

## **PART 4 | SECTION 8 - FINANCIAL PROCEDURE RULES (FINANCIAL REGULATIONS)**

### **1. SECTION 8 – FINANCIAL PROCEDURE RULES (FINANCIAL REGULATIONS)**

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#### **1.1 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 Finance Officer. Responsibility for approving and recommending changes to the financial control framework rests with the Chief Finance 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:

- Receive a full copy of these Regulations, where appropriate
- 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.**

#### **2. Status**

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### **2.1 What are Financial Procedure Rules?**

- 2.1.1 Section 151 of the Local Government Act 1972 states that “every authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs.
- 2.1.2 Financial Procedures provide the framework for managing the Council’s financial affairs. Financial Procedures are supported by more detailed Financial Management Standards which set out how the procedures will be implemented. These are listed in Appendix A.
- 2.1.3 The procedures identify the financial responsibilities of the Full Council, the Executive and Officers.
- 2.1.4 To avoid the need for regular amendment due to changes in post, generic titles are included for officers as follows:
- (a) The term “Chief Finance Officer” refers to the Section 151 Officer.
  - (b) The term “Chief Officers” refers to the Council’s Chief Executive and members of the Senior Management Team (SMT).
  - (c) The term “Monitoring Officer” is currently the Head of Law and Democracy.
  - (d) The term “Chief Internal Auditor” refers to the lead Officer responsible for Oadby and Wigston Borough Council through the Internal Audit Service provided by CW Audit.

### **2.2 Why are they important?**

- 2.2.1 To conduct its business effectively, the Council needs to ensure that sound financial management arrangements are in place and that they are strictly adhered to in practice. Part of this process is the establishment of Financial Procedures which set out the financial responsibilities of the Council. These procedures have been devised as a control to help the Council manage its financial matters properly in compliance with all necessary requirements.
- 2.2.2 Good, sound financial management is a key element of Corporate Governance which helps to ensure that the Council is doing the right things, in the

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right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

- 2.2.3 Good financial management secures value for money, controls spending, ensures due probity of transactions and allows decisions to be informed by accurate accounting information.
- 2.2.4 Good financial management requires secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.
- 2.2.5 Financial Procedures should not be seen in isolation, but rather as part of the overall regulatory framework of the Council as set out in this Constitution.

### **2.3 Who do Financial Procedures apply to?**

- 2.3.1 Financial Procedures apply to every member and Officer of the Council and anyone acting on its behalf. Members and Officers have a general responsibility for taking reasonable action to provide for the security and use of the resources and assets under their control, and for ensuring that the use of such resources and assets is legal, consistent with Council policies and priorities, properly authorised, provides value for money and achieves best value.
- 2.3.2 These Financial Procedures shall apply in relation to any partnership for which the Council is the accountable body, unless the Council expressly agrees otherwise.
- 2.3.3 Failure to observe Financial Procedures may result in action under the Council's disciplinary procedures.

### **2.4 Who is responsible for ensuring that they are applied?**

- 2.4.1 Chief Officers and Heads of Service are ultimately responsible to the Council for ensuring that Financial Procedures are applied and observed by his/her staff and contractors providing services on the Council's behalf and for reporting to the Chief Finance Officer any known or suspected breaches of the procedures.
- 2.4.2 The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Procedures and submitting any additions or changes necessary to the Council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the Financial Procedures to the Council and/or to the Executive Members.

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- 2.4.3 The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Procedures which Members, Chief Officers and others acting on behalf of the Council are required to follow.
- 2.4.4 Any person charged with the use or care of the Council's resources and assets should inform him or herself of the Council's requirements under these Financial Procedure Rules. If anyone is in any doubt as to their obligations, then they should seek advice.
- 2.4.5 Where any Chief Officer considers that complying with Financial Procedures in a particular situation might conflict with the achievement of value for money or the principles of Best Value or the best interests of the Council, he/she shall raise the issue with the Chief Finance Officer who will, if he/she considers necessary and appropriate, seek formal approval from the Council for a specific waiver of the procedures, or an amendment to the procedures themselves.

### **3. Financial Management – General Roles and Responsibilities**

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#### **3.1 The Role of the Full Council**

The Council is responsible for:

- 3.1.1 The adoption and revision of these Financial Procedure Rules;
- 3.1.2 The determination of the Policy Framework and Budget within which the Executive works;
- 3.1.3 Providing the Chief Finance Officer with sufficient staff, accommodation and other resources to carry out his or her duties; and
- 3.1.4 Approving and monitoring compliance with the Council's overall framework of accountability and control.

