

APPENDIX 1: Draft Financial Regulations

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INTRODUCTION

These Regulations have been adopted by the Council and form an essential part of the control framework within which the Council operates. Each section includes general guidelines to staff on the practical application of the Regulations. Useful contacts are also included in each section of this document.

These Regulations are designed to ensure that financial decisions are taken in a considered and informed manner by assuring that consistent, high quality financial information is available to Members and Officers. In this way we can be confident that financial management ensures that the Council's objectives are met in an economical, effective and efficient way whilst still maintaining the highest levels of accountability.

The Regulations should be used in conjunction with Contract Procedure Rules which document important rules concerning the conduct of Council staff and the procedures they must follow. The general principals contained in the Regulations may be supplemented by detailed procedures specified by or agreed with the Chief Financial Officer. Responsibility for approving and recommending changes to the financial control framework rests with the Chief Financial Officer who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Procedure Rules.

All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Procedure Rules. Management Team and Heads of Service will be responsible for ensuring that appropriate officers/employees:

- (a) Receive a full copy of these Regulations, where appropriate
- (b) Receive appropriate training in order that they understand and comply with the Regulations.

Every officer has a responsibility to read and be familiar with these Regulations.

Martin Hone

Interim Chief Financial Officer

1. STATUS OF FINANCIAL REGULATIONS

1.1 Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf.

1.2 The Regulations identify the financial responsibilities of the Full Council, Committee(s), the Head of Paid Service, the Monitoring Officer, the Chief Financial Officer and their Officers.

1.3 All Members and staff 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, provides value for money and achieves best value.

1.4 The Chief Financial Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Policy, Finance and Development Committee for approval. The Chief Financial Officer is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or to the Policy, Finance and Development Committee.

1.5 The Authority's detailed financial procedures are contained in the relevant sections of these Financial Regulations.

1.6 Management Team and Heads of Service are responsible for ensuring that all staff in their Service, are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their services. Copies are also available on the intranet.

1.7 The Chief Financial Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, Officers and others acting on behalf of the Authority are required to follow.

1.8 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

1.9 Head of Paid Service (and Chief Executive)

The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. He or she must report to and provide information for the Full Council and Committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Full Council's decisions (see below).

1.10 Monitoring Officer (Director of Services)

(a) The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Full Council, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

(b) The Monitoring Officer must ensure that Council decisions and the reasons for them are made public. He or she must also ensure that Members are aware of

decisions made by the Council and of those made by Officers who have delegated responsibility.

(c) The Monitoring Officer is responsible for advising all Councillors and Officers about who has authority to take a particular decision.

(d) The Monitoring Officer is responsible for advising the Committees or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

(e) The Monitoring Officer (together with the Chief Financial Officer) is responsible for advising the Committees or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- initiating a new policy
- committing expenditure in future years to above the budget level
- causing the total expenditure financed from Council Tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

(f) The Monitoring Officer is responsible for maintaining an up-to date constitution.

1.11 Chief Financial Officer

(a) The Chief Financial Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government Finance Act 1989
- The appropriate Accounts and Audit Regulations
- The Local Government Act 2000
- The Local Government Act 2003

(b) The Chief Financial Officer is responsible for:

- The proper administration of the Authority's financial affairs
- Setting and monitoring compliance with finance management standards
- Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- Providing financial information
- Preparing the revenue budget and capital programme
- Treasury management and banking.
- Providing an opinion on the 'Annual Governance Statement' in the Statement of Accounts.
- Measures to prevent/detect the laundering of illegally obtained money through the Council.

(c) Section 114 of the Local Government Finance Act 1988 requires The Chief Financial Officer to report to Full Council, Policy, Finance and Development Committee and External Auditor if the Council or one of its Officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the authority's accounts Section 114 of the 1988 Act also allows:
 - The Chief Financial Officer, if required, to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally. There is currently no member of staff suitably qualified for this position and therefore an external person would have to be appointed if this was considered necessary.
 - The Authority to provide The Chief Financial Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

1.12 Heads of Service

(a) Heads of Service are individually responsible for the proper financial management of resources allocated to their Service through the budget process and for the identification of and accounting for income which falls due within their area. This includes control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash stores or equipment.

(b) Heads of Service shall ensure that their staff receive sufficient training to enable them to be aware of and comply with the requirements of Financial Regulations and Contract Procedure Rules.

(c) Heads of Service are responsible for ensuring that Committee Members are advised of the financial implications of all proposals and that the financial implications have been agreed by The Chief Financial Officer.

(d) It is the responsibility of Heads of Service to consult with The Chief Financial Officer and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

2. BUDGET SETTING – CAPITAL

CONTACT: Finance Manager

2.1 The detailed form of the Capital Programme shall be determined by The Chief Financial Officer.

2.2 The Chief Financial Officer, in conjunction with Management Team and Heads of Service, shall submit to the Policy, Finance and Development Committee the estimates of capital payments to be incurred in the ensuing financial years.

2.3 The Policy, Finance and Development Committee shall consider the overall capital programme and the resources available, make amendments as thought fit, and shall recommend an overall programme to Council.

2.4 All new schemes, prior to inclusion in the capital programme, must first have been considered as part of the Service and Financial Planning process. This must include details of the objectives of the scheme, the resources required, the timescale and the revenue implications. The de minimis level for a scheme to be considered as a capital scheme has been set at £3,000.

2.5 Any proposal to amend a project beyond its current policy or include a new project in the capital programme must be considered by the Council in accordance with the Budget and Policy Framework, included in the Constitution. Amendments to an existing project solely involving budgetary change which is being met from the virement process can be approved in accordance with Section 6 of these Regulations. Supplementary capital estimates must be sought from the Policy, Finance and Development Committee where sufficient budgetary provision is not available.

2.6 The inclusion of a scheme in the approved Capital Programme shall constitute authority to incur expenditure with the exception of schemes of a budgeted value exceeding £250,000 which shall be specifically reported to the Policy, Finance and Development Committee for approval to progress.

2.7 However, when the in year capital programme exceeds the resources available at the 1 April of that year, any scheme partly or wholly funded from capital receipts may not commence unless identified in the capital programme. All other schemes partly/wholly funded from capital receipts must not be implemented unless specific Policy, Finance and Development Committee approval is agreed and the funding for the scheme is identified.

