

**PROPOSALS TO MAKE CHANGES TO THE FINANCIAL REGULATIONS
AND CONSTITUTION**

EXECUTIVE MEMBER: Cllr. Elaine Woodburn, Leader of the Council
LEAD OFFICER: Georgina Ayling, Head of Finance & Business
 Development
REPORT AUTHOR: Carole Carre, Accountancy Services Project Manager

Summary and Recommendation:

This report advises the Executive of further proposed changes to the Constitution, Financial Regulations and Contract Standing Orders and seeks the Executive's comments prior to submission to Full Council.

1. INTRODUCTION

- 1.1 On 17 October 2007 the Resource Planning Working Group approved proposed changes to the current Constitution and Financial Regulations in respect of Virement procedures. These changes were proposed in support of the Good Governance Standard for Public Services adopted by the Council. The proposals were considered by the Executive on 31 October 2007 and were ratified by Full Council on 6 November 2007.
- 1.2 This report proposes some additional changes to the Constitution and Financial Regulations and Contract Standing Orders to further strengthen and define the level of delegation by the Council to the senior management team, to streamline financial processes, and to reduce some of the unnecessary administrative burdens on Members.
- 1.3 The proposals relate to the treatment of year end balances and the approval processes in respect of certain specific procedures and transactions. Each of the proposals contained in this report has been reviewed by Internal Audit in order to ensure that internal controls are not compromised.

2. POLICY AND ACCOUNTABILITY FRAMEWORK

- 2.1 The changes proposed in this report will strengthen and improve the Council's governance in which Members drive policy and Corporate Team are held to account to members for implementing the policy and effective operations for delivery of the policy.

- 2.2 The full Council, as advised by the Executive, sets Council policies, agrees corporate plans (and hence service planned outcomes) and budgets for their delivery. Members are responsible to the local community for the decisions that they make on their behalf, and monitor the delivery of corporate and service plans through the quarterly monitoring reports provided to the Executive.
- 2.3 Corporate Team is responsible for the implementation of policies, corporate and service plans, working within budgetary constraints; they are accountable to the full Council, working with Portfolio Holders and the Executive in the delivery of these policies and plans.

Senior management report performance to the Executive on a quarterly basis, and hold regular meetings with Portfolio Holders to update them on how they are delivering against service plans.
- 2.4 Overview and Scrutiny Committees oversee the processes of setting and implementing policies, plans, and budgets, providing scrutiny and challenge.
- 2.5 Internal and External Audit review controls, processes, and outcomes providing assurance to Council and to Corporate Team on the robustness of the procedures for monitoring and control, and external validation of outcomes.

3. PROPOSAL

3.1 The changes proposed will, if accepted: -

- Remove the requirement for detailed reporting of some year end procedures and adjustments prior to the production of final accounts.

This will assist in the achievement of streamlined year end processes thereby facilitating earlier closedown processes as required by Government.

- Further clarify and segregate the policy decision making role of Members from the operational delivery of policies by the Corporate Team and officers.

This will strengthen the corporate governance of the Council and ensure that the responsibility for the delivery and management of operational matters is delegated to the paid officers.

- Simplify existing processes in order to allow managers to manage the delivery of approved corporate and service plans within the approved budget and policy constraints.

This will facilitate corporate and service plan delivery and support customer focus.

3.2 In respect of year end procedures, the proposals are that: -

- Corporate Team be responsible for the approval of year end carry forwards and balances on budgets, in line with approved policy and the identified risks as accounted for in the reserves strategy, which is currently being reviewed.
- that year end budget variances and any carry forward greater than £10,000 will be reported to Council in the annual outturn report. This will allow another opportunity for monitoring the delivery of priorities.

3.3 In respect of specific procedures and processes the proposals are:-

Deleted: ¶

- the paragraphs in the Constitution that refer to statutory requirements in relation to the Council's financial administration, and which are also included in the Financial Regulations, should be amended in the Constitution to be consistent with the legislation where the Council's Chief Finance Officer (Head of Finance and Business Development) is responsible for the administration of the Council's financial affairs, and that the Deputy Section 151 Officer shall be an individual named and authorised by the S151 Officer;
- the Head of Finance and Business Development shall be responsible for establishing procedures and practices in relation to the accounting and financial policies established by the Council;
- that the Council shall formally approve and adopt the Council's accounting and financial policies;
- that monthly high level budget and risk monitoring reports shall be presented to the Executive and the Leader of the Opposition.

3.4 It is anticipated that, as a result of these proposals the current requirement that the write off of all debts over £2,500 requires approval by the Executive will no longer apply.

Draft proposals envisage this operational function falling to Heads of Service, to be carried out with due regard to the Council's approved Debt Policy as established by the Executive.

Comment [c1]: Have we got a debt policy?

It is also envisaged that the requirement to report the write off of all debts over £1,500 to Scrutiny will be removed. An analysis of write offs will be summarised and reported to the Executive on a quarterly basis.