#### **3.2 The Role of the Chief Finance Officer**

- 3.2.1 The Chief Finance Officer is accountable to the Chief Executive and the Council and has statutory duties that provide overall responsibility for the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These statutory duties arise from:

- (a) Section 151 of the Local Government Act 1972

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- (b) The Local Government Finance Act 1988
- (c) The Local Government and Housing Act 1989
- (d) The Accounts and Audit Regulations 2011

3.2.2 The Chief Finance Officer is the Council's professional advisor on financial matters and is responsible for:

- (a) The proper administration of the Council's financial affairs.
- (b) Maintaining a continuous review of Financial Procedures and submitting any additions or changes as necessary to the Full Council for approval.
- (c) Annually reviewing and updating, and monitoring compliance with financial management standards.
- (d) Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.
- (e) Providing training for Members and officers on Financial Procedures and Financial Management Standards.
- (f) Determining accounting policies and ensuring that they are applied consistently.
- (g) Determining accounting procedures and records of the Council.
- (h) Reporting, where appropriate, breaches of the Financial Procedures to the Council and/or Executive.
- (i) Preparing and monitoring the revenue budget, capital programme and Medium Term Financial Plan.
- (j) Ensuring the provision of an effective Internal Audit Function.
- (k) Ensuring the provision of an effective Treasury Management Function.
- (l) Advising on risk management.
- (m) Ensuring the Council complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.
- (n) Ensuring that Council spending plans and council tax calculations, identified in the medium term financial plan, are based upon robust estimates.

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- (o) Ensuring that the level of Council reserves is adequate to meet the known financial risks facing the Council over the medium term.
- (p) Ensuring that the annual Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the UK: A Statement of Recommended Practice (SORP).
- (q) Ensuring that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- (r) Ensuring that proper professional practices, standards and ethics are adhered to.
- (s) Acting as head of profession in relation to the standards, performance and development of finance staff including the training and professional development of all staff employed in posts designated as requiring a qualified accountant, accounting technician, or auditor, wherever located.
- (t) The appointment of all finance staff, and will be consulted on any proposal to create or delete a post requiring such a qualification for appointment.

3.2.3 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Full Council and to the External Auditors if the Council or one of its Officers:

- (a) Has made, or is about to make a decision which involves incurring expenditure which is unlawful.
- (b) Has taken or is about to take, unlawful action which has resulted or would result in a loss or deficiency to the Council.
- (c) Is about to make an unlawful entry in the Council's accounts.

3.2.4 Section 114 of the 1988 Act also requires:

- (a) The Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally.
- (b) The Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources, including legal advice where

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necessary, to carry out the duties under section 114, as determined by the Chief Finance Officer.

3.2.5 The Chief Finance Officer,

- (a) Is required to approve all financial procedures, records, systems and accounts throughout the Council which are necessary to ensure that the tasks defined in these procedures are properly carried out. The Council will also ensure that the Chief Finance Officer is consulted and given the opportunity to advise upon all financial management arrangements and notes of detailed advice and guidance on financial systems and procedures necessary to ensure a satisfactory standard of accuracy, reliability, probity and regularity.
- (b) Shall be given access to any information as is necessary to comply with his/her statutory duties and with the requirements and instructions of the Council.
- (c) Shall be entitled to attend and report on financial matters directly to the Council, the Executive, and any Committees or Working Groups the Council may establish.
- (d) Shall be sent prior notice of all meetings of the Executive and all Council bodies together with full agendas and reports and shall have authority to attend all meetings and take part in the discussion if he/she so desires.

### **3.3 The Role of Heads of Service**

3.3.1 Heads of Service are each accountable to the Council for the financial management and administration of those services and activities allocated to them in accordance with Council policy.

3.3.2 Heads of Service are responsible for:

- (a) Ensuring that adequate and effective systems of internal control are operated to ensure the accuracy, legitimacy and proper processing of transactions and the management of activities, having regard to advice and guidance from the Chief Finance Officer.

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- (b) Ensuring that members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer.
- (c) Consulting with the Chief Finance Officer in seeking approval regarding any matters which may affect the Council's finances materially, before any commitments are incurred.
- (d) Consulting with each other on any issue with corporate financial implications before submitting policy options or recommendations to Members.
- (e) Inform immediately the Chief Finance Officer of failures of financial control resulting in additional expenditure or liability, or loss of income or assets.