2.8 The Management Team and Heads of Service monitor the delivery of capital schemes, capital expenditure and resources.

3. BUDGET SETTING – REVENUE

CONTACT: Finance Manager

3.1 The detailed form of the Revenue Budget shall be determined by The Chief Financial Officer.

3.2 Revenue budgets include the General Fund Revenue Account and Housing Revenue Account.

3.3 The Chief Financial Officer, in consultation with the relevant Heads of Service, shall prepare revenue estimates. These estimates shall be submitted by the Chief Financial Officer and shall detail estimates of expenditure and income for the ensuing financial year and current year. The estimates shall show in respect of each item of expenditure and income:

- (a) Actual results for the last financial year.
- (b) Original and working budgets for the current financial year.
- (c) Original estimate for the following financial year.

In relation to (b) and (c) above, The Chief Financial Officer or the appropriate Heads of Service shall report on the reasons for material variations.

3.4 The Council shall approve a strategy for fees and charges in line with the Council's overall policies for the coming year. The detailed fee increases will be submitted to the relevant Service Committee before being recommended to the Policy, Finance and Development Committee. Heads of Service will implement changes to fees and charges in accordance with this strategy and the scheme of delegation. The Committee is required to approve Heads of Service proposals in respect of fees and charges where these are not in accordance with the approved strategy.

3.5 The Policy, Finance and Development Committee shall consider the overall revenue budget and the sources available, make amendments as thought fit, shall consult with the Service Delivery and Overview and Scrutiny Committees, and shall recommend an overall budget to the Full Council.

3.6 It is the responsibility of The Chief Financial Officer to advise the Policy, Finance and Development Committee and/or the Full Council on prudent levels of reserves for the Authority. This will be based on a risk assessment of General Fund and Earmarked reserves.

4. SUPPLEMENTARY ESTIMATES

CONTACT: Chief Financial Officer

4.1 Supplementary estimates reduce the Council's reserves, and therefore must be used sparingly so as to not jeopardise the Council's Financial Strategy. Services should endeavour to find the resources from their own budgets, financing the project or variance through budget virement (see Section 6 of these Regulations). Supplementary estimates should represent a last option for financing a project or variance.

4.2 The Chief Financial Officer can approve Supplementary Estimates up to £10,000 in consultation with the Chief Executive, from £10,001 but less than £30,000 in consultation with the Chair of Policy, Finance and Development Committee. Supplementary Estimates above these levels, either individually or cumulatively, require the approval of Policy, Finance and Development Committee.

4.3 A Supplementary Estimate shall only be requested from the Policy, Finance and Development Committee where expenditure will be incurred that cannot be accounted within a budget head by way of virement. In this context, any reduction to

income shall be deemed to be expenditure, except where it relates to seasonal or periodic variations which are not anticipated to affect the annual budgeted figure.

4.4 The Policy, Finance and Development Committee can approve supplementary estimates or as part of the quarterly revenue budget monitoring report to the Committee.

5. BUDGETARY CONTROL

CONTACT: Chief Financial Officer

5.1 The Chief Financial Officer shall make available to Management Team and Heads of Service, information concerning all income and expenditure falling within their respective responsibilities and such other information that may be relevant. This information shall allow comparison between actual expenditure, including committed expenditure, against the current budget.

5.2 Each Head of Service is responsible for ensuring that all expenditure and income is processed in a timely manner and charged to an appropriate account code to enable budgetary control information to be produced as per 5.1 above.

5.3 Each Head of Service is responsible for ensuring that all expenditure committed by their Service is within a revenue or capital budget. Any expenditure or income likely to vary significantly from an approved budget shall be reported to the Chief Financial Officer. All virement and supplementary requests require approval before expenditure is committed, the only exceptions are in connection with emergency events. If appropriate a virement or supplementary estimate will be obtained and reported to the Policy, Finance and Development Committee as part of the quarterly revenue and capital budget monitoring process.

5.4 The inclusion of items in approved revenue or capital estimates shall constitute authority to incur such expenditure subject to compliance with any requirements mentioned elsewhere in these Regulations and Contract Procedure Rules.

5.5 Any proposal outside the budget and policy framework that involves:

(a) Capital expenditure not specifically included in the capital budget (see also conditions in paragraph 2.7).

(b) Revenue expenditure on a new service or project that has not been specifically provided for in any of the revenue budgets.

(c) A new source of income or significant variation in an existing source of income.

(d) The sale or disposal of land, buildings or other property of the Council, (other than those for which delegated authority has been given) shall be subject to the specific approval of the Council on the recommendation of the Policy, Finance and Development Committee. Should, at any time during the project, the likely cost exceed the amount specifically approved or the scope of the project altered, then further specific approval will be sought unless the financial implications can be

accommodated by Virement. The initial or any subsequent submission of such proposals to the Council shall be subject to the procedures in Section 4.

5.6 In a situation that necessitates expenditure or the acceptance of quotes/tenders in contravention of these Regulations, the relevant Head of Service and the Chief Financial Officer, in conjunction with the Director of Services, shall have authority to sanction such expenditure. The Chief Financial Officer shall report such approvals in the schedule prepared under Regulation 4.4.

5.7 Nothing in these Financial Regulations shall prevent expenditure being incurred where an emergency or disaster involving destruction of or danger to life or property occurs or is imminent. Where in the opinion of the relevant Heads of Service, in consultation if possible with the Chief Executive and the Chief Financial Officer, the urgency of the situation will not permit delay, nothing in the Financial Regulations or Standing Orders shall prevent the relevant Head of Service from incurring expenditure. Action under this Financial Regulation shall be reported to the next meeting of the Policy, Finance and Development Committee.

6. TRANSFER OF BUDGETS (VIREMENT)

CONTACT: Finance Manager

6.1 Virement is a transfer between approved budgets. Heads of Service should endeavour to finance projects or variances from within this Service by way of virement before a supplementary estimate is considered.

6.2 Virements shall only be made in accordance with the authorisation limits and criteria shown in 6.3 and 6.4 and the general conditions shown below:

(a) All virements will be submitted to the Chief Financial Officer in a form approved by the Chief Financial Officer where the appropriate authorisation is required.

(b) All approved virements will be reflected in the Council's Financial Information System (FIS) by the Chief Financial Officer.

(c) The Chief Financial Officer reserves the right to refer any virement request to the Policy, Finance and Development Committee for approval.

(d) The destination of the proposed virement must be a project, scheme or budget that has previously been approved for funding.

