

## ***Part 2 – Articles of the Constitution – Officers (Article 12)***

### **FUNCTIONS OF THE CHIEF FINANCIAL OFFICER**

The Assistant Director: Finance, Audit & Information Governance will be designated as the Chief Financial Officer

- (a) **Ensuring lawfulness and financial prudence of decision making.** After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Financial Officer will report to the full Council [or to the Leader and Cabinet Executive in relation to a Cabinet function] and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.
- (b) **Ensuring all reports to Cabinet include a financial comment and financial implications associated with the recommendations are clearly identified.** The CFO, or officer designated by him, must be given adequate notice to prepare this comment before the initial draft is considered by Senior Management Team.
- (c) **Administration of financial affairs.** The Chief Financial Officer will have responsibility for the administration of the financial affairs of the Council.
- (d) **Contributing to corporate management.** The Chief Financial Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- (e) **Providing advice.** The Chief Financial Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity, policy framework and budget issues to all Councillors and will support and advise Councillors and officers in their respective roles.
- (f) **Give financial information.** The Chief Financial Officer will provide financial information to the media, members of the public and the community.
- (g) **Supporting the Audit Committee.** The Chief financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee.

## ***Part 4 – Rules of Procedure***

### ***Policy Framework and Budget Procedure Rules***

#### **THE FRAMEWORK FOR CABINET DECISIONS**

The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the Leader and Cabinet Executive to implement it.

#### **PROCESS FOR DEVELOPING THE FRAMEWORK**

The Council is responsible for the adoption of the budget and policy framework. The process by which the budget and policy framework shall be developed is:

- (a) Before the end of January each year the Leader and Cabinet Executive will publicise its policy and budget proposals, together with a timetable for taking final proposals to the Council and arrangements for consultation. There will be a minimum 4 week consultation period.
- (b) During the consultation period:
  - (i) the Leader and Cabinet Executive's proposals shall be referred to the relevant Scrutiny Committee for further consideration.
  - (ii) a range of consultation activities will take place with the community and stakeholders so that they can feed their views into the process
  - (iii) the Leader and Cabinet Executive's proposals shall be available to Opposition Groups for consideration. It is the responsibility of Opposition Groups to plan their own work programme so that they are able to respond to the proposals within the consultation period.
- (c) Any budget proposals proposed by Opposition Groups must be presented to the relevant Scrutiny Committee and Chief Financial Officer prior to Cabinet presenting their proposals to Full Council. This may be during the consultation period.
- (d) Having considered the results of consultation and any reports of the Scrutiny Committee and Opposition Groups, the Cabinet, if it considers it appropriate, may amend its proposals
- (e) The Cabinet will submit its final proposals to Council before the 11<sup>th</sup> March each year for adoption. It will also report to Council on how it has taken into account consultation feedback.
- (f) The Council will consider the proposals of the Leader and Cabinet Executive in accordance with its normal rules of procedure.
- (g) The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4, and shall be implemented immediately

- (h) Any other changes to the budget and policy framework are reserved to the Council.

**DECISIONS OUTSIDE THE POLICY FRAMEWORK OR BUDGET**

- (a) Subject to the provisions of paragraph 5 (virement) the Leader, Cabinet, other members of the Cabinet, and any officers, committees of the Council, area committees or joint arrangements discharging Cabinet functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by full Council, then that decision may only be taken by the Council, subject to 4 below.
- (b) If the Leader, Cabinet, other members of the Cabinet, and any officers, committees of the Council, area committees or joint arrangements discharging Cabinet functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Financial Officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing budget and/or policy framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the budget and policy framework) shall apply.

**URGENT DECISIONS OUTSIDE POLICY FRAMEWORK OR BUDGET**

- (a) The Leader, Cabinet, other members of the Cabinet, and any officers, committees of the Council, area committees or joint arrangements discharging Cabinet functions may take a decision which is contrary to the Council's policy framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
  - i) if it is not practical to convene a quorate meeting of the full Council; and
  - ii) if the Chairman of the appropriate Scrutiny Committee agrees that the decision needs to be taken as a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chairman of the Scrutiny Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chairman of the Scrutiny Committee, the consent of the Mayor, and in the absence of both, the Deputy Mayor will be sufficient.

- (b) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

**VIREMENT**

Virement between budget heads is an integral and important feature of budgetary control. It allows service providers to adapt to service changes within Council policy. The details of virement can be found in Financial Procedures Rules in Part 4 of the Constitution.

