Unit in order to ensure that [the financial system OLAS](#) is up to date and the [local statutory 230](#) day payment P.I. is achieved. Any interest charged to the Council in respect of late payment under the Late Payment of Commercial

## APPENDIX B

Debts (Interest) Act 1998 will be passed on to the [Deliverybusiness](#) unit that ordered the goods/services.

13.13 Heads of Service and [DeliveryBusiness](#) Managers shall, wherever possible, separate the responsibilities for placing an order, receipt of goods and authorisation of payment- [but at least 2 different officers should be involved.](#)

**CONTACT:** Corporate Finance Manager

### 14. Corporate Credit Cards and the Government Procurement Card (GPC)

14.1 Usage is restricted to the following

- Corporate Credit Cards: The Leader and Corporate Directors. The Head of Finance also has a card which can be used by other Council officers following strict guidance and authorisation procedures.
- Government Procurement-Cards – as part of the process operated by Purchase Ledger and the Corporate Procurement Unit

14.2 Corporate Credit Cards: there are strict guidelines and procedures associated with the use of corporate credit cards which clearly state card holder responsibilities and allowed expenditure. The cardholder is responsible to account for all expenditure that is incurred on their card. Expenditure must be for business purposes only and VAT receipts must be provided for each transaction. There are set limits for expenditure against the Corporate Credit Card Account which must not be exceeded. The [Head of FinanceCorporate Director: Resources](#) will approve any additional cardholders.

14.3 GPC – the GPC process is in place to enable purchases by telephone, face-to-face or via the internet to streamline the procurement of low value, high volume transactions. Users will be authorised by their [Delivery Business](#)-Manager and the process controlled by the GPC coordinator. Each card will have set limits for expenditure which must not be exceeded. Each user receives specific guidance on usage and their responsibilities. The GPC process negates the need for a traditional order; instead the user maintains a monthly log of expenditure, which is validated against the statement issued by the supplying bank. The cardholder is responsible for all expenditure on their card, which is set out in an acceptable use policy. The account will be settled by Direct Debit on a monthly basis.

**Contact:** Corporate Procurement for further advice and guidance

### 15. Payment of Accounts

15.1 All payments, apart from the authorised use of imprest accounts (see Financial Regulation 19), due from Business Units and chargeable against their budgets shall be made in such manner as outlined by the Head of Finance.

15.2 Any Head of Service whose [Service Delivery TeamBusiness](#) Manager issues an order for works, goods and services, shall be responsible for the examination, verification and certification of all invoices. All accounts certified for payment should be signed by the Head of Service concerned or by an officer authorised by him to do so.

## APPENDIX B

15.3 The certification shall include that:

- The goods, services and work have been received or carried out, examined and approved as to quality and quantity and conform with a duly authorised order or Council resolution where appropriate.
- The expenditure is necessary, legal and within the estimates provision.
- The prices are in accordance with any quotation, tender or contract and/or are reasonable.
- Discounts or credits due have been deducted
- VAT or other tax treatment is correctly stated.
- The account is arithmetically correct.
- The amount has not been previously paid or certified for payment, either in whole or part.
- Appropriate entries have been made in asset registers, inventories and stock records.

15.4 For specified classes and categories of invoice the Head of Finance may agree a modified procedure.

15.5 Payments to construction contractors on account of contracts shall be made only on a certificate issued by the Head of Service or other officer or external consultant nominated in writing for this purpose. This certificate shall show the total amount of the contract, the value of the work executed to date, retention money, amount paid to date and the amount now certified.

15.6 Where an invoice is found to be incorrect e.g. because of an addition error, the VAT is incorrectly calculated or the invoice is not addressed to the Council, it should be returned to the supplier with an explanatory note. Hand-written amendments should not be made to an invoice as this may invalidate the recovery of VAT.

| 15.7 The Audit & Risk Manager and Procurement & ~~Payments~~~~urchasing~~ Manager shall examine accounts to the extent considered necessary and shall be entitled to make such enquiries and to receive such explanations as may be required.