(e) No virements shall be made:

- from budgets held for support service recharges, central and departmental recharges, and capital financing charges.
- between the Revenue and Capital accounts of the Council or between the Housing Revenue Account and General Fund.
- that create an ongoing expenditure commitment for the Council.

(f) No virements shall be made from salary budgets unless approved by the Chief Financial Officer, so that the annual transitional vacancy target is met each year.

(g) Virements shall only be made within and not between the budget heads of the Council as defined in the Council's Budget and Policy Framework

i.e.

- General Fund Revenue Account
- Housing Revenue Account
- General Fund Capital Programme
- Housing Capital Programme

(h) There must be sufficient budget provision remaining in the source of the virement to meet all expenditure for the rest of the year.

6.3 Virement Authorisation Limits

Virement Type	Authorisation Level:			
	Head of Service	Chief Financial Officer in consultation with Chair of PFD Committee	Policy, Finance and Development Committee	Council
(a) Within a cost centre	In consultation with Service Accountant			
(b) Within a Budget Head	Less than £25,000	£25,000 - £49,999	£50,000 - £250,000	More than £250,000
(c) Between Budget Heads but within a Service	Less than £25,000	£25,000 - £49,999	£50,000 - £250,000	More than £250,000
(d) Between capital projects		Less than £50,000	£50,000 - £250,000	More than £250,000
(e) Within Committee's responsibility			Less than £250,000	More than £250,000

For the purposes of virement a service is defined as:-

General Fund – a collection of cost centre(s) (comprising a summary line in the budget book) as detailed in The Addendum to the Financial Regulations.

Housing Revenue Account – the whole account.

Virements under 6.3(a) authorised by Heads of Service or Chief Financial Officer will not require reporting to Committee. Virements under 6.3 (b) & (c) authorised by Heads of Service, or Chief Financial Officer shall be reported to the Policy, Finance and Development Committee on a schedule.

When the virement is as a result of a rationalisation of the Council's financial system codes, the authorisation level will be: up to £250,000 by the Finance Manager and over £250,000 by the Chief Financial Officer. This would include setting up new cost centres as a result of restructures, reviewing and rationalising subjective codes and changes to staff reports. All these technical virements will be reported to the Chair of the PFD Committee for information.

6.4 All virements that relate to substantial changes in the method of service provision must be approved by Management Team irrespective of amount.

7. ACCOUNTING

CONTACT: Finance Manager

All accounting procedures and records of the Council shall be determined by the Chief Financial Officer in so far as they are not prescribed by law. All accounts and accounting records of the Council shall comply with the relevant accounting standards and shall be in a form determined by the Chief Financial Officer.

All Heads of Service shall ensure that the principles of Separation of Duties and good control procedures are observed in the allocation of accounting duties:

(a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them.

(b) Officers responsible for examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of these transactions. As soon as possible after the end of each financial year, and not later than 30 September the Chief Financial Officer shall report to Council or committee under delegation on the accounts for that year.

8. TREASURY MANAGEMENT

CONTACT: Finance Manager

8.1 All external investments in the name of the Council shall be made in accordance with the Council's policy for Treasury Management.

8.2 The Council adopts the key recommendations of CIPFA's Treasury Management Code of Practice (the Code).

8.3 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:

(a) A treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities.

(b) Suitable treasury management practices (TMP), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

8.4 The Council's Policy, Finance and Development Committee will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, an annual report after its close and an in year monitoring report. The Strategy will be updated and reported more frequently if the Council's financial circumstances change e.g. need to borrow or best practice recommends. The Policy, Finance and Development Committee will receive updates on the Council's investments as part of the quarterly monitoring reports (revenue expenditure).

8.5 The Council delegates responsibility for the scrutiny, implementation and monitoring of its Treasury Management Policies and practices to the Policy, Finance and Development Committee and for the execution and administration of treasury management decisions to the Chief Financial Officer who will act in accordance with the Council's Policy Statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

8.6 The Chief Financial Officer shall report to the Policy, Finance and Development Committee on an exception basis, on investment and borrowing transactions.

9. VALUE ADDED TAX (VAT)

CONTACT: Finance Manager

9.1 It shall be the responsibility of the Chief Financial Officer to secure arrangements for the administration and accounting of VAT to ensure compliance with all statutory requirements including such returns as are required within laid down timescales.

9.2 Each Head of Service shall keep records, as determined by the Chief Financial Officer, for the prescribed statutory period, of all matters pertaining to the administration and accounting of VAT, and in particular:

(a) All supplier invoices, including any relevant back-up and authorisation documents;

(b) Documentation supporting all income raised by invoice;

(c) Documentation supporting all non-invoiced income, including amounts lodged directly with the bank and cash collected directly by departments.

9.3 The Chief Financial Officer nominates the Finance Manager as the contact point for enquiries regarding any VAT matter. Each Head of Service shall fully observe any direction and advice as may be issued by the office of the Chief Financial Officer.

10. COMMITTEE REPORTS

CONTACT: Finance Manager

10.1 The Chief Financial Officer shall ensure that Committee Reports contain a section outlining the financial implications of the matter being reported upon. Additionally, he shall be entitled to report upon the financial implications of any matter coming before the Council, or other Committees, and shall further report to the Overview and Scrutiny Committee, if necessary, in the interests of the financial affairs of the Council. To allow the Chief Financial Officer to fulfil his obligations all Heads of Service are obliged to consult with the Chief Financial Officer on all matters with a potential financial implication which are likely to result in a report to Committee.

10.2 With regard to reports prepared for consideration by Committee, Heads of Service shall follow the expected format and latest detailed guidance notes, as issued by the Chief Executive and the Chief Financial Officer, for ensuring all financial implications are identified and recognised. Further, Heads of Service consulted on the financial implications of reports with the inclusion of appendices within reports for ease of reference.

10.3 The following principles should be adhered to in the preparation of all Committee reports:-

- The report should clearly distinguish capital and revenue financial implications.
- Implications for the capital budget should identify where provision exists within the Council's capital programme.
- Implications for the revenue budget should identify where provision exists within the Council's revenue budget. It is not considered sufficient to indicate that any increase in expenditure will be contained within a Service budget.
- Implications for the revenue budget should distinguish ordinary running costs from capital financing costs.
- Accountants within Finance should be involved in the calculation of such figures, as appropriate.
- No additional budgetary implications will be allowed unless specifically approved by the Policy, Finance and Development Committee or Full Council (where appropriate).
- Reports should make clear how additional or unbudgeted running costs are to be funded in both the current year and future years revenue budgets i.e. via ongoing compensating savings, virement, external funding etc.
- Where virement is proposed, in order to fund overspends or unbudgeted expenditure, reports should indicate whether such virement is to be considered as a permanent adjustment or as a one-off.
- Government grant funding availability / arrangements should be clearly highlighted as should the percentage of expenditure covered by grant and any residual costs to

be borne by the Council. If the grant is to be available for only a limited period then this should also be identified in the financial implications.