**CALL-IN OF DECISIONS OUTSIDE THE POLICY FRAMEWORK OR BUDGET**

- (a) Where a Scrutiny Committee is of the opinion that a Leader and Cabinet Executive decision is, or if made would be, contrary to the policy framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
  
- (b) In respect of functions which are the responsibility of the Leader and Cabinet Executive, the Monitoring Officer's report and/or Chief Financial Officer's report shall be submitted to the decision-taker with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the decision-taker must meet to decide what action to take in respect of the Monitoring Officer's and/or the Chief Financial Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Financial Officer conclude that the decision was a departure, and to the Scrutiny Committee if the Monitoring Officer or the Chief Financial Officer conclude that the decision was not a departure.
  
- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the Chief Financial Officer is that the decision is or would be contrary to the policy framework or contrary to or not wholly in accordance with the budget, the Scrutiny Committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 10 working days of the request by the Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial Officer. The Council may either:
  - i) endorse a decision or proposal of the decision taker as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all Councillors in the normal way;
  - Or**
  - ii) amend the Council's financial regulations or policy concerned to encompass the decision or proposal of the decision taker and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way;
  - Or**
  - iii) where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget, and does not amend the existing framework to accommodate it, require the decision-taker to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Financial Officer

## ***Financial Regulations***

| <b>Index Point</b> | <b>Description</b>   |
|--------------------|--|
| 1                  | Status of Financial Regulations  |
| 2                  | Responsibilities   |
| 3                  | Financial Planning   |
| 4                  | Accounting Systems, Financial Records and Returns  |
| 5                  | Financial Management and Control – Revenue   |
| 6                  | Financial Management and Control – Capital   |
| 7                  | Taxation and Leasing   |
| 8                  | Controlled Stationery and Authorised Signatories   |
| 9                  | Internal Audit   |
| 10                 | Risk Management  |
| 11                 | Information Security   |
| 12                 | Public Accountability – Responsibilities   |
| 13                 | Purchasing Arrangements<br>Works/Goods/Services – Requisitions, Authorisation, Goods Received and Payments |
| 14                 | Corporate Credit Cards and the Government Procurement Card (GPC)   |
| 15                 | Income and Debtors   |
| 16                 | Banking Arrangements   |
| 17                 | Payments to Employees  |
| 18                 | Imprests   |
| 19                 | Insurance  |
| 20                 | Security and Control of Assets   |
| 21                 | Inventories  |
| 22                 | Land & Buildings   |
| 23                 | Treasury Management  |
| 24                 | Unofficial and Voluntary Funds   |

### **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.
- 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 or bodies 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 Assistant Directors to ensure that all staff in their service areas are aware of their responsibilities according to the Financial Regulations 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, named officers can delegate their authority to another appropriate officer as long as this delegation has been recorded.

- 1.5 Where the Leader and Cabinet Executive have been named in Regulations it will be their responsibility to ensure compliance. The Leader and Cabinet Executive can delegate such responsibility to one of its Cabinet members as set out in the Constitution.
- 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 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 can be accessed on the intranet.
- 1.8 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.
- 1.9 Failure to comply with Financial Regulations, or procedures issued under them, may lead to disciplinary action for employees and an investigation by the Chief Financial Officer. For Members any issues will be investigated by the Monitoring Officer.

## 2. Responsibilities

- 2.1 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.
- 2.2 Section 114 of the Local Government Finance Act (LGFA) 1988 requires the Chief Financial Officer to report to the Council if the authority, one of its committees, the Leader and Cabinet Executive 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 Financial Officer to nominate a properly qualified member of staff to deputise, should the Chief Financial 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 relevant strategies and the budget.

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

\* **Chief Financial Officer (CFO) Responsibilities (s151/s114)** – these have been allocated to the Assistant Director: Finance, Audit & Information Governance 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.

\* **The Assistant Director Finance, Audit and Information Governance** has delegated responsibility under the Accounts and Audit (England) Regulations 2011 to maintain an adequate and effective Internal Audit service. The Assistant Director Finance, Audit and Information Governance has the ability to report directly, without fear or favour, to any level within the organisation or to the External Auditor.

\* **Senior Management Team (SMT) (Managing Director, Directors and Assistant Directors)** are responsible for ensuring that Assistant Directors provide services that meet the Council's overall policy objectives. This includes ensuring compliance by Assistant Directors with the Council's governance arrangements including Financial Regulations and Contract Procedure Rules.

\* **The Managing Director** is responsible for leading on corporate governance issues throughout the Council.

\* **The Finance Managers** will act as deputy Section 151 Officer

\* **Assistant Directors** are responsible for ensuring the delivery of services by their respective Delivery Units. This includes ensuring compliance by Delivery Managers with Financial Regulations and Contract Procedure Rules within their service areas.

\* **Delivery Managers** (this definition includes Service Delivery Managers, Group Managers and/or Team Leader with budget and staff responsibilities) 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 in performance of their duties.