### **4. Budget Setting – Capital**

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- 4.1 The detailed form of the Capital Programme shall be determined by The Chief Finance Officer.
- 4.2 The Chief Finance 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.
- 4.3 The Policy, Finance and Development Committee shall consider the overall capital programme and the resources available, make amendments as deemed fit, and shall recommend an overall programme to Council.
- 4.4 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.
- 4.5 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



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sought from the Policy, Finance and Development Committee where sufficient budgetary provision is not available.

- 4.6 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.
- 4.7 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.
- 4.8 The Management Team and Heads of Service monitor the delivery of capital schemes, capital expenditure and resources.

### **5. Budget Setting – Revenue**

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- 5.1 The detailed form of the Revenue Budget shall be determined by The Chief Finance Officer.
- 5.2 Revenue budgets include the General Fund Revenue Account and Housing Revenue Account.
- 5.3 The Chief Finance Officer, in consultation with the relevant Heads of Service, shall prepare revenue estimates. These estimates shall be submitted by The Chief Finance 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:
  - 5.3.1 Actual results for the last financial year.
  - 5.3.2 Original and working budgets for the current financial year.
  - 5.3.3 Original estimate for the following financial year.

In relation to (5.3.2) and (5.3.3) above, The Chief Finance Officer or the appropriate Heads of Service shall report on the reasons for material variations.

- 5.4 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

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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.

- 5.5 The Policy, Finance and Development Committee shall consider the overall revenue budget and the sources available, make amendments as deemed fit, shall consult with the Service Delivery Committee, and shall recommend an overall budget to the Full Council.
- 5.6 It is the responsibility of The Chief Finance 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.

### **6. Supplementary Estimates**

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- 6.1 Supplementary estimates reduce the Council's reserves, and therefore must be used sparingly so as to not jeopardise the Council's Financial Strategy. Service 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.
- 6.2 The Chief Finance Officer can approve Supplementary Estimates up to £25,000 in consultation with the Chief Executive, from £25,001 but less than £50,000 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.
- 6.3 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.
- 6.4 The Policy, Finance and Development Committee can approve supplementary estimates or as part of the quarterly revenue budget monitoring report to the Committee.

### **7. Budgetary Control Contact: Chief Finance Officer**

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- 7.1 The Chief Finance 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.
- 7.2 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 6.1 above.
- 7.3 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 Finance 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
- 7.4 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.
- 7.5 Any proposal outside the budget and policy framework that involves:
- 7.5.1 Capital expenditure not specifically included in the capital budget (see also conditions in paragraph 3.7).
  - 7.5.2 Revenue expenditure on a new service or project that has not been specifically provided for in any of the revenue budgets.
  - 7.5.3 A new source of income or significant variation in an existing source of income.
  - 7.5.4 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

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Virement. The initial or any subsequent submission of such proposals to the Council shall be subject to the procedures in Section 5.

- 7.6 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 Finance Officer, in conjunction with the Deputy Chief Executive, shall have authority to sanction such expenditure. The Chief Finance Officer shall report such approvals in the schedule prepared under Regulation 5.4.
- 7.7 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/Deputy Chief Executive and the Chief Finance 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.

### **8. Transfers of Budgets (Virement)**

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- 8.1 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.
- 8.2 Virements shall only be made in accordance with the authorisation limits and criteria shown in 7.3 and 7.4 and the general conditions shown below:
- 8.2.1 All virements will be submitted to the Chief Finance Officer in a form approved by the Chief Finance Officer where the appropriate authorisation is required.
- 8.2.2 All approved virements will be reflected in the Council's Financial Information System (FIS) by the Chief Finance Officer.
- 8.2.3 The Chief Finance Officer reserves the right to refer any virement request to the Policy, Finance and Development Committee for approval.
- 8.2.4 The destination of the proposed virement must be a project, scheme or budget that has previously been approved for funding.
- 8.2.5 No virements shall be made:

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8.2.5.1 From budgets held for support service recharges, central and departmental recharges, and capital financing charges.