- 3.5 It is proposed that the Council's existing Contract Standing Orders be updated to reflect the following changes:-
- For contracts over £10,000 and under £50,000, a minimum of 3 written quotes must still be obtained but without a requirement to advertise. The service manager may accept a tender that is not the most economically advantageous, provided that the reason for the decision is explained in a report to the next Executive with reference to the Council policies / strategies which may be relevant.
 - For contracts over £50,000, existing contract standing orders will apply, with the exception of the requirement to report to the Executive. Provided that the transaction is in line with the approved budget, policy, and service plans and that the manager placing the order and approving the payment is authorised to do so, a further level of specific approval should no longer be required.
 - All contracts with a value of £100,000 or more must be approved by the Chief Executive prior to the offer being made, in order to ensure the Council's legal position is not compromised.
- 3.6 The proposed revisions to Financial Regulations are attached at Appendix 1. Any approved changes will be closely monitored and reviewed after 6 months by the Overview and Scrutiny Committees, as agreed by the full Council on 6 November 2007. Members should note that further revisions will be necessary to the wording of Financial Regulations in order to reflect procedural changes arising from the implementation of the new financial system.
- 3.7 Draft revisions to Contract Standing Orders will be brought to the Executive at a later date.
- 3.8 If the proposals contained in this report are approved, approval will also be sought to make any changes to the wording of the Constitution required as a consequence, together with any additional further changes to Financial Regulations arising from the implementation of the new financial system.

4. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 4.1 There are no financial or human resource implications arising as a result of this report.

5. IMPACT ON CORPORATE PLAN

- 5.1 By supporting a more effective use of member and staff resources, this proposal will help to secure delivery of the Corporate Plan.

List of Appendices

Appendix 1 : Draft Financial Regulations

List of Background Documents:

List of Consultees: Corporate Team; Leader of the Council

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	None
Impact on Sustainability	None
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	None
Children and Young Persons Implications	None
Human Rights Act Implications	None
S.151 Financial Monitoring Officer's comments	<p>The proposed changes will strengthen the triangulation process (Executive, Corporate Team and Overview and Scrutiny Committee), to ensure effective arrangements for:</p> <ul style="list-style-type: none">• identifying and managing risks to achieve priority outcomes• taking a cross cutting approach to tackling efficiencies, implementing priorities and reacting to opportunities as they arise

EXE 27 11 07
Item 9

Monitoring Officer's comments	The proposals in respect of Contract Standing Orders have been discussed with the Head of Legal and Democratic Services
-------------------------------	---

Is this a Key Decision NO

COPELAND BOROUGH COUNCIL

FINANCIAL REGULATIONS

Contents

Section	Title	Page
A	Introduction & status of financial regulations	1
B	Financial Management	4
C	Financial Planning	9
D	Risk Management & Control of Resources	12
E	Financial Systems and procedures	19
F	External Arrangements	28
G	Index	30

Approved by Council, xx xxxxxxxx 2007

Deleted: ¶

Deleted: 27 June 2006

Deleted: 27 June 2006

DRAFT 1

A INTRODUCTION & STATUS OF FINANCIAL REGULATIONS

- A1** Financial regulations provide the framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf. Deleted: a
Deleted: m
Deleted: o
Deleted: a
- A2** The regulations identify the financial responsibilities of the full Council, Executive and Overview and Scrutiny Members, the Chief Executive (as Head of Paid Service), the Head of Legal and Democratic Services (as Monitoring Officer), the Head of Finance and Business Development (as Section 151 Officer), other Heads of Service and other employees. Deleted: m
Deleted: Head of Finance &
Deleted: s
- A3** 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 Deleted: m
- A4** The Head of Finance and Business Development is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the full Council for approval. Deleted: Head of Finance &
- A5** The Head of Finance and Business Development is responsible for issuing advice, training and guidance to underpin the Financial Regulations that Members and Officers are required to follow. Departmental Heads are responsible for ensuring that all staff in their departments are aware of the existence and content of the authority's financial regulations and other internal regulatory documents and that they comply with them. Deleted: Head of Finance &
Deleted: m
- A6** Failure of Officers to comply with these Regulations may constitute misconduct or gross misconduct, depending on the circumstances of the case in question, and may result in disciplinary action being taken in accordance with the Council's Disciplinary Procedure. Deleted: o
- A7** All Council employees must seek to achieve best value and shall give appropriate consideration to:-
- Acquiring resources at an appropriate quality for the minimum cost.
 - Ensuring that the maximum output is obtained from the resources devoted to an activity.
 - Ensuring that the output from any activity is achieving the desired result or target set.
 - How each activity fits within the corporate objectives and how performance can be compared objectively and by the more subjective views of the local community

DRAFT 1

A8 A Head of Service/ Manager may delegate any of his/her responsibilities under these financial regulations to another appropriate Officer, Head of Finance and, For the purposes of these regulations, Manager relates to those Officers reporting directly to a Head of Service

Deleted: m

Deleted: o

Deleted: Such delegations must be in writing and made in consultation with the Head of Finance and

A9 Where Consultants or Contractors incur expenditure on the Council's behalf, they will be required to observe these Financial Regulations. The appointing Officer is responsible for ensuring that the Consultant or Contractor complies with Financial Regulations.