- Staffing changes / additions should clearly state whether such adjustments are of a permanent, temporary or fixed term nature.

- All financial implications narrative and supporting appendices should be agreed with the relevant Accountant at draft /consultation stage.

- Reports with significant financial implications, should, as a matter of course have a financial appendix which should provide a financial analysis broken down into appropriate cost and income headings (e.g. employee costs, property costs, supplies and services etc.) and should identify current year costs (which in the main will have a part year effect only) and costs for a full financial year.

- Costings for the purpose of financial implications should be to the nearest ten pounds using current year prices.

11. AUDIT REQUIREMENTS

CONTACT: Chief Financial Officer

11.1 The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit function.

11.2 The Chief Financial Officer shall maintain an adequate and effective system of internal audit for all accounting, financial and other operations of the Council and in particular shall arrange for the examination, review and appraisal of:

(a) the adequacy and effectiveness of the systems of financial, operational and management control, and their operation in practice in relation to the business risks to be addressed;

(b) the extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by Members and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;

(c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;

(d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;

(e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;

(f) the follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely;

(g) the operation of the Council's corporate governance and risk management arrangements.

11.3. The Internal Audit Service (IAS) in consultation with the Finance Manager and Chief Financial Officer shall prepare annual audit plans detailing the areas of audit coverage for the following year. These plans shall be presented to the Policy, Finance and Development Committee.

11.4. Internal Auditors from IAS have authority to:

(a.) Enter at any time Council premises or land subject to any statutory or contractual restrictions that may apply.

(b.) Have access to all records, documents and correspondence relating to any financial or other business of the Council and to remove any such records as is necessary for the purpose of their work.

(c.) Receive any information and explanations considered necessary concerning any matter under examination.

(d.) Require any employee, agent or contractor of the Council to produce cash, stores or any other Council property under his or her control.

(e.) Have direct access to the Chief Executive, Director of Services, Chief Financial Officer, Policy, Finance and Development Committee and Overview and Scrutiny Committees.

12. FRAUD AND IRREGULARITY

CONTACT: Chief Financial Officer

12.1 The Council will not tolerate internal or external fraud and corruption in the administration of its responsibilities.

12.2 The Chief Financial Officer and the Finance Manager shall be notified immediately by the Head of Service of the Service concerned of any suspected irregularity concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council. The Chief Financial Officer shall take such steps as he or she considers necessary by way of investigation and report.

12.3 Should it be found that any major irregularity has occurred or is occurring, the Chief Financial Officer shall immediately inform the Chief Executive, Leader and the Chair of the Policy, Finance and Development Committee.

12.4 The Chief Financial Officer and the Chief Executive will be responsible for deciding whether any irregularity shall be referred or reported to the Police.

12.5 All employees and Members of the Council have a responsibility to bring to the attention of the Finance Manager/ Chief Financial Officer suspected irregularity. It is not Officers / Members responsibility to investigate suspicions as this could prejudice any investigation.

12.6 Requests for surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) must be approved in accordance with the Council's "Use of Surveillance Powers" policy. The use of Surveillance Powers Policy is available on the Council's intranet, under Policies and Forms/ Surveillance.

12.7 The Chief Financial Officer has overall responsibility for:

(a) Developing and maintaining an anti-fraud and corruption policy.

(b) Developing and maintaining a whistle blowing policy.

(c) Maintenance of a register of interests and a register for recording gifts or hospitality.

12.8 Management Team will instigate the Council's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

13. INSURANCES & RISK MANAGEMENT

**CONTACT: Insurance - Finance Manager
Risk Management-Chief Financial Officer**

13.1 Risk Management – all organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk Management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

13.2 Policy, Finance and Development Committee is responsible for approving fundamental (or significant) changes to the Risk Management Strategy and ensuring the overall effectiveness of the strategy.

13.3 The Chief Financial Officer is responsible for preparing the Authority's risk management policy statement and Corporate Risk Register and for promoting it throughout the Council and updating it.

13.4 Internal Control – Internal Control refers to the systems of control devised by management to reduce risks to an acceptable level and to help ensure that the

Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.

13.5 The Chief Financial Officer is responsible for advising on effective systems of Internal Control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other provisions that govern their use.

13.6 It is the responsibility of Heads of Service to establish sound arrangements, consistent with guidance given by the Chief Financial Officer, for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and achieving their financial performance targets.

13.7 Business Continuity – Management Team should ensure that adequate plans are in place for ensuring continuity of service in the event of a disaster or system failure.

13.8 Intellectual Property - Intellectual Property is a generic terms that includes inventions and writing. If these are created by the employee in the course of employment, then, as a general rule, they belong to the employer, not the employee. Various Acts of Parliament cover different types of Intellectual Property. Certain activities within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as Intellectual Property.

13.9 The Chief Financial Officer is responsible for developing and disseminating good practice through Intellectual Property procedures. Management Team must ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's right with regard to Intellectual Property.

13.10 Insurances - Arrangements for insurances shall only be made through the Chief Financial Officer who shall arrange such insurances as considered necessary to protect the Council's interests.

13.11 The Chief Financial Officer shall maintain details of all policies, claims or other transactions relating to the Council's insurance and details of all items or risks insured.

13.12 Management Team are responsible for ensuring that the Chief Financial Officer is notified of all new risks which require to be insured and any alterations affecting existing insurances.

13.13 Management Team shall be responsible for notifying the Chief Financial Officer, in a form prescribed by the Chief Financial Officer, as soon as possible of any loss, liability or damage or any event likely to lead to a claim.

13.14 The Chief Financial Officer shall negotiate all claims made by the Council against its insurers.

13.15 Employees of the Council shall be included in a fidelity guarantee policy suitable to the roles they perform.

14. ESTATES

CONTACT: Head of Corporate Resources

14.1 The Head of Corporate Resources shall be responsible for maintaining a terrier of all land and buildings owned by the Council, recording the holding committee, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.