8.2.5.2 Between the Revenue and Capital accounts of the Council or between the Housing Revenue Account and General Fund.

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

8.2.7 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

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

### 8.3 Virement Authorisation Limits

<b>Virement Type</b>	<b>Authorisation Level:</b>				
	<b>Head of Service</b>	<b>Chief Finance Officer</b>	<b>Chief Finance Officer in consultation with Chair of PFD Committee</b>	<b>Policy, Finance and Development Committee</b>	<b>Council</b>
(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 but less than £500,000	More than £500,000
(c) Between Budget Heads but within a Service	Less than £25,000	£25,000 - £49,999	£50,000 - £250,000	More than £250,000 but less than £500,000	More than £500,000
(d) Between capital projects		Less than £50,000	£50,000 - £250,000	More than £250,000 but less than £500,000	More than £500,000

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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 Finance Officer will not require reporting to Committee. Virements under 6.3 (b) & (c) authorised by Heads of Service, or Chief Finance 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 Head of Finance/Revenues and Benefits and over £250,000, the Chief Finance 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 Policy, Finance and Development Committee for information.

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

### **9. Accounting**

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- 9.1 All accounting procedures and records of the Council shall be determined by the Chief Finance Officer insofar as they are not prescribed by law.
- 9.2 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 Finance Officer.
- 9.3 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:
- 9.3.1 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.
- 9.3.2 Officers responsible for examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of these transactions.

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- 9.4 As soon as possible after the end of each financial year, and not later than 30 September the Chief Finance Officer shall report to Council or Committee under delegation on the accounts for that year.

### **10. Treasury Management**

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- 10.1 All external investments in the name of the Council shall be made in accordance with the Council's policy for Treasury Management.
- 10.2 Oadby and Wigston Borough Council adopts the key recommendations of CIPFA's Treasury Management Code of Practice (the Code), updated in 2011.
- 10.3 Accordingly, Oadby and Wigston Borough Council will create and maintain, as the cornerstones for effective treasury management:
- 10.3.1 A treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities.
  - 10.3.2 Suitable treasury management practices (TMP), setting out the manner in which Oadby and Wigston Borough Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 10.4 Oadby and Wigston Borough 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).
- 10.5 Oadby and Wigston Borough 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 Finance 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.

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

### **11. Value Added Tax (VAT)**

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- 11.1 It shall be the responsibility of the Chief Finance 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.
- 11.2 Each Head of Service shall keep records, as determined by the Chief Finance Officer for the prescribed statutory period, of all matters pertaining to the administration and accounting of VAT, and in particular:
- 11.2.1 All supplier invoices, including any relevant back-up and authorisation documents;
  - 11.2.2 Documentation supporting all income raised by invoice;
  - 11.2.3 Documentation supporting all non-invoiced income, including amounts lodged directly with the bank and cash collected directly by departments.
- 11.3 The Chief Finance Officer nominates the Head of Finance/Revenues and Benefits as the contact point for enquiries regarding any VAT matter.
- 11.4 Each Head of Service shall fully observe any direction and advice as may be issued by the office of the Chief Finance Officer.

### **12. Committee Reports**

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- 12.1 The Chief Finance 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, if necessary, in the interests of the financial affairs of the Council. To allow the Chief Finance Officer to fulfil his obligations all Heads of Service are obliged to consult with the Chief Finance Officer on all matters with a potential financial implication which are likely to result in a report to Committee.
- 12.2 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 Finance Officer, for ensuring all financial implications are identified



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and recognised. Further, Heads of Service shall ensure that the Chief Finance Officer or Head of Finance/Revenues and Benefits is fully consulted on the financial implications of reports with the inclusion of appendices within reports for ease of reference.

- 12.3 The following principles should be adhered to in the preparation of all Committee reports:
- 12.3.1 The report should clearly distinguish capital and revenue financial implications.
  - 12.3.2 Implications for the capital budget should identify where provision exists within the Council's capital programme.
  - 12.3.3 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.
  - 12.3.4 Implications for the revenue budget should distinguish ordinary running costs from capital financing costs.
  - 12.3.5 Accountants within Finance should be involved in the calculation of such figures, as appropriate.
  - 12.3.6 No additional budgetary implications will be allowed unless specifically approved by the Policy, Finance and Development Committee or Full Council (where appropriate).
  - 12.3.7 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.
  - 12.3.8 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.
  - 12.3.9 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.
  - 12.3.10 Staffing changes/additions should clearly state whether such adjustments are of a permanent, temporary or fixed term nature.