**2.3 Financial Training**

2.3.1 CFO to provide relevant training that is sufficient to enable Executive members and appropriate officers to fulfil their respective roles (recognising the resource constraints on finance/service area staff and members) in respect to:

- Financial planning and management;
- Information governance and information security; and
- Governance and fraud prevention.

**3. Financial Planning**

3.1 The Council is responsible for approving the budget, various plans and policies, which will be proposed by the Leader and Cabinet Executive. 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 Service & Financial Planning Strategy**

The Chief Financial Officer shall, within the general direction of the Leader and Cabinet Executive produce a draft Service & Financial Planning Strategy taking into account the projected resources available

**CONTACT: Assistant Director – Finance, Audit & Information Governance**

**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 annual accounts which are subject to internal and external audit.

4.2 The Chief Financial Officer should ensure that there is a proper retention policy for financial documents which all officers must follow.

4.3 The CFO 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 CFO. In particular Assistant Directors should confer with the CFO 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 Assistant Directors are responsible for ensuring the completion and submission of Grant applications and financial returns. The Chief Financial Officer/Managing Director/Audit & IG Manager should have adequate notice to request appropriate explanations or information as may be required prior to signing and the AD forwarding to the relevant government department or agency.

**CONTACT: Corporate Finance Manager**

**5. Financial Management and Control – Revenue**

**5.1 Preparation and Approval of Budget**

- 5.1.1 The Council will approve the overall spending plans of the Council.
- 5.1.2 The revenue estimates shall be determined by the CFO in consultation with Assistant Directors within the general guidelines of the Leader and Cabinet Executive and relevant professional requirements. Estimates shall be prepared annually before the start of the financial year and revised, if the CFO considers appropriate, during the course of the year.
- 5.1.3 Once the council's budget for the year has been approved the Assistant Directors and Delivery Managers can authorise expenditure within the limits agreed subject to the separate rules on virement.
- 5.1.5 The Delivery Managers must exercise financial control including monitoring income and expenditure on a regular basis. Once approved, responsibility for budgets rests with the relevant Delivery Manager and Assistant Director.

**5.2 Budgetary Control**

- 5.2.1 The corporate finance information system determined by the CFO is the Council's prime accounting record. It provides the mechanism for Assistant Directors and Delivery Managers to monitor and control their budgets.
- 5.2.2 Assistant Directors and Delivery 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.
- 5.2.3 Regular financial updates will be taken to the Leader and Cabinet Executive.
- 5.2.4 Generally all Council budgets are prepared on a cash limited (outturn) price base. This means that no supplementary estimates will be provided for inflation or other increases once budgets have been approved, except in exceptional circumstances.
- 5.2.5 All reports to Senior Management Team (SMT) or Members must be passed to Finance to identify any financial implications and should be made available to those staff in reasonable time before due for submission.

**5.3 Supplementary Estimates**

- 5.3.1 The Council sets budgets for gross expenditure and income in the context of a cash limit. No additional expenditure or commitments are permitted once the budget has been approved without prior approval from the relevant Assistant Director and Chief Financial Officer. In exceptional circumstances this may not be possible and if this is the case, a report should be taken to Full Council outlining the reasons and seeking approval for additional spend and funding.

## **5.4 Grants**

5.4.1 Applications for grant bids must be approved and be considered by Senior Officers, as detailed below, to ensure they align with the Council's key priorities and that any financial implications, such as a requirement for match funding, are identified:

- Where the value is £10,000 or less approval should be given by the relevant Assistant Director
- Where the value exceeds £10,000 but is less than £50,000 approval should be by SMT
- Where the value exceeds £50,000 the relevant Cabinet Member and Assistant Director should give approval

In all cases, grant bids must be approved by the relevant Finance Manager prior to submission.

5.4.2 Acceptance of grant terms must also be approved by the relevant Assistant Director and a Finance Manager.

5.4.3 All grant claims must be certified by a Finance Manager subject to the conditions of the grant awarding body. In addition where certification is required by Internal Audit adequate notice should be given to enable this work to be undertaken.

5.4.4 Assistant Directors 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

## **5.5 Virement**

5.5.1 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.

5.5.2 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 when the budget was set, or
- utilising efficiency or other savings.

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

5.5.4 Approval is required where there is a proposed change to the use of budgets in terms of services being delivered, subject to the limits set out in the table below,

| Limit  | Approved By                                  |   |
|--|--|---|
| Virements less than £50,000                      | Service Delivery Manager and Finance Manager | All virements must <ul style="list-style-type: none"> <li>• be within the overall policy framework;</li> <li>• not involve an increasing commitment in future years, which cannot be contained within existing approved budget allocations</li> </ul> |
| Virements £50,000 or more but less than £250,000 | Cabinet                                      |   |
| Over £250,000                                    | Full Council                                 |   |

5.5.5 Assistant Directors/Service Delivery Managers should notify the relevant Finance Manager of all proposed virements in their area so that the correct approvals are gained and the budget and financial system are updated.