14.2 The Head of Corporate Resources shall be responsible for the safe custody of all title deeds, formal contracts and agreements under secure arrangements agreed with the Chief Financial Officer.

15. SALARIES AND OTHER EMOLUMENTS

CONTACT: Head of Corporate Resources

15.1 The calculation and payment of all salaries, pensions, compensation and other emoluments to all employees, former employees or Members of the Council shall be made by the Head of Corporate Resources under arrangements approved and controlled by them.

15.2 Heads of Service are responsible for ensuring that the Head of Corporate Resources is notified as soon as possible of all matters affecting the payment of such sums and in particular:

- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers
- (b) Absences from duty for sickness or other reason, apart from approved leave.
- (c) Changes in remuneration, pay awards and agreements of general application.
- (d) Information necessary to maintain records of service for pension, income tax, National Insurance and the like.
- (e) Untaken or excessive leave when officers leave the employment of the Council.

15.3 Appointments of all employees shall be made within the approved establishment of the appropriate department, grades and rates of pay agreed by the Council, either specifically or generally by reference to the decisions of the appropriate negotiating body, and in accordance with any regulations of the Council.

15.4 All time keeping, or other records affecting the pay of an employee, shall be in a form approved by the Head of Corporate Resources.

15.5 All time keeping or other records relating to hours worked or leave taken shall be completed by the employee that they relate to, or if necessary by a supervisor and certified to that effect.

15.6 An authorised officer shall certify all timesheets, or other records affecting the pay of an employee. Heads of Service shall notify the Chief Financial Officer / Finance of those officers authorised to sign such documents, detailing the limits of their authority and including a specimen of their signature. Initials may not be used to certify such documents.

15.7 All salary payments will be made on the due date. No advances of pay will be made without the consent of the Chief Financial Officer or Finance Manager, and will only be allowed in exceptional circumstances.

16. PETTY CASH, CHANGE FLOATS AND POSTAGES

CONTACT: Finance Manager

16.1 A central Petty Cash Account on an imprest basis shall be maintained by the Chief Financial Officer for the purposes of minor disbursements. Vouchers submitted through this account shall be examined and certified in compliance with Regulation 16.3. In all cases, where applicable, receipts supporting the claim shall be attached to the voucher.

16.2 No income, except imprest reimbursements, shall be paid into petty cash accounts or cash floats.

16.3 Cash reimbursement shall be limited to minor items of expenditure not exceeding £30 (or any other limit specified by the Chief Financial Officer). Payments and claims shall not be divided to avoid this limit. All individual claims over the £30 limit must not be reimbursed through the Petty Cash account, but should be reimbursed on a monthly basis through the purchase ledger function.

16.4 Officers responsible for change or petty cash floats shall produce on request any record and balance to the Chief Financial Officer for examination. In addition, as part of the closure of accounts a signed petty cash declaration is required for each subsidiary imprest or float as requested by the Chief Financial Officer.

16.5 Officers responsible for change or petty cash floats shall perform, in conjunction with another Officer, regular checks to verify the balance of the float. As a minimum this should be done weekly and a record of the checks, signed by both Officers, shall be maintained.

16.6 Heads of Service shall ensure that any floats held by Officers leaving the employ of the Council are checked prior to the leaving date. These floats should then either be paid back to the Chief Financial Officer or transferred to another employee.

16.7 All postages for outgoing mail shall be made through centralised franking machinery unless otherwise approved. Packages containing documents or articles of value shall be registered or insured, according to the arrangements in force.

16.8 Corporate Credit Cards shall be issued to a nominated Officer whose duties require one. The Chief Financial Officer shall ultimately decide to whom credit cards will be issued and withdrawn.

16.9 The Chief Financial Officer shall issue guidelines on the acceptable use of corporate credit cards, including types of expenditure permitted and proper accounting for expenditure incurred. All corporate credit card holders will be required to sign that they will only charge payments that are within the guideline rules. Random checks may be made on credit card payments by the Finance Manager.

17. TRAVELLING AND SUBSISTENCE ALLOWANCES

CONTACT: Head of Corporate Resources

17.1 Payment of Travelling and Subsistence allowances shall be made in accordance with current Council policy. Details of the current policy are available from Human Resources.

17.2 The Head of Corporate Resources shall be responsible for paying any travelling and subsistence allowances and reimbursement shall be made through the payroll.

17.3 Claims from Officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made on a form specified by the Chief Financial Officer and shall be submitted within 3 months of journeys claimed. Periods in excess of 3 months shall be paid at the discretion of the Chief Financial Officer. Managers must ensure that all claims are complete before authorising e.g. mileometer readings.

17.4 All claims for travelling expenses, car allowances and subsistence will be made through the payroll system. Human Resources will advise on the last day for submission of claims for each pay period.

17.5 All claims for car allowances, subsistence, travelling and incidental expenses shall be certified by an officer so authorised. Heads of Service shall supply a list of names and specimen signatures of all those Officers in their department, with limits if applicable, to the Chief Financial Officer. Authorisation shall be in the form of a signature and not initials.

17.6 Subsistence allowances will only be paid against actual expenditure incurred up to the maximum allowed under the current regulations. Receipts should be obtained and submitted to support the claim. Claims may be rejected if receipts are not attached. Where it is impossible to obtain receipts, the claimant shall list the items purchased, where purchased from and the cost, and payment will be made at the discretion of the Management Team in consultation with the Chief Financial Officer. Subsistence allowances will not be paid for alcoholic drinks.

17.7 Officers using rail travel shall obtain a travel warrant from the Chief Financial Officer prior to their journey. The Council will only provide rail warrants and reimburse rail travel from Leicester or from the nearest town to the employee's place of work if different. Exception will be made if travel is made on a different rail route other than Leicester and the station used is of equal cost or less than travelling from Leicester. Any additional cost should be paid by the officer.

17.8 Private vehicles can only be used for Council business, and the subsequent mileage allowance claimed, if the vehicle and driver has been specifically insured for this use. Human Resources will make such necessary checks to ensure that this regulation is adhered to.

18. ASSETS & INVENTORIES

CONTACT: Chief Financial Officer

18.1 Assets – It is the responsibility of the Chief Financial Officer that an Asset Register is maintained in accordance with good practice. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained. It is also the Chief Financial Officer responsibility to ensure that assets are valued in accordance with relevant guidance.