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- 12.3.11 All financial implications narrative and supporting appendices should be agreed with the relevant Accountant at draft/consultation stage.
- 12.3.12 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.
- 12.3.13 Costings for the purpose of financial implications should be to the nearest ten pounds using current year prices.

### **13. Audit Requirements**

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- 13.1 The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit function.
- 13.2 The Chief Finance 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:
  - 13.2.1 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;
  - 13.2.2 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;
  - 13.2.3 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;
  - 13.2.4 The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;

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- 13.2.5 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;
  - 13.2.6 The follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely;
  - 13.2.7 The operation of the Council's corporate governance and risk management arrangements.
- 13.3 The appointed Internal Auditor, in consultation with the Head of Finance, Revenues and Benefits and Chief Finance 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.
- 13.4 The appointed Internal Auditor has the authority to:
- 13.4.1 Enter at any time Council premises or land subject to any statutory or contractual restrictions that may apply;
  - 13.4.2 Access all records, documents and correspondence relating to any financial or other business of the Council and remove any such records as is necessary for the purpose of their work;
  - 13.4.3 Receive any information and explanations considered necessary concerning any matter under examination;
  - 13.4.4 Require any employee, agent or contractor of the Council to produce cash, stores or any other Council property under his or her control;
  - 13.4.5 Directly access the Chief Executive, Director of Services, Chief Finance Officer, Policy, Finance and Development Committee and Overview and Scrutiny Committees.

### **14. Fraud and Irregularity**

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- 14.1 The Council will not tolerate internal or external fraud and corruption in the administration of its responsibilities.
- 14.2 The Chief Finance Officer and the Head of Finance/Revenues and Benefits shall be notified immediately by the relevant Head of Service of any suspected irregularity concerning cash,

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stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council. The Chief Finance Officer shall take such steps as he or she considers necessary by way of investigation and report.

- 14.3 Should it be found that any major irregularity has occurred or is occurring, the Chief Finance Officer shall immediately inform the Chief Executive, Leader and the Chair of the Policy, Finance and Development Committee.
- 14.4 The Chief Finance Officer and the Chief Executive will be responsible for deciding whether any irregularity shall be referred or reported to the Police.
- 14.5 All employees and Members of the Council have a responsibility to bring to the attention of the Finance Manager/ Chief Finance Officer any suspected irregularity. It is not Officers'/ Members' responsibility to investigate such suspicions as this could prejudice any investigation.
- 14.6 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.
- 14.7 The Chief Finance Officer has overall responsibility for:
- 14.7.1 Developing and maintaining an Anti-Fraud and Corruption Policy;
  - 14.7.2 Developing and maintaining a Whistle Blowing Policy;
  - 14.7.3 Maintenance of a register of interests and a register for recording gifts or hospitality.
- 14.8 Management Team will instigate the Council's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

### **15. Insurances and Risk Management**

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**Contact: Insurance – Head of Finance, Revenues and Benefits**

**Risk Management – Chief Finance Officer**

- 15.1 **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,

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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 managed identified risks and then recommending the action the organisation needs to take to control these risks effectively.

- 15.2 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.
- 15.3 The Chief Finance 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.
- 15.4 **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.
- 15.5 The Chief Finance 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.
- 15.6 It is the responsibility of Heads of Service to establish sound arrangements, consistent with guidance given by the Chief Finance 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.
- 15.7 **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.
- 15.8 **Intellectual Property** – Intellectual Property is a generic term that includes inventions and writing. If these are created by the employee in the course of employment, then, as a

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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.

- 15.9 The Chief Finance 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.
- 15.10 Insurances – Arrangements for insurances shall only be made through the Chief Finance Officer who shall arrange such insurances as considered necessary to protect the Council's interests.
- 15.11 The Chief Finance 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.
- 15.12 Management Team are responsible for ensuring that the Chief Finance Officer is notified of all new risks which require insurance and any alterations affecting existing insurances.
- 15.13 Management Team shall be responsible for notifying the Chief Finance Officer, in a form prescribed by the Chief Finance Officer, as soon as possible of any loss, liability or damage or any event likely to lead to a claim.
- 15.14 The Chief Finance Officer shall negotiate all claims made by the Council against insurers.
- 15.15 Employees of the Council shall be included in a fidelity guarantee policy suitable to the roles they perform.

### **16. Estates**

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**Contact: Head of Built Environment**

- 16.1 The Head of Built Environment 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.