15.8 Detailed guidance on Payment of Invoices is incorporated within specific procedure notes which are included on the Intranet and is also subject to para 13 above.

| **CONTACT:** ~~Procurement and Payments~~~~Corporate Finance~~ **Manager**

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### 16. Cash Income and Debtors

16.1 Income can be a vulnerable asset and the Head of Finance shall ensure that effective income collection systems are in place to ensure that all of the income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services.

| 16.2 Heads of Service and ~~Delivery~~~~Business~~ Managers in conjunction with their ~~respective~~ Finance ~~team~~~~Manager~~ are responsible for ensuring that all income due to the Council is received at the right time using the correct and most cost effective procedures and the appropriate stationery. Effective action shall be taken to pursue non-payment within defined timescales.

## APPENDIX B

- 16.3 Effective monitoring of outstanding debts and regular reporting of outstanding debt provision will be provided to the Head of Finance.
- 16.4 Heads of Service and [DeliveryBusiness](#) Managers shall, wherever possible, separate the responsibility for identifying amount due and responsibility for collection as far as is practicable. They should also ensure that any un-banked income is retained securely to safeguard against loss or theft and that receipts, tickets and other records of income are held securely for an appropriate period.
- 16.5 No debit in respect of an amount due to the Council once established shall be discharged otherwise than by payment in full except where write-off has been properly authorised as below:
- 16.6 Where the amount involved is £25,000 or less (**LIMIT C**) or the debtor has been declared insolvent or bankrupt and all monies due in dividends have been received, or the debtor being a company that has ceased to trade or is insolvent the writing off of the debt can be undertaken with the agreement of the Head of Service concerned and the Head of Finance.. The Head of Finance shall have the right to inspect any documentation or evidence deemed necessary. Write-offs above £25,000 must be approved by the Cabinet. Detailed guidance on write-offs is incorporated within specific procedure notes which are included in the Managers Handbook.
- 16.7 The cost of all write-offs will be borne by the [DeliveryBusiness](#) Unit, which originally benefited from the credit.
- 16.8 Heads of Service and [DeliveryBusiness](#) Unit Managers shall promptly notify the Head of Finance of any monies of £100,000 or more (**LIMIT JB**) due to the council and of contracts, leases and other arrangements entered into which involve the receipt of money of this value by the Council. The Head of Finance shall have the right to inspect any documentation or evidence deemed necessary.
- 16.9 All receipts, tickets and other acknowledgements for payments received shall be vetted by the Head of Finance, and Internal Audit shall be satisfied as to the arrangements.
- 16.10 Each officer who receives money on behalf of the Council, or for which they are accountable to the Council, shall keep such records as from time to time be required by the Head of Finance.
- 16.11 All money received by an officer on behalf of the Council shall be paid promptly and completely to the Head of Finance, or as he/she may direct, to the Council's bankers. This should be preferably on the same day or if this is not possible at the earliest opportunity. In the interim the money should be kept securely. No deductions may be made from such money other than as may be approved by the Head of Finance. When money is banked information as to the reason for its receipt, or its origin, shall be supplied.
- 16.12 Money held on behalf of the Council shall not be used to cash cheques for members, staff or third parties.
- 16.13 Heads of Service shall review charges made for services under their control at least annually, in line with the Council's Income and Charging Policy.

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**CONTACT:** Head of Finance

### 17. Banking Arrangements

- 17.1 All arrangements with the Council's bankers must be made or approved by the [Chief Finance Officer](#)~~Corporate Director: Resources and the Head of Finance and the Head of Finance~~, who shall be authorised to operate such bank accounts, including giro bank accounts as required.
- 17.2 Cheques drawn on the Council's banking account shall bear the facsimile signature of the [Chief Finance Officer](#)~~Head of Finance~~ or be signed by him/her or such other identified senior officers as he/she may from time to time designate in writing.
- 17.3 The Head of Finance, or such other identified senior officers must countersign cheques for amounts of £50,000 or more (LIMIT F) as he/she may from time to time designate in writing.
- 17.4 Standing order and direct debit payments may only be established by the Head of Finance or such other identified senior officers as he/she may from time to time designate in writing.
- 17.5 The Head of Finance shall maintain a list of identified senior officers who may on his/her behalf give instructions to the Council's banker and countersign cheques.