**CONTACT: Corporate Finance Manager**

**5.6 Reserves & Balances and the Robustness of Estimates**

5.6.1 The budget report will contain a comment by the CFO (Chief Financial 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.

5.6.2 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.

5.6.3 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.

5.6.4 The level and purpose of reserves and balances held must be clearly defined and justified by Assistant Directors. Further regular reviews should be undertaken to ensure continuing relevance and adequacy.

5.6.5 There is no statutory minimum level of reserves required. This will be a matter of local judgement determined by the CFO but following relevant national guidance.

**CONTACT: Corporate Finance Manager**

**6. Financial Management and Control – 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. Capital resources can only be used to fund capital expenditure, unless a specific capital direction has been granted by the Secretary of State.
- 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 after considering: overall Corporate Priorities, the Council’s Asset Management Plan, the Transport Asset Management Plan, the Capital Strategy; availability of funding; affordability and ongoing revenue implications.
- 6.4 The capital programme shall focus on the medium term service & financial planning period; the total cost and phasing of each approved scheme shall be identified along with the proposed source(s) of funding. The overall Service & Financial Planning Strategy will reflect the revenue implications of the capital programme.
- 6.5 The CFO shall determine the method of funding for each capital scheme within the context of the various capital resources available.
- 6.6 All proposed investments should be subject to a financial appraisal which takes into account the full costs of using the capital resources.
- 6.7 The CFO shall ensure that an effective monitoring system is in place during the year to control capital expenditure and funding. Delivery Managers are responsible for the delivery of capital projects. Assistant Directors are responsible for notifying the CFO if it seems likely that there will be a significant variation in spending on a scheme and any changes to budgeted capital receipts.
- 6.8 Virements,, can be approved by those designated below, subject to the limits shown, 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**) – CFO in consultation with the relevant Assistant Director
  - (b) Over £50,000 up to £250,000 (**LIMIT K**) – Leader and Cabinet Executive approval required
  - (c) Over £250,000 (**LIMIT R**) – the Council.
- 6.9 Supplementary Capital Estimates  
Any changes to the capital programme, including new capital approvals, must be approved by Full 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 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 Assistant Directors to ensure compliance with all tax regulations relating to their Delivery Units. This will include Income Tax, National Insurance, V.A.T. and tax accounted for under C.I.S. If in doubt, Assistant Directors should consult with the CFO. Delivery Units will be liable for any costs, including any penalties and interest charged for incorrect tax treatment.
- 7.3 Each year the Council has to demonstrate that it has not breached the partially exempt VAT threshold. If the threshold is exceeded there are significant financial implications for the Council which include having to repay VAT previously claimed back from Revenues & Customs. It is therefore important that the tax implications of business decisions are fully understood and Assistant Directors and Delivery Managers must ensure that taxation is considered as part of their every day operations and in particular when service changes are proposed.
- 7.4 Assistant Directors and Service Delivery Managers must check the employment status of anyone engaged in their Service Area to ensure that tax is correctly calculated. This is particularly relevant to self-employed consultants or “contractors”. Where an individual is deemed to be an employee of the Council they must be paid through payroll.
- 7.5 All officers have a responsibility to ensure that tax is correctly accounted for so that the risk of financial penalty is minimised and tax paid to Revenues & Customs is correct.
- 7.6 The Council’s Taxation Officer will provide guidance in relation to taxation.

### **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 CFO or his designated officer. Normal contract procedures should be followed in relation to leasing arrangements.
- 7.5 Detailed guidance on leasing issues is incorporated within specific procedure notes on the Intranet.

**CONTACT: Corporate Finance Manager**

**8. Authorised Levels and Controlled Stationery**

8.1 The CFO will set (and review in consultation with the Monitoring officer) authorisation levels for officers in respect to expenditure. The current levels are:-

| <b>What</b>   | <b>Who</b>  | <b>Limits</b>  |
|---|---|--|
| Authorising Orders and invoices                                 | Requisitioners  | Up to £100   |
|   | Team Leaders/Group Managers/Specialists                 | £100 - £19,999   |
|   | SDM's   | £20,000 - £49,999  |
|   | SDM plus AD's   | £50,000 - £99,999  |
|   | AD's plus Director/MD or another specified              | Over £100,000  |
| Authorising use of the imprest account                          | CFO   | All  |
| Awarding and signing contracts                                  | SDMs<br>ADs<br>AD: Law, Democracy and Public Protection | Up to £50,000<br>£50,000 and over<br>£ EU Procurement level and contracts under seal |
| Travel and subsistence claims<br>Timesheets and Overtime Claims | Team Leader/Group Managers and below                    | SDM  |
|   | SDM   | AD   |
|   | AD  | Director   |
|   | Director  | Managing Director  |
|   | Managing Director                                       | Monitoring Officer   |
|   | Members   | CFO  |

8.2 All cheques and other controlled stationery, including receipt books, invoices, and Electronic Fund Transfer (E.F.T.) forms may only be ordered by the CFO or an authorised representative who shall make proper arrangements for their safekeeping.