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16.2 The Head of Planning, Development and Regeneration shall be responsible for the safe custody of all title deeds, formal contracts and agreements under secure arrangements agreed with the Chief Finance Officer.

### **17. Salaries and other Emoluments**

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**Contact: Deputy Chief Executive**

17.1 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 Deputy Chief Executive under arrangements approved and controlled by him.

17.2 Heads of Service are responsible for ensuring that the Head of People and Performance is notified as soon as possible of all matters affecting the payment of such sums, and in particular:

17.2.1 Appointments, resignations, dismissals, suspensions, secondments and transfers.

17.2.2 Absences from duty for sickness or other reason, apart from approved leave.

17.2.3 Changes in remuneration, pay awards and agreements of general application.

17.2.4 Information necessary to maintain records of service for pension, income tax, National Insurance and the like.

17.2.5 Untaken or excessive leave when officers leave the employment of the Council.

17.3 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.

17.4 All time keeping, or other records affecting the pay of an employee, shall be in a form approved by the Chief Executive.

17.5 All time keeping or other records relating to hours worked or leave taken shall be completed by the employee that they relate to, except in the case of illiteracy where they can be completed by a supervisor and certified to that effect.

17.6 An authorised officer shall certify all timesheets, or other records affecting the pay of an employee. Heads of Service shall notify the Chief Finance Officer / Finance of those officers

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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.

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

### **18. Petty Cash, Change Floats and Postages**

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**Contact: Head of Finance, Revenues and Benefits**

- 18.1 A central Petty Cash Account on an imprest basis shall be maintained by the Chief Finance Officer for the purposes of minor disbursements. Vouchers submitted through this account shall be examined and certified in compliance with Regulation 18.3. In all cases, where applicable, receipts supporting the claim shall be attached to the voucher.
- 18.2 No income, except imprest reimbursements, shall be paid into petty cash accounts or cash floats.
- 18.3 Cash reimbursement shall be limited to minor items of expenditure not exceeding £30 (or any other limit specified by the Chief Finance 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.
- 18.4 Officers responsible for change or petty cash floats shall produce on request any record and balance to the Chief Finance 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 Finance Officer.
- 18.5 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.
- 18.6 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 Finance Officer or transferred to another employee.



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- 18.7 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.
- 18.8 Corporate Credit Cards shall be issued to a nominated Officer whose duties require one. The Chief Finance Officer shall ultimately decide to whom credit cards will be issued and withdrawn.
- 18.9 The Chief Finance 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 will be made on credit card payments by the Finance Manager.

### **19. Travelling and Subsistence Allowances**

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**Contact: Deputy Chief Executive**

- 19.1 Payment of Travelling and Subsistence allowances shall be made in accordance with current Oadby and Wigston Borough Council policy. Details of the current policy are available from Human Resources.
- 19.2 The Deputy Chief Executive shall be responsible for paying any travelling and subsistence allowances and reimbursement shall be made through the payroll.
- 19.3 Claims from Officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made on a form specified by the Chief Finance 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 Finance Officer. Managers must ensure that all claims are complete before authorising e.g. milometer readings.
- 19.4 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.
- 19.5 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 Finance Officer. Authorisation shall be in the form of a signature and not initials.

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- 19.6 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 Finance Officer. Subsistence allowances will not be reimbursed for alcoholic drinks.
- 19.7 Officers using rail travel shall obtain a travel warrant from the Chief Finance 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.
- 19.8 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.

### **20. Assets and Inventories**

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**Contact: Chief Finance Officer**

- 20.1 **Assets** – it is the responsibility of the Chief Finance 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 Finance Officer responsibility to ensure that assets are valued in accordance with relevant guidance.
- 20.2 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.
- 20.3 **Inventories** – Inventories shall be maintained by Service for all establishments as follows:
- 20.3.1 The Chief Finance 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

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purchase, at the time of disposal and that an annual check of all items on the inventory takes place.

20.3.2 The Chief Finance 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.

20.4 The extent to which the inventory shall record items specified within 20.1 above shall be in a form determined by the Chief Finance Officer.

20.5 **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.

20.6 **Surplus** – 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 Finance Officer believe another method would be in the best interest of the Council. All disposals should be notified to the Chief Finance 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.

20.7 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.

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- 20.8 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.
- 20.9 The property of the Council specified within 20.1 above shall not be used other than for legitimate Council business.