18.2 Heads of Service shall be responsible for the care and custody of all Council assets within their Service and shall maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment and cash.

18.3 Inventories - Inventories shall be maintained by Service for all establishments as follows:

18.4 The Chief Financial Officer will be responsible for the maintenance of a comprehensive Hardware and Software Inventory for all Council IT equipment in all Service and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.

18.5 The Chief Financial Officer will be responsible for the maintenance of an Inventory for all Council furniture in all Service and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.

18.6 The extent to which the inventory shall record items specified within 18.1 above shall be in a form determined by the Chief Financial Officer.

18.7 Disposal of Assets- Disposal of assets should be carried out in accordance with the Council's Contract Procedure Rules. Items which are obsolete or surplus to requirements, excluding land or buildings, over the cost of £500 (at the time of purchase) can be sold or disposed of on completion of an asset disposal form found on the staff intranet under staff info/procurement with approval by Management

Team or Head of Service providing the estimated loss on disposal is no more than £10,000. Where the loss is estimated to exceed the £10,000 threshold, approval of Policy, Finance and Development Committee must be obtained. Items that have been leased to the Council should not be disposed of unless full written consent has been obtained from the lessor.

18.8 Surplus or obsolete stock / assets with an estimated sale value of less than £75,000 can be sold or disposed of through the methods of disposal outlined under Contract Procedure Rules, subject to the Head of Service demonstrating that the interests of the Council have been considered. Surplus or obsolete stock / assets with an estimated sale value of £75,001 or more must be sold via competitive tender inviting bids in line with Contract Procedure Rules or sale by public auction. Other methods may be used if the Management Team and the Chief Financial Officer believe another method would be in the best interest of the Council. All disposals should be notified to the Chief Financial Officer so that the Capital Asset register can be probably maintained. All vehicles (non-leased) must be disposed of through sale by public auction or by quotations from a reputable dealer.

18.9 All disposals must comply as applicable with the Waste Electrical & Electronic Equipment Directive and Health & Safety legislation. All Council and personal data must be removed from any IT or recording equipment prior to their disposal.

18.10 Where small items of equipment with a value of less than £500 (at the time of purchase) such as keyboards, are scrapped, they must be recorded on a list held by each relevant Head of Service and signed off at year end. The list must be passed to Finance at year end.

18.11 The property of the Council specified within 18.1 above shall not be used other than for legitimate Council business.

19. INCOME

CONTACT: Finance Manager

19.1 The Chief Financial Officer shall make and maintain adequate arrangements for:

- (a)** The organisation and accounting necessary to ensure the proper recording of all sums due to the Council.
- (b)** The custody, control, disposal and proper accounting of all cash received by the Council through any Service.

19.2 Each Head of Service shall ensure that there are adequate arrangements for the calculation, collection and banking of all income due to their Service and that it is done in such a way to prevent losses arising from any source.

19.3 Every sum received by an officer or agent of the Council shall be acknowledged immediately by the issue of an official receipt, ticket, voucher or other document prescribed by the Chief Financial Officer.

19.4 All receipts, tickets, voucher or other document prescribed by the Chief Financial Officer shall be sequentially pre-numbered.

19.5 Heads of Service shall be responsible for ensuring that all receipts issued to officers in their department are accounted for, have been used in accordance with any relevant guidelines and that income collected on those receipts has been collected and paid over to the Council.

19.6 All official receipts forms, books, tickets and other documents of a similar nature shall be ordered, controlled and issued by the Chief Financial Officer, and a register shall be maintained for this purpose. The Chief Financial Officer shall also make any necessary checks to ensure that all receipts issued have been accounted for.

19.7 Every Officer who receives monies on behalf of the Council shall pay the monies to the Chief Financial Officer who shall then arrange for it to be banked. All cash received at Council Offices or by an officer of the Council must be banked promptly. This must be done on the day the cash is received. All cheques received at Council Offices should be banked/ sent to the Council's cashiering service the next available working day. Cash collected shall, under no circumstances, be replaced with a personal cheque. All income collected shall be paid over promptly, intact and without deduction, and shall not be used for expenditure, floats or petty cash. Cheques received at satellite sites should be sent to the Council's cashiering service in line with procedures agreed with the Finance Manager.

19.8 All income collected by Council Officers on behalf of a third party, whether for a commission or not, shall be receipted and banked in the same way as if it was the Council's own money. Any amount due to the third party will be paid by a BACS/ Cheque issued by the Chief Financial Officer once the account has been checked and balances agreed.

19.9 The Chief Financial Officer shall be responsible for the operation and running of a computerised sundry debtor system and shall furnish each Head of service with details of outstanding debts for which their Service are responsible.

19.10 Payment in advance shall be obtained for the supply of goods and services.

The only variance to this may be:

- due to contractual arrangements
- the invoice is based on the supply of variable goods and services
- if agreed with the Finance Manager.

Each Head of Service shall be responsible for ensuring that a sundry debtors invoice is promptly raised.

19.11 The Chief Financial Officer, in conjunction with the relevant Head of Service, shall determine those goods or services where sundry debtors may be raised.

19.12 Heads of Service shall be responsible for ensuring that all debts raised by their Service are collected promptly.

19.13 The Chief Financial Officer shall fix a limit below which sundry debtor accounts will not be raised, apart from allotments and in such cases alternative collection methods shall be employed, where possible.

19.14 A record should be kept of every transfer of money between employees of the Authority. The Receiving Officer must sign for the money received and both the Receiving Officer and transferor should keep a record of the transaction.

20. RECOVERY AND WRITE OFF OF DEBTS

CONTACT: Finance Manager

20.1 The Council shall have a policy for recovery approved by the Chief Financial Officer and the Policy, Finance and Development Committee.

20.2 Heads of Service are responsible for ensuring that all debts are collected in accordance with the laid down policy.

20.3 The Chief Financial Officer shall be responsible for providing Services with details of all debts outstanding.

20.4 A debt, which is properly due to the Council and deemed irrecoverable, shall only be written off as follows:

(a) Debts of less than £5,000 with the approval of the Chief Financial Officer or their appointed nominee.

(b) Debts of £5,001 and less than £10,001 with the approval of the Chief Financial Officer or their appointed nominee and the Chair of the Policy, Finance and Development Committee.