8.3 Only authorised signatories may commit the Council to expenditure, including electronically, in line with relevant procedure notes by:

- Authorising Orders
- Certifying expenses claims
- Authorising petty cash purchase
- Certifying timesheets and overtime claims
- Signing and awarding contracts (see also Section 7, Contract Procedure Rules)
- Over certain limits more than one officer should be involved in the authorising process.

8.4 Assistant Directors are responsible for informing the CFO of any changes to authorised signatories and the responsibilities of officers.

**CONTACT:**

**For authorised signatories: Finance Officers**

**For controlled stationery: ICT Asset & Documentation Team**

## 9. Internal Audit

9.1 The Chief Financial Officer (CFO) under section 114 of the LGFA 1988 and the Accounts and Audit (England) Regulations 2011 has a statutory responsibility for the overall financial administration of the Council's affairs. Section 6 of the Accounts and Audit (England) Regulations 2011, says that the authority "*must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the 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 The relevant Internal Audit Standard setters for Local Government are CIPFA and they have endorsed the UK Public Sector Internal Audit Standards (The Public Sector Internal Audit Standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework. Internal Audit will operate to these Standards and any other relevant guidance. The definition of Internal Auditing within the Standards is:

*Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*

9.3 As the definition outlines Internal Audit has a key role to play in independently reviewing the effectiveness of the Council's entire control environment in respect to the processes for governance, risk management and control. It contributes an objective opinion to the Council's Annual Governance Statement.

9.4 The existence of a continuous internal audit service does not in any way diminish the responsibility of SMT for the delivery of priorities and Assistant Directors for the management of the Delivery Units under their control and their responsibilities in respect to risk management and the systems of internal control.

9.5 The Audit & Information Governance (IG) Manager is the Council's Chief Audit Executive as defined under the Standards and is the Chief Internal Auditor as defined in CIPFA's Statement on the Role of the Chief Internal Auditor who reports to the CFO and should ensure that Internal Audit remains independent in its planning and operation. The Audit & IG Manager should be responsible for maintaining periodic audit plans which have due regard to the key priorities and associated risks of the authority, the objectives and risks 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 & IG 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 Audit & IG to review, evaluate and report

- upon the soundness and adequacy of financial and other records and the processes for governance, risk management and control within the Council 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 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

9.7 The Chief Finance Officer's authorised Audit & IG representatives shall be empowered to:

- enter at all reasonable times any Council premises or land
- have access to all Council and partner records (includes business e-mail and internet records), 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 CFO, Monitoring Officer or Audit & IG Manager.
- have access to records belonging to third parties such as contractors or partners when required

- 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 Delivery Managers should agree the draft report and indicate the actions they propose within one month of receipt of the draft report. Assistant Directors and Delivery Managers are responsible for implementing the agreed recommendations within Audit & IG reports within an appropriate timescale.
- 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 Assistant Director.
- 9.11 Internal Audit has specific fraud related responsibilities which are set out in the corporate Anti-Fraud & Corruption Policy. 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 Assistant Director or report the matter directly to the Audit & IG Manager or Section 151 Officer. Confidentiality, wherever possible, will be respected in any dealings on such matters. The Section 151 Officer shall report to the Managing Director, the relevant Assistant Director, Director and Cabinet or a specific member of the Cabinet and the Leader, if appropriate, any matter of a significant nature.
- 9.12 Any decision to refer a matter as outlined in paragraph 9.11 to the Police is to be taken by the Audit & IG Manager after informing the Council's Section 151 Officer or their representative. Where a Member is involved the Managing Director, 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 & IG Manager shall ensure that the anonymity of the individual(s) concerned shall be maintained at all times.
- 9.13 Internal Audit will define and manage consultancy assignments as set out in the PSIAS.

9.14 The Audit & IG Manager reports to the Audit Committee as defined in their terms of reference. This includes the following information:

- a) the Internal Audit plan and Charter;
- b) quarterly reports summarising the internal audit work undertaken and any key findings; and
- c) an Annual Report which provides Internal Audit assurance for the Annual Governance Statement.

9.15 The Audit & IG Manager and CFO 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 Managing Director, Leader or any Cabinet Executive (including the lead Member for Governance), Chairman of the Audit Committee, SMT, the Monitoring Officer or the Council's External Auditors.