**CONTACT:** Corporate Finance Manager

### 18. Payments to Employees

- 18.1 Staff costs are the largest item of expenditure for most Council services. It is therefore important that there should be controls in place to ensure that payments are made only where they are due for services to the Council and that payments accord with the individual's conditions of employment.
- 18.2 The payment of all amounts to employees shall be the responsibility of the Head of [Finance](#)~~Human Resources~~. Such payments will include wages, salaries, travel and subsistence and other allowances due under a contract of employment.
- 18.3 Heads of Service shall, promptly notify the Head of [Finance](#)~~Human Resources~~ in a form agreed of all matters affecting the payment to employees and in particular of:
- appointments, resignations, dismissals, suspensions, secondments and transfers;
  - absences from duty, apart from normal annual leave;
  - changes in remuneration, other than normal increments and pay awards and agreements of general application.
  - information necessary to maintain records of service for superannuation, income tax, national insurance etc.
- 18.4 Appointments shall be made only in accordance with approved establishments, grades and rates of pay, unless agreed otherwise with the [Assistant Chief](#)

## APPENDIX B

Executive or an officer nominated by him~~Head of Human Resources~~ and a Finance Manager ~~of the service area concerned~~.

18.5 Any pay records, shall be in a form agreed by the Head of ~~Finance~~Human Resources and shall be certified by or on behalf of the Head of Service. A list of officers authorised to sign such records shall be sent to the Head of ~~Finance~~Human Resources together with specimen signatures and any amendments to the list shall be notified in advance to the Head of ~~Finance~~Human Resources in writing.

18.6 No payment shall be made to a person deemed to be an employee other than through the normal payroll procedure except for reimbursement of minor expenditure through petty cash. Heads of Service and Delivery Managers~~irectors and Principal Human Resources Officers~~ should give careful consideration to the employment status of individuals employed on a 'self-employed consultant or sub-contract' basis as these may well be employees and should be paid through the payroll.

18.7 There shall be frequent reconciliation of payroll expenditure against approved budgets by the Finance team~~Managers~~. Arrangements shall be made to ensure that appropriate payroll documents are retained and stored for the defined period.

**CONTACT:** Employment Services Manager~~Head of Human Resources or Human Resources Manager~~

### 19. Travel and Subsistence

19.1 Heads of Service are responsible for the verification of their officers' travel claims. This includes:

- that the costs have been incurred whilst officers were engaged on official Council business
- the accuracy of the mileage;
- the subsistence claimed particularly where not supported by receipts (applies to certain employees terms and conditions only) ; and
- the validity of the journeys taken.

Heads of Service must ensure compliance with the Council's Car Allowance Regulations, Car Leasing Scheme, Car Loan Scheme and other decisions of the Council that may be deemed appropriate. Standard mileages must be used where given.

- Claims from Heads of Service must be authorised by a Corporate Director,
- Claims from Corporate Directors must be authorised by The Chief Executive,
- Claims from the Chief Executive must be authorised by another~~the~~ Corporate Director.~~Resources~~

19.2 The Head of ~~Finance~~Human Resources will reimburse members' claims on receipt of the completed claim form certified by the Member concerned. The Head of ~~Governance~~Human Resources will ensure that claims comply with the relevant section of the Members' Allowance Scheme.

## APPENDIX B

- 19.3 All claims should be completed in full, appropriately authorised and must be submitted within three months of undertaking the journey or incurring the expenses, to qualify for reimbursement.
- 19.4 All foreign travel must be approved in advance in line with the Council's Overseas Visits procedure note.
- 19.5 Detailed guidance on Business Mileage and Expenses Reimbursement and Overseas Visits is incorporated within specific procedure notes which are included on the Intranet.