(c) Debts of £10,001 or more with the approval of the Policy, Finance and Development Committee. For the purposes of these Regulations the value of debts shall be determined by reference to the debtor as opposed to individual debts. Where the value of several debts for one individual or organisation exceeds £10,001 the approval of the Policy, Finance and Development Committee shall be obtained.

(d) These Regulations apply to all debts including Council Tax, housing and garage rents.

20.5 Heads of Service are responsible for ensuring that every available means of recovering a debt has been taken before a debt is reduced or recommended for write off. No debt will be reduced or written off without the receipt of a signed instruction issued by the relevant Head of Service. The Chief Financial Officer shall make such checks as he considers necessary on the procedures used.

20.6 Heads of Service, in consultation with the Chief Financial Officer, shall be responsible for ensuring that sufficient budgetary provision is made for bad debts.

20.7 Distress proceedings for recovery of Council Tax, Business Rates and warrants for committal to prison shall be instituted by the Chief Financial Officer. The Head of Corporate Resources shall institute Court proceedings for the recovery of other monies due to the Council.

21. BANKING ARRANGEMENTS AND CHEQUES

CONTACT: Finance Manager

21.1 All arrangements for banking services shall be made through the Chief Financial Officer. The Committee shall approve the bankers and the accounts to be used.

21.2 All cheques or other instructions issued on behalf of the Council shall bear the impression or manuscript signature of the Chief Financial Officer with a proviso that cheques for £5,000 and shall also bear the impression or manuscript signature of two officers approved by the Chief Financial Officer.

21.3 The Chief Financial Officer shall be responsible for the ordering and control of all cheques. The Chief Financial Officer shall make sufficient arrangements for the safe custody of blank cheques and the control and reconciliation of those issued.

21.4 The Chief Financial Officer shall be responsible for ensuring that a monthly reconciliation between the Council's Bank account and its income and expenditure records is performed and that the reconciliation is reviewed by the Finance Manager and signed off on a timely basis.

21.5 Opening or closing any bank account shall require the written approval by the Chief Financial Officer and one other authorised signatory.

22. SECURITY & SAFES

CONTACT: Finance Manager

22.1 Each Head of Service shall be responsible for maintaining adequate and proper security at all times for all buildings, stocks, stores, IT, furniture, equipment, vehicles, plant, cash and any other assets of the Council under their control. These arrangements shall be subject to the agreement of the Chief Financial Officer and shall be sufficient enough to minimise losses arising from any cause.

22.2 Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Chief Financial Officer and shall not be exceeded without express permission and with regard to the appropriate insurance limit.

22.3 Officers, who in the course of their duties collect money on behalf of the Council, shall take all reasonable precautions for its safe custody and shall observe any instructions as may be issued by the Chief Financial Officer.

22.4 Each Head of Service shall maintain a Register of Keys for external doors, safes, cash boxes and others of similar importance. This Register shall list the key holders and out of hours contact numbers. This Register must be kept in a secure environment and not available for general inspection by unauthorised officers. All keys issued to staff are to be carried on the person, or held in a secure place, by those responsible at all times. Safe keys must not be left on the premises where the safe is situated. The loss of any keys must be reported to the relevant Head of Service and the Chief Financial Officer.

22.5 All safes shall be specified by the Chief Financial Officer after consultation with the Council's insurers.

22.6 The IT Manager has responsibility for E-Government & Business Systems and shall be responsible for maintaining proper security and privacy in respect of information held on the Council's computer installations and for ensuring that its use is in accordance with any relevant legislation.

22.7 Heads of Service are responsible for ensuring that all visitors to any Council office or establishment, except in public areas, are signed in and are wearing an appropriate visitor's pass. They shall also ensure that any visitor working in the above stated areas are adequately supervised to ensure confidentiality of Council information and security of Council assets is maintained at all times.

22.8 Every Officer shall comply with any instructions issued from time to time regarding building security.

23. DOCUMENT RETENTION

CONTACT: Chief Financial Officer

23.1 Documentation created / maintained for transactions covered by these Financial Regulations or Contract Procedure Rules shall be retained in accordance with the document retention schedule which can be found on the Council's intranet under the section marked Freedom of Information or for a period not less than 6 years after the transaction / project, etc. ceases to be current.

24. RECEIPT OF GIFTS, GRATUITIES AND HOSPITALITY

CONTACT: Head of Corporate Resources

General Guidance

24.1 Any Council employee shall treat with caution any offer of gift, favour or hospitality that is made to them personally. The person or organisation making the offer may be doing, or seeking to do business with the Council, or may be applying to the Council for planning permission or some other kind of decision.

24.2 Employees are personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding the risk of damage to public confidence in the Council.

24.3 The proper course of action for employees is to only accept gifts or hospitality where they regard the acceptance as normal and reasonable.

24.4 Employees shall ensure that any gift or hospitality is not of a level or amount which would lead any reasonable person to believe that the employee might be influenced by such gift or hospitality.

24.5 In the event that doubt should exist over the appropriateness of any gift, hospitality, or fee or commission, employees shall seek advice from their Head of Service or, if appropriate, the Chief Financial Officer.

24.6 The rules and guidance for officers relating to gifts, gratuities and hospitality can be found in the Officer Code of Conduct which can be found on the Council's intranet.

25. PAYMENT OF ACCOUNTS

CONTACT: Finance Manager

25.1 Payments by the Council shall only be made on an official invoice submitted by a supplier except for periodic recurring payments, contract payments and other exceptions as the Chief Financial Officer may specifically approve.

25.2 Orders must be raised electronically and approved by an authorised Officer with the relevant financial delegation.

25.3 The purchase/works order shall specify the goods, services, or works to be provided and set out the price and terms of payment. The only exception to this is if a signed agreement or contract exists between the Council and the supplier and that contract and agreement specifies in detail the exact works, goods or services to be supplied, in which case a brief description of the project and the total contracted price can be specified.

25.4 Officers certifying purchase/ works orders, electronically or otherwise, must be authorised to do so under the scheme of delegation. Heads of Service will provide Finance with details of Officers within the Service who are authorised to sign orders, including the maximum order value and sample signature of that Officer.

25.5 Officers certifying purchase/works orders shall have due regard to the availability of sufficient budgetary provision. No order shall be authorised where the anticipated expenditure will cause the budget to be overspent, unless covered by Section 6 of these Financial Regulations.