### **21. Income**

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**Contact: Head of Finance/Revenues and Benefits**

- 21.1 The Chief Finance Officer shall make and maintain adequate arrangements for:
- The organisation and accounting necessary to ensure the proper recording of all sums due to the Council.
  - The custody, control, disposal and proper accounting of all cash received by the Council through any Service.
- 21.2 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.
- 21.3 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 Finance Officer.
- 21.4 All receipts, tickets, voucher or other document prescribed by the Chief Finance Officer shall be sequentially pre-numbered.
- 21.5 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.
- 21.6 All official receipts forms, books, tickets and other documents of a similar nature shall be ordered, controlled and issued by the Chief Finance Officer, and a register shall be maintained for this purpose. The Chief Finance Officer shall also make any necessary checks to ensure that all receipts issued have been accounted for.
- 21.7 Every Officer who receives monies on behalf of the Council shall pay the monies to the Chief Finance Officer who shall then arrange for it to be banked. All cash over £50 received at

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Council Offices, Wigston, by an officer of the Council must be banked via the Council's Kiosk, currently located in the Reception Area. This must be done on the day the cash is received or if the Kiosk is not available the next clear working day.

- 21.8 All cheques received at Council Offices, Wigston, should be banked/ sent to the Council's Cashiering service the next available clear 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.
- 21.9 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 Finance Officer once the account has been checked and balances agreed.
- 21.10 The Chief Finance 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.
- 21.11 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 debtor's invoice is promptly raised.

- 21.12 The Chief Finance Officer, in conjunction with the relevant Head of Service, shall determine those goods or services where sundry debtors may be raised.
- 21.13 Heads of Service shall be responsible for ensuring that all debts raised by their Service are collected promptly.
- 21.14 Chief Finance 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.

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21.15 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.

### **22. Recovery and Write-Off of Debts**

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**Contact: Head of Finance/Revenues and Benefits**

- 22.1 The Council shall have a policy for recovery approved by the Chief Finance Officer and the Policy, Finance and Development Committee.
- 22.2 Heads of Service are responsible for ensuring that all debts are collected in accordance with the laid down policy.
- 22.3 The Chief Finance Officer shall be responsible for providing Service with details of all debts outstanding.
- 22.4 A debt, which is properly due to the Council and deemed irrecoverable, shall only be written off as follows:
- Debts of less than £5,000 with the approval of the Chief Finance Officer or his appointed nominee.
  - Debts of £5,001 and less than £10,001 with the approval of the Chief Finance Officer or his appointed nominee and the Chair of the Policy, Finance and Development Committee.
  - 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.
  - These regulations apply to debts including Council Tax, housing and garage rents.
- 22.5 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

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of Service. The Chief Finance Officer shall make such checks as he considers necessary on the procedures used.

- 22.6 Heads of Service, in consultation with the Chief Finance Officer, shall be responsible for ensuring that sufficient budgetary provision is made for bad debts.
- 22.7 Distress proceedings for recovery of Council Tax, Business Rates and warrants for committal to prison shall be instituted by the Chief Finance Officer. The Head of Corporate Resources shall institute Court proceedings for the recovery of other monies due to the Council.

### **23. Banking Arrangements and Cheques**

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**Contact: Head of Finance/Revenues and Benefits**

- 23.1 All arrangements for banking services shall be made through the Chief Finance Officer. The Committee shall approve the bankers and the accounts to be used.
- 23.2 All cheques or other instructions issued on behalf of the Council shall bear the impression or manuscript signature of the Chief Finance Officer with a proviso that cheques for £10,000 shall also bear the impression or manuscript signature of an officer(s) approved by the Chief Finance Officer.
- 23.3 The Chief Finance Officer shall be responsible for the ordering and control of all cheques. The Chief Finance Officer shall make sufficient arrangements for the safe custody of blank cheques and the control and reconciliation of those issued.
- 23.4 The Chief Finance 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 Head of Finance/Revenues and Benefits and signed off on a timely based.
- 23.5 Opening or closing any bank account shall require the written approval by the Chief Finance Officer and one other authorised signatory.

### **24. Security and Safes**

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**Contact: Head of Finance, Revenues and Benefits**

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- 24.1 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 Finance Officer and shall be sufficient enough to minimise losses arising from any cause.
- 24.2 Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Chief Finance Officer and shall not be exceeded without express permission and with regard to the appropriate insurance limit.
- 24.3 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 Finance Officer.
- 24.4 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 Finance Officer.
- 24.5 All safes shall be specified by the Chief Finance Officer after consultation with the Council's insurers.
- 24.6 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.
- 24.7 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.
- 24.8 Every Officer shall comply with any instructions issued from time to time on building security.