**CONTACT:** [Employment Services Manager](#)~~Head of Human Resources~~

### 20. Imprests

- 20.1 The Head of Finance in consultation with appropriate Heads of Service may make imprest advances to officers for the purposes of paying minor items of expenditure and any other items as may be approved by him/her.
- 20.2 The Head of Finance reserves the right to withdraw imprest facilities from officers if it is deemed that they are being used inappropriately, the expenditure limit is exceeded, or the facility is rarely used.
- 20.3 The accounts should be maintained on an imprest basis using standard Council imprest stationery and recording procedures for this purpose. All officers should maintain a record of their receipts and payments in a form and manner prescribed by the Head of Finance.
- 20.4 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid into the Council as in section 15 of these regulations.
- 20.5 The imprest account should be continually kept in balance and records submitted as required by the Head of Finance at regular intervals for examination and the reimbursement of expenditure.
- 20.6 The officer responsible for an imprest account shall, if requested, give the Head of Finance a certificate confirming the amount held. Upon leaving the Council or at the request of the Head of Finance the responsible officer shall repay to the Council the balance of the imprest held.
- 20.7 In no circumstances shall cheque imprest accounts be allowed to go overdrawn. The [DeliveryBusiness](#) Unit concerned will be responsible for all bank charges, interest payments and administration charges if this occurs as a result of failure to submit reimbursement claims or if they are submitted too late in order that timely processing can take place.
- 20.8 Detailed guidance on Imprest and Petty Cash Accounts is incorporated within specific procedure notes which are included on the Intranet.

**CONTACT:** Corporate Finance Manager

### 21. Risk Management

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- 21.1 The Cabinet Member for Efficient Community Focussed Council Resources is the lead member on risk management ~~for~~ the Council.
- 21.2 The Chief Executive Corporate Director Resources is the lead officer in respect to risk management and is responsible for the corporate risk management processes of the Council. However it is the responsibility of all employees and members to ensure that the Council's risks are properly managed.
- 21.3 ~~The CMT Corporate Directors and Cabinet~~ will:
- (a) regularly review the Council's ~~key~~ strategic risks
  - (b) annually review the risk management strategy ~~and process~~
  - (c) approve an annual report on the Council's risk management activities

### 21.4 The Cabinet will:

- a. regularly review the Council's key strategic risks
- b. annually review the risk management strategy process
- c. approve an annual report on the Council's risk management activities

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- 21.5~~4~~ The Audit & Risk Manager Corporate Director Resources will keep the Audit Committee informed of the reviews of the Council's key strategic risks, the annual review of the risk management strategy and the annual report on the Council's risk management activities. This will enable the Audit Committee to independently review the Cabinet's and Council's risk management processes as set out in their terms of reference.
- 21.5 The Chief Executive Corporate Director Resources is responsible for the development, co-ordination and maintenance of the Council's Corporate Risk management strategy.

### 21.6 ~~21.6~~ —Corporate Directors are responsible for the implementation of the Corporate Risk -Management strategy within the priorities that they lead.

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- 21.7 Heads of Service are responsible for implementation of the Corporate Risk Management strategy within their service delivery units~~area~~. Heads of Service are also responsible for ensuring that a proper risk assessment is undertaken for all new activities, projects, changes to services or partnership arrangements and that where required controls are implemented or revised to manage these new/revised risks.

- 21.8~~7~~ Each Head of Service ~~or Director~~ submitting a report to Cabinet, the Council or one of the Council's committees must ensure that any opportunities or risks arising from the proposed action or decision are clearly outlined in the report, in line with the Corporate Risk Management Strategy ~~and the relevant section of the report template within the Constitution.~~

**CONTACT:** Audit & Risk Manager

## 22. Insurance

- 22.1 The Head of Finance Corporate Director Resources will be responsible for the Council's insurance. Only the officer identified by the Head of

## APPENDIX B

- [FinanceCorporate Director Resources](#) may obtain insurance cover on behalf of the Council.
- 22.2 Heads of Service are responsible for ensuring that all new activities or assets that may introduce an insurable risk to the Council are notified to the Insurance Manager.
- 22.3 Each year Heads of Service must check that the risk-financing strategies in place are sufficient for their risk exposures and notify any changes required to the Insurance Manager.
- 22.4 As soon as officers are aware of any loss, liability or damage-causing event that may give rise to a claim of any kind against the Council they must notify the Insurance Manager who will take the appropriate action to safeguard the Council's position.
- 22.5 Appropriate officers will co-operate at all times with the investigations of the Insurance Manager into any claims and will supply all information upon request. It is imperative that officers comply with the timescales for investigating claims. Failure could directly affect the authority's ability to defend a claim or could result in financial penalties being imposed on the authority/[DeliveryBusiness](#) Unit.
- 22.6 The appropriate officer will make an annual declaration of any claims or events likely to give rise to a claim not yet reported to the [Head of FinanceCorporate Director: Resources](#).
- 22.7 It is the responsibility of the [DeliveryBusiness Unit](#) Manager to ensure that all third parties using the Council's buildings are appropriately insured.