**CONTACT:** Audit & IG Manager

## **10.0 Risk Management**

10.1 The Deputy Leader is the lead member for Governance for the Council, including risk management.

10.2 The Managing Director is the lead officer in respect to Governance which incorporates risk management. The Managing Director is responsible for the development, co-ordination and maintenance of the Council's Risk management processes which form part of the Service Planning process. However it is the responsibility of all employees and members to ensure that the Council's risks are properly managed.

10.3 SMT will:

- (a) regularly review the Council's strategic risks
- (b) report to the Cabinet on an exception basis when significant risk management issues arise
- (c) keep the Deputy Leader updated on their reviews of strategic risks

10.4 The Leader and Cabinet Executive will:

- (a) receive the exception reports on significant risk management issues arising during the year; and
- (b) agree the Annual Governance Statement.

10.5 The Audit & IG Manager will keep the Audit Committee informed of any issues arising from the risk management activities of the Council and exception reports presented to Cabinet. This will enable the Audit Committee to independently review the Council's risk management processes as set out in their terms of reference.

- 10.6 SMT is responsible for the management of risks within the services, projects and priorities that they lead. AD's 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.
- 10.7 Each Assistant Director submitting a report to the Leader and Cabinet Executive, 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 included in the impact assessment contained in the report.

**11.0 Information Security**

- 11.1 The CFO is the Council's designated Senior Information Risk Owner and is responsible for ensuring that there is a proper information governance framework in place.
- 11.2 The SIRO is responsible for approving all Information Sharing agreements.
- 11.3 SMT is responsible for ensuring compliance with the Council's Information Governance framework.
- 11.4 AD's are the owners of the information within their service areas and this information encompasses information stored on computers, transmitted across networks including the internet, printed out or written down or spoken in conversation.
- 11.5 SMT must ensure compliance with the Corporate Information Security Policy to ensure:
- Confidentiality of information
  - Integrity of information
  - Availability of information
  - Proper retention of information
  - All software installed is appropriate for business use and is properly licensed.
- 11.6 AD's must ensure appropriate Data Protection Registrations are in place for their service areas. This includes compliance with the regulation of information relating to individuals including obtaining, holding, using and the disclosure of individual's information.

**CONTACT:** Audit & IG Manager

**12. Public Accountability – Responsibilities**

- 12.1 Members and officers have a Code of Conduct and rules on Gifts and Hospitality which they must comply with.
- 12.2 Members and officers must not:
- a) Accept any bribe or personal inducement in connection with council business
  - b) Use Council property, assets, materials or information for other than the purposes of Council business.
  - c) Subordinate their duty to the Council to their private interest or put themselves in a position where their duty and private interests conflict.
- 12.3 All members and officers must adhere to the Council's Anti Fraud and Corruption Policy and report any suspected irregularities to the CFO.

- 12.4 SMT – the Managing Director, Directors and Assistant Directors are responsible for leading and demonstrating good governance and ensuring that the Council’s Governance Statement is a true reflection of the Council’s governance arrangements.

**13. Purchasing Arrangements**

***General:***

- 13.1 These Financial Regulations should be considered in conjunction with the relevant parts of Contract Procedure Rules relating to contracts. Assistant Directors must ensure that any purchasing contracts comply with Contract Procedure Rules, related guidance, statutory requirements and European directives.

***Financial Thresholds & Limits***

- 13.2 All contracts must adhere to the contract thresholds set out in the Contract Procedure Rules in Conducting a Purchase.

**Works/Goods/Services**

**Requisitions, Authorisation, Goods Received, Payments**

- 13.3 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 Assistant Director or relevant Director as soon as they become aware of such an interest. Members are responsible for amending their own entries in the Register of Interests held by Member Services as soon as they become aware of such an interest.
- 13.4 Official Orders are to be issued only by officers authorised by Assistant Directors. Authorised officers are responsible for authorising orders within their control and in particular for ensuring that the expenditure is necessary, legal and within the approved estimates or covered by a special financial provision.
- 13.5 The CFO should be notified of all officers authorised by Assistant Directors to authorise official orders.
- 13.6 Official orders shall be issued for all work, goods or services to be supplied to the Council; this must be in the form of an electronic order generated by the approved Corporate Procurement System, unless the Government Procurement card is used (see section 13 below). 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 through imprest accounts. When ordering from an individual their status must be confirmed using the HMRC Employment status toolkit prior to raising the order.
- 13.7 Telephone orders may be used in exceptional circumstances but when this happens they must be confirmed using an electronic emergency order.
- 13.8 All orders must be governed by the Authority’s standard terms and conditions; these must not be varied without the prior approval of the Assistant Director: Development, Business and Housing and Legal Services.