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### **25. Document Retention**

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**Contact: Chief Finance Officer**

25.1 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 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.

### **26. Receipt of Gifts, Gratuities and Hospitality – General Guidance**

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**Contact: Head of Law and Democracy**

26.1 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.

26.2 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.

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

26.4 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.

26.5 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 Finance Officer.

26.6 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.

### **27. Payment of Accounts**

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### **Contact: Head of Finance, Revenues and Benefits**

- 27.1 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 Finance Officer may specifically approve.
- 27.2 Orders must be raised electronically and approved by an authorised Officer with the relevant financial delegation.
- 27.3 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.
- 27.4 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.
- 27.5 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.
- 27.6 Certifying Officers shall, before certifying an account for payment, be satisfied that:
- The official ordering procedure, as detailed in Regulation 25, has been observed and that Contract Procedure Rules have been complied with.
  - 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.
  - The prices, extensions, calculations, trade discount, other allowances, credits and tax are correct.
  - The expenditure has been properly incurred, has been charged to an appropriate account and is within the relevant estimate provision.

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- Appropriate entries have been made in inventories, stores records or stock books as required.
- The account has not been previously passed for payment and is a proper liability of the Council.

- 27.7 Only invoices with an official order shall be paid unless an additional certification has been obtained from the relevant Head of Service.
- 27.8 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.
- 27.9 All payments drawn on the Council's bank account shall be authorised by the Chief Finance Officer or a person nominated by him or her.
- 27.10 Any payment by cheque for £10,000 or more shall also bear the impression or manuscript signature of an officer(s) approved by the Chief Finance Officer.
- 27.11 The Chief Finance 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.
- 27.12 The Chief Finance 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.
- 27.13 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 Finance Officer.
- 27.14 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 Finance Officer. They are also responsible for ensuring that the Chief Finance 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.
- 27.15 Accounts for payment shall only be processed and paid on receipt of a properly certified invoice or other approved document.

## **PART 4 | SECTION 8 - FINANCIAL PROCEDURE RULES (FINANCIAL REGULATIONS)**

- 27.16 Authorised Officers shall use their signature for certification purposes and not their initials.
- 27.17 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.
- 27.18 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 Finance Officer. In all cases the certifying officer shall document the reason for urgency on, or attached to, the invoice.
- 27.19 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.
- 27.20 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.
- 27.21 Heads of Service shall, by a date specified by the Chief Finance Officer each year, supply details of all outstanding expenditure and income relating to the previous financial year to the Chief Finance Officer.
- 27.22 The Chief Finance 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. He shall report any instances of non-compliance to the Chief Finance Officer.
- 27.23 The Chief Finance 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 para 27.18)

## **PART 4 | SECTION 8 - FINANCIAL PROCEDURE RULES (FINANCIAL REGULATIONS)**

27.24 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 Finance Officer. Any queries regarding VAT should be referred to the Finance Manager.

### **28. Stocks and Stores**

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**Contact: Head of Finance, Revenues and Benefits**

- 28.1 Each Head of Service shall be responsible for the care and custody of the stocks and stores in his/her Service.
- 28.2 Heads of Service shall furnish the Chief Finance Officer with details and a signed certificate of the value of stores held in their department at the end of each financial year.
- 28.3 Stores shall be valued in accordance with accounting policies adopted by the Chief Finance Officer.
- 28.4 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.
- 28.5 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.
- 28.6 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.
- 28.7 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 Finance Officer shall carry out such independent checks as 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 Finance Officer.
- 28.8 Individual deficiencies that exceed £500 shall be reported to the Chief Finance 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.

### **29. Ordering Works, Goods and Services – Contracts and Agreements**

**PART 4 | SECTION 8 - FINANCIAL PROCEDURE RULES (FINANCIAL REGULATIONS)**

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**Contact: Head of Finance, Revenues and Benefits**

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

**30. Amendments and Waivers to Financial Regulations**

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**Contact: Chief Finance Officer**

30.1 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.

30.2 The waiving of Financial Regulations must be approved by the Chief Finance 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.

30.3 The Chief Finance Officer shall formally review these Regulations at regular intervals.