**CONTACT:** Insurance Manager

### 23. Security and Control of Assets

#### 23.1 Stocks and Stores

- 23.1.1 Heads of Service are responsible for determining an efficient stock holding policy to ensure stock levels are not in excess of normal requirements.
- 23.1.2 The Head of Service shall supply the Head of Finance with such information relating to stores as may be required for the accounting, costing and financial records of the Council.
- 23.1.3 Heads of Service shall ensure periodic test examinations of stocks and shall ensure that all stocks are checked at least twice a year, and that a return of stocks in hand at the 31st March is certified.
- 23.1.4 After each stock check a return should be completed indicating any differences between actual and recorded stock. Where, after thorough investigation, differences cannot be reconciled, then the necessary adjustment should be made to the stores accounts. Adjustments to the accounts should be clearly identified and appropriately authorised. Copies of all adjustments should be available for inspection by Audit Services. If the adjustments account exceeds £10,000 (LIMIT B) in any

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year, the Head of Finance shall report the circumstances to the member on the Cabinet responsible for ~~Efficient~~ [Community Focussed Council Resources](#), together with explanations for the surplus/deficit.

23.1.5 Heads of Service should ensure that any material surpluses or obsolete stock are disposed of in line with agreed Council procedure. All disposals should be recorded and the records should be available for inspection.

### 23.2 Inventories

23.2.1 Inventories shall be maintained by all ~~Delivery Business~~ Units of all Council assets, including ICT ([see 23.2.2](#)). The Head of Finance shall define the extent to which the assets of the Council shall be recorded and the form in which inventories shall be kept.

23.2.2 A corporate inventory for all ICT assets shall be maintained by the Head of Information Communications and Technology and as such all items will be clearly identified and labelled. ~~Delivery Business Managers~~ Units should not arrange relocation or disposal without appropriate notification to the Head of ICT.

23.2.3 All leased equipment should be clearly identified and labelled. The labelling should indicate that the item should not be sold (as it does not belong to the authority).

23.2.4 The Council's assets shall not be removed from Council premises except in accordance with the ordinary course of the Council's business unless specifically approved by the Head of Service. Council property shall only be used for the Council's purposes unless specific instructions are issued by the appropriate ~~Corporate Director or~~ Head of Service. The Head of Service shall be responsible for ensuring that any such agreements are recorded. Attractive and portable items such as computers, cameras, TVs, video recorders and playback/recording equipment should be identified with security markings as belonging to the Council.

23.2.5 All disposals will be in line with agreed Council procedures and E.U. directives. In addition, special procedures are in place to deal with the disposal of leased equipment – any queries should be referred to the Finance Manager (Capital and Treasury).

23.2.6 ~~Delivery Business Unit~~ Managers are responsible for carrying out an inventory check at least once a year and ensuring that all items are accounted for. All discrepancies must be reported to the Head of Finance.

23.2.7 Detailed guidance on Inventories and Disposal of Assets is incorporated within specific procedure notes which are included on the Intranet.

### 23.3 Land and Buildings

23.3.1 The Head of ~~Asset and~~ Property ~~& Design Management~~ shall be responsible for the Asset Management Plan and maintain or make arrangements for the maintenance of a terrier of all properties owned or rented by the Council.

## APPENDIX B

23.3.2 The terrier should record:

- the date of acquisition or appropriation
- Council authority
- the holding Board
- purpose for which held
- location, extent and plan reference
- purchasing details
- particulars of nature of interest and rent payable
- particulars of tenancies granted

### 23.4 Information

23.4.1 ~~The Head of Customer Strategy & Business Transformation and other~~ Heads of Service are responsible for the security of all information within their service area. Information can be stored on computers, transmitted across networks including the Internet, printed out or written down on paper and spoken in conversation.