- 13.9 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.
- 13.10 Assistant Directors and Service Delivery Managers shall separate the responsibilities for raising requisitions, authorisation of requisitions and receipt of goods, so that 2 different officers are involved.
- 13.11 Goods and services should be checked on receipt to ensure they are in accordance with the order and a Goods Receipt Note raised on the FMS system. Discrepancies should be dealt with as agreed procedures.
- 13.12 All payments, apart from the authorised use of imprest accounts (see Financial Regulation 18); due from Service Delivery Units and chargeable against their budgets shall be made in such manner as outlined by the CFO. Apart from 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 CFO. The use of direct debit and credit shall require the prior agreement of the CFO.
- 13.13 All invoices will be received by the Purchase Ledger team unless otherwise agreed. Once received the invoices will be scanned into the system and matched to the order and goods received note, where they exist. Mismatches will be resolved as per the agreed procedures.
- 13.14 Payments to construction contractors on account of contracts shall be made only on a certificate issued by a relevant member of SMT 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.
- 13.15 Any interest charged to the Council in respect of late payment under the Late Payment of Commercial Debts (Interest) Act 1998 will be passed on to the Delivery Unit that ordered the goods/services.
- 13.16 The Audit & IG Manager and Employment Services 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.
- 13.17 Detailed guidance on Requisitions, authorisation, orders, good received notes and payments can be found within specific procedure notes on the Intranet.

**CONTACT: Strategic Procurement Manager or Employment Services 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 Directors may have corporate credit cards. The CFO 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 CFO 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 Manager and the process controlled by the GPC coordinator in the Corporate Procurement Team. 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 Finance for further advice and guidance on the Corporate Credit Cards  
 Corporate Procurement for further advice on the Government Procurement Cards

**15. Income and debtors**

- 15.1 ADs and SDMs must ensure that all income due to the Council is identified, collected, receipted (and recorded and securely retained prior to banking) and properly banked. They should, wherever possible seek pre-payment for goods and services; otherwise income collection should be by the most cost effective procedures.
- 15.2 AD's and SDM's are responsible for ensuring that there are proper refund procedures and that appropriate approval is recorded.
- 15.3 ADs and SDMs must monitor outstanding debt on a regular basis and, as far as possible, ensure transparent separation between those responsible for the identification of debt and those responsible for its collection.
- 15.4 The Council does not accept the discharge of a debt other than by payment in full other than in respect of write-offs, as below:-

| <b>What</b>  | <b>Who</b>   |
|--|--|
| Value up to the level of Revenues Court costs - £80  | R&B Senior Officer/1 <sup>st</sup> Line Supervisor |
| Revenues Court Costs to £999.99  | R&B Team Leader                                    |
| £1,000 to £9,999.99  | Revenues & Benefits SDM                            |
| £10,000 to £24,999.99  | AD – Finance Audit & IG                            |
| Where the debtor has been declared insolvent or bankrupt and all monies due in dividend has been received or, if the debtor is a company where it has ceased trading or is insolvent | CFO  |
| A debt of more than £25,000 which is not subject to insolvency or bankruptcy proceedings   | Leader/Cabinet                                     |

- 15.4 Money held on behalf of the Council shall not be used to cash cheques for members, employees or third parties.
- 15.5 All income over £100,000 coming in to the Council must be notified by the AD/ SDM to the CFO as must contracts and leases that involve the receipt of such sums.

- 15.7 ADs will review charges made for services provided within their service delivery areas at least annually.

**CONTACT:** CFO

**16. Banking Arrangements**

- 16.1 All arrangements with the Council's bankers must be made or approved by the Chief Financial Officer who shall be authorised to operate such bank accounts, including giro bank accounts as required.
- 16.2 Cheques drawn on the Council's banking account shall bear the facsimile signature of the Chief Financial Officer or be signed by him/her or such other identified senior officers as he/she may from time to time designate in writing.
- 16.3 The CFO shall maintain a list of identified senior officers who may on his/her behalf give instructions to the Council's banker and countersign cheques. These designated senior officers must countersign cheques for amounts of £50,000 or more (LIMIT G). 15.4 Standing order and direct debit payments may only be established by the CFO or such other identified senior officers as he/she may from time to time designate in writing.

**CONTACT:** Corporate Finance Manager

**17. Payments to Employees**

- 17.1 The Council's Pay Policy Statement must be adhered to in respect to all payments to employees.
- 17.2 ADs must ensure that the CFO is notified of all matters affecting the payment of employees and members as soon as possible after there has been a change made that will affect any employee/member.
- 17.3 Any pay records shall be in a form agreed by the CFO.
- 17.4 No payment will be made to a person deemed to be an employee other than through the normal payroll procedure. AD's and SDM's should confirm before engagement the employment status of self employed consultants or "contractors" and clarify their payment mechanism with the CFO. Office Holders should also be engaged through payroll as they are subject to PAYE.
- 17.5 All claims (travel, subsistence, overtime, additional hours etc) should be submitted within 3 months.
- 17.6 There are special rules on foreign travel available separately.