25.6 Certifying officers shall, before certifying an account for payment, be satisfied that:

(a) The official ordering procedure, as detailed in Regulation 25, has been observed and that Contract Procedure Rules have been complied with.

(b) The work, goods or services, to which the account relates have been received, carried out, examined and approved and are in accordance with the official order.

(c) The prices, extensions, calculations, trade discount, other allowances, credits and tax are correct.

(d) The expenditure has been properly incurred, has been charged to an appropriate account and is within the relevant estimate provision.

(e) Appropriate entries have been made in inventories, stores records or stock books as required.

(f) The account has not been previously passed for payment and is a proper liability of the Council.

Only invoices with an official order shall be paid unless an additional certification has been obtained from the relevant Head of Service.

25.7 Apart from petty cash, the normal method of payment shall be by BACS. Where expenditure is non-recurring payment may be made by cheque, or other instrument drawn on the Council's bank account.

25.8 All payments drawn on the Council's bank account shall be authorised by the Chief Financial Officer or a person nominated by them.

25.9 Any payment by cheque for £5,000 or more shall also bear the impression or manuscript signature of two officers approved by the Chief Financial Officer.

25.10 The Chief Financial Officer shall be responsible for ensuring that the Council's bankers are kept informed of those Officers authorised to make payments from the Council's accounts and that they have up to date specimen signatures of those Officers.

25.11 The Chief Financial Officer shall be responsible for ensuring that sufficient fidelity guarantee insurance is in place for those Officers authorised to initiate or make payments from the Council's accounts.

25.12 The Head of Service issuing an order is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment of accounts arising from sources in his / her Service. Such certification shall be in a form required by the Chief Financial Officer.

25.13 Heads of Service are responsible for ensuring that the names of Officers authorised to certify accounts for payment in their department, along with specimen signatures and limits of authority, are supplied to the Chief Financial Officer. They are also responsible for ensuring that the Chief Financial Officer is advised of any amendments to the list of authorised Officers, or changes in signatures of those previously notified. On an annual basis a consolidated list of signatories and signatures shall be submitted.

25.14 Accounts for payment shall only be processed and paid on receipt of a properly certified invoice or other approved document.

25.15 Authorised Officers shall use their signature for certification purposes and not their initials.

25.16 Departments shall be responsible for ensuring that invoices are processed and passed for payment by Finance in sufficient time to meet the terms and conditions of the Payment of Invoices indicator, and so that payment can be made through the weekly payment runs.

25.17 Invoices are to be paid in accordance with the terms stated by the supplier and the appropriate performance indicator. The normal weekly payment system is to be used but in extreme cases invoices can be paid on an urgent basis (the same day). Examples of acceptable reasons for an urgent payment are where delay would cause hardship to individuals where the payment is in respect of a refund on a rent or benefit account, where essential services will be suspended if payment is delayed or any other reason agreed by the Chief Financial Officer. In all cases the certifying officer shall document the reason for urgency on, or attached to, the invoice.

25.18 Any rounding amendment to an account up to the value of £1 shall be made in ink, initialled and dated by the Officer making it, stating briefly the reasons when they are not self-evident.

25.19 Heads of Service shall be responsible for ensuring that the duties of ordering goods and certifying accounts for payment shall not all be performed by the same Officer and accounts shall not be certified for payment by an Officer who has personal control over the goods and services to which the accounts relate.

25.20 Heads of Service shall, by a date specified by the Chief Financial Officer each year, supply details of all outstanding expenditure and income relating to the previous financial year to the Chief Financial Officer.

25.21 The Chief Financial Officer shall make such checks and impose such further examination as he considers necessary to ensure that accounts for payment have been processed in accordance with these Regulations and Contract Standing Orders and that the Council can legally make such a payment. The Chief Financial Officer shall report any instances of non-compliance to the Management Team.

25.22 The Chief Financial Officer shall determine the frequency of pay schedules of all invoices or accounts for payment. Payments of an urgent nature will be made as they arise (see also paragraph 25.17).

25.24 Officers certifying payment on behalf of the Council must have due regard to the VAT implications and comply with the instructions periodically issued by the Chief Financial Officer. Any queries regarding VAT should be referred to the Finance Manager.

26. STOCKS AND STORES

CONTACT: Finance Manager

26.1 Each Head of Service shall be responsible for the care and custody of the stocks and stores in his/her Service.

26.2 Heads of Service shall furnish the Chief Financial Officer with details and a signed certificate of the value of stores held in their department at the end of each financial year.

26.3 Stores shall be valued in accordance with accounting policies adopted by the Chief Financial Officer.

26.4 All goods must be checked at the time of delivery, with regards to quantity, quality and compliance with any specification as soon as practical after delivery.

26.5 Heads of Service shall be responsible for ensuring that a comprehensive record of stock balances, stock issues and receipts are maintained, including records of quantities, values and the person issued to.

26.6 Heads of Service shall be responsible for ensuring that stocks and stores are not held in excess of reasonable requirements and that maximum and minimum levels are set.

26.7 Heads of Service shall be responsible for ensuring that a system of continuous stocktaking shall operate in all stores with an average value over £10,000. This system shall ensure that every commodity is checked at least once per annum, and fast moving, valuable and desirable items are checked more frequently. The Chief Financial Officer shall carry out such independent checks as s/he considers necessary. In addition, as part of the closure of accounts a signed stock certificate declaration is required for each stock account as requested by the Chief Financial Officer.

26.8 Individual deficiencies that exceed £500 shall be reported to the Chief Financial Officer for write off. Stores in excess of £500 that are considered to be surplus or obsolete shall also be reported for consideration for disposal (including by sale) or write off.

27. ORDERING WORKS, GOODS AND SERVICES - CONTRACTS AND AGREEMENTS

CONTACT: Finance Manager

27.1 All purchases for works, goods or services are subject to the provisions contained in the Council's Contract Procedure Rules.

28. AMENDMENTS AND WAIVERS TO FINANCIAL REGULATIONS

CONTACT: Chief Financial Officer

28.1 These Financial Regulations outline the minimum required to safeguard the Council's assets and interests. Any amendments to these Regulations shall be approved by Full Council and shall not come into force until approval has been given.

28.2 The waiving of Financial Regulations must be approved by the Chief Financial Officer and where appropriate with the Policy, Finance and Development Committee. In all cases best value must be demonstrated for a waiver to be approved. Waivers must be fully documented.

28.3 The Chief Financial Officer shall formally review these Regulations at regular intervals.

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