23.4.2 Heads of Service must ensure compliance with the Council's Corporate Information Security Policy to ensure:

- Confidentiality of information
- Integrity of information
- Availability of information
- All software installed and used is properly licensed and appropriate for business use.

23.4.3 Heads of Service must ensure that appropriate registrations under the Data Protection Act are in place to cover the use of information within their service areas. The Data Protection Act 1998 makes provision for the regulation of information relating to individuals, including obtaining, holding, use or disclosure of such information.

### CONTACTS

~~\_\_\_\_\_~~ Stocks and Stores, Head of Finance  
Inventories, Audit & Risk Manager  
Land and Buildings, Head of ~~Asset and Property & Design~~ Management  
Information, Head of ~~Governance Customer Services & Business~~  
~~Transformation~~

### 24. Treasury Management

24.1 The Chief Finance Officer shall arrange all borrowing of monies, and make all arrangements concerning the investment or utilisation of capital monies or other funds.

24.2 In exercising the function, the Chief Finance Officer should comply with the contents of CIPFA's 'Code for Treasury Management in Local Authorities'.

24.3 The Council shall adopt a Treasury Policy Statement and an annual Treasury Management Strategy. The responsibility for their implementation and monitoring will be delegated to the Cabinet.

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24.4 The Chief Finance Officer shall report (at least half yearly) to the Cabinet on the activities of the Treasury Management function and on the use of delegated Treasury Management powers.

[24.5 The Audit Committee through their terms of reference will scrutinise the Councils Treasury management arrangements as set out in the Audit Commissions best practice guidance. The Chief Finance officer will provide appropriate information to enable them to fulfil this role.](#)

**CONTACT:** Corporate Finance Manager

### 25. Unofficial and Voluntary Funds

25.1 An unofficial or voluntary fund is defined as any fund, other than an official fund for the Council, which is controlled wholly or in part by an officer by reason of his or her employment by the Council.

25.2 Staff should seek approval from the appropriate Head of Service before establishing an unofficial fund.

25.3 The Head of Service shall maintain a register of all such funds. The register will include the following details for each fund:

- The name of the 'Responsible Officer', as defined in the procedure notes on Voluntary and Unofficial Funds, responsible for the day to day running of the fund;
- The accounting period (which should generally be 1st April to 31st March);
- Bank account details; and
- Cheque signatories.

25.4 Heads of Service shall ensure that all such funds are audited by suitably qualified auditors and are submitted within 6 months of the end of the accounting period to the Council and any other parties (i.e. clients, sponsors, charitable bodies) with an interest in the fund.

25.5 The Head of Finance reserves the right to inspect all documentation relating to unofficial funds and seeks such explanations that are necessary to ensure they are being appropriately managed.

**CONTACT:** Corporate Finance Manager

## APPENDIX B

### APPENDIX A

#### Financial Limits

As financial limits require amending from time to time the limits itemised in the various regulations are referenced to this appendix. When amendments are actioned they will take the place of the amounts currently included in the detailed regulations.

Limit Reference	£
A	5,000
B	10,000
C	25,000
D	5,001 to 10,000
E	10,001 to 24,999
F	25,000 or over
G	50,000
H	75,000
J	100,000
K	250,000
L	500,000
M	Over 100,000
N	200,000
P	Over 200,000
Q	100,000 to 250,000
R	Over 250,000
S	EU Threshold (currently <del>1,5639,442893</del> )
T	EU Threshold (currently <del>3,4927,260313</del> )

## Part 7—Management Structure

### SENIOR MANAGEMENT STRUCTURE

- (a) ~~The Senior Management structure of the Council comprises the Chief Executive, Corporate Directors and Heads of Service. Each Corporate Director has a portfolio of responsibilities, which may include statutory responsibilities, service areas, corporate themes and strategies and specific projects.~~
- (b) ~~The composition of each portfolio may change from time to time to reflect legislative requirements, the needs of the Council and the skills and experience of individual Corporate Directors.~~
- (c) ~~The number of Corporate Directors and Heads of Service may vary from time to time, but at December 2008 there are five Corporate Directors and twenty-two Heads of Service~~
- (d) ~~The allocation of service responsibilities as at December 2008 is as follows:~~