**CONTACT:** Employment Services Manager or People Services Manager

**18. Imprests**

- 18.1 The CFO in consultation with appropriate Assistant Directors 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.

- 18.2 The CFO 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.
- 18.3 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 CFO.
- 18.4 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.
- 18.5 The imprest account should be continually kept in balance and records submitted as required by the CFO at regular intervals for examination and the reimbursement of expenditure.
- 18.6 The officer responsible for an imprest account shall, if requested, give the CFO a certificate confirming the amount held. Upon leaving the Council or at the request of the CFO the responsible officer shall repay to the Council the balance of the imprest held.
- 18.7 Cheque imprest accounts should not be allowed to go overdrawn. The Delivery 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.
- 18.8 Imprest should not be used to pay or reimburse employees, or to purchase items from which they will benefit
- 18.9 Detailed guidance on Imprest and Petty Cash Accounts is incorporated within specific procedure notes which are included on the Intranet.

**CONTACT:** Corporate Finance Manager

## **19. Insurance**

- 19.1 The CFO will be responsible for the Council's insurance. Only the officer identified by the CFO may obtain insurance cover on behalf of the Council.
- 19.2 Assistant Directors 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.
- 19.3 Assistant Directors must assess the risks associated with their services and notify the Insurance Team Leader of any changes to risk exposure.
- 19.4 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.
- 19.5 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/Delivery Unit.

- 19.6 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 CFO.
- 19.7 It is the responsibility of the Delivery Manager to ensure that all third parties using the Council's buildings are appropriately insured and that Contractors employed by the Council hold appropriate and valid insurance.

**CONTACT:** Insurance Team Leader

## **20. Security and Control of Assets**

### **20.1 Stocks and Stores**

- 20.1.1 Assistant Directors are responsible for determining an efficient stock holding policy to ensure stock levels are not in excess of normal requirements.
- 20.1.2 The Assistant Director shall supply the CFO with such information relating to stores with a value exceeding £1,000 as may be required for the accounting, costing and financial records of the Council.
- 20.1.3 Assistant Directors 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.
- 20.1.4 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 year, the CFO shall report the circumstances to the lead member on the Cabinet responsible Resources and Service Delivery, together with explanations for the surplus/deficit.
- 20.1.5 Assistant Directors 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.

### **21. Inventories**

- 21.1 Inventories shall be maintained by all Delivery Units of all Council assets, including ICT (see 21.2.2). The CFO shall define the extent to which the assets of the Council shall be recorded and the form in which inventories shall be kept.
- 21.2 A corporate inventory for all ICT assets shall be maintained by the Assistant Director Customer and People Services and as such all items will be clearly identified and labelled. Delivery Managers should not arrange relocation or disposal without appropriate notification to the Assistant Director Customer and People Services.
- 21.3 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).
- 21.4 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 Assistant

Director. Council property shall only be used for the Council's purposes unless specific instructions are issued by the appropriate Assistant Director. The Assistant Director 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.

- 21.5 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).
- 21.6 Delivery 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 their Finance Manager.
- 21.7 Detailed guidance on Inventories and Disposal of Assets is incorporated within specific procedure notes which are included on the Intranet.

## **22. Land and Buildings**

- 22.1 The Assistant Director Development, Business & Housing 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.
- 22.2 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

## **CONTACTS**

Stocks and Stores, Appropriate Finance Manager Inventories, Audit & IG Manager  
Land and Buildings, Assistant Director Customer and People Services

## **23. Treasury Management**

- 23.1 The Chief Financial Officer shall arrange all borrowing of monies, and make all arrangements concerning the investment or utilisation of capital monies or other funds.
- 23.2 In exercising the function, the Chief Financial Officer should comply with the contents of CIPFA's 'Code for Treasury Management in Local Authorities'.
- 23.3 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 Leader and Cabinet Executive.
- 23.4 The Chief Financial Officer shall report (at least half yearly) to the Audit Committee on the activities of the Treasury Management function and on the use of delegated Treasury Management powers.

23.5 The Audit Committee through their terms of reference (rather than the Budget & Finance Scrutiny Committee) will scrutinise the Councils Treasury management arrangements as set out in best practice guidance. The Chief Financial Officer will provide appropriate information to enable them to fulfil this role.

**CONTACT:** Corporate Finance Manager

**24. Unofficial and Voluntary Funds**

24.1 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.

24.2 Staff should seek approval from the appropriate Assistant Director before establishing an unofficial fund.

24.3 The Assistant Director 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.

24.4 Assistant Directors 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.

24.5 The CFO 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