Deleted: Business Development

Deleted: Service m

Deleted: o

Deleted: c

A10 These regulations should be read in conjunction with general Standing Orders, the Scheme of Delegation, Contract Standing Orders, Employee Code of Conduct and the Project Management Guidance Manual.

Deleted: are engaged to work on behalf of the Council,

Deleted: o

Deleted: o

A11 This revision, approved at Council on xx xxxxxx 2007, is effective from xx xxxxxx 2007. Should you be in any doubt over financial regulations, please consult the following Officers for guidance. Key contacts are:

Deleted: \

Deleted: m

Deleted:

Deleted: 27 June 2006

Deleted: 28

Deleted: June

Deleted: 2006

Deleted: o

Head of Finance and Business Development

x

Accountancy Services Manager

x

Accountant

x8461

Accountant

x

Audit & Fraud Prevention Manager

x8465

B: FINANCIAL MANAGEMENT**B1 Introduction**

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

B2 Full Council

The full Council is responsible for adopting the Authority's Constitution and Members' Code of Conduct and for approving the policy framework and budget within which the Executive operates. It is also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and control. The framework is set out in its Constitution. The full Council is also responsible for monitoring compliance with the agreed policy and related Executive decisions.

Deleted: a

Deleted: c

Deleted: m

Deleted: c

Deleted: c

Deleted: a

Deleted: c

The full Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council, the Executive and Committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

Deleted: c

B3 The Executive

The Executive is responsible for proposing the policy framework and budget to the full Council, and for discharging Executive functions in accordance with the policy framework and budget. Any decisions taken must take account of legal and financial liabilities and consider risk management issues that may arise from the decision.

Executive decisions can be delegated to a Committee of the Executive, an individual Executive Member, an Officer or a joint Committee

Deleted: m

Deleted: o

B4 Overview and Scrutiny Committees

The Overview and Scrutiny Committees are responsible for scrutinising Executive decisions before or after they have been implemented and for holding the Executive to account. The Overview and Scrutiny Committees are also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Authority.

Deleted: Boards

Deleted: Boards

Deleted: a

B5 Standards Committee

The Standards Committee is established by the full Council and is responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it is responsible for advising the Council on the adoption and

DRAFT 1

revision of the Members' Code of Conduct, and for monitoring the operation of the Code.

Deleted: m

Deleted: c

Deleted: c

Deleted: c

B6 Functions delegated to panels

Panels implement Council policy and may make recommendations for changes in policy in their areas of interest to Executive. An exception to this rule is the Licensing Panel, which by the nature of its work, has power to make, vary and revoke policy and conditions relating to types of licence within its remit

Deleted: c

Deleted: e

B7 Head of Paid Service (Chief Executive)

This statutory role is held by the Chief Executive, and is responsible for the corporate and overall strategic management of the Council. He/she must report to and provide information for the full Council, Executive, Overview and Scrutiny Committees and other Committees. He/she also has responsibility for establishing a framework for management direction, style and standards, and for monitoring the overall 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 Council's decisions. Further details are given in Article 10.02 to the Constitution.

Deleted: F

Deleted: z

B8 Monitoring Officer (Head of Legal & Democratic Services)

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

Deleted: R

Deleted: F

Deleted: e

The Monitoring Officer must ensure that Executive decisions are made public and that Council Members are aware of Executive decisions and of those made under delegated powers.

The Monitoring Officer, in conjunction with the Head of Finance and Business Development, has responsibility for advising Council/Executive on whether a decision is likely to be contrary to or not wholly in accordance with the budget and policy framework.

Deleted: Head of Finance &

He/she is also responsible for maintaining an up to date constitution. Further details of responsibilities can be found in Article 10.03 to the Constitution

B9 Section 151 Officer (Head of Finance and Business Development)

Deleted: Head of Finance &

The Head of Finance and Business Development 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.

Deleted: Head of Finance &

Deleted: ¶
¶Deleted: ¶
¶

Deleted: 1996

The Local Government Finance Act 1988

The Local Government and Housing Act 1989

The Accounts and Audit (Amendment) (England) Regulations, 2006

The Head of Finance and Business Development is responsible for:

Deleted: Head of Finance &

- The proper administration of the Council's financial affairs
- Advising Council/Executive, in conjunction with the Monitoring Officer, on whether a decision is likely to be contrary to or not wholly in accordance with the budget and policy framework.
- Setting and monitoring compliance with financial 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
- Preparing medium term financial plans
- Treasury Management
- Advising the Council in formulating a plan or Strategy for the control of borrowing, investment, or capital expenditure.

Deleted: ed

Deleted: e

Section 114 of the Local Government Finance Act 1988 requires the Head of Finance and Business development to report to Council, Executive and to the external auditor if the Council or one of its Officers:-

Deleted: Head of Finance &

Deleted: e

Deleted: o

- 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 Council.
- Is about to make an unlawful entry in the Council's accounts.

Deleted: ;

Section 114 also requires:-

- The Head of Finance and Business Development to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally.
- The Council to provide the Head of Finance and Business Development with sufficient staff, accommodation and other resources to carry out these statutory duties.

Deleted: Head of Finance &

Deleted: d

Deleted: Head of Finance &

B10 Directors & Heads of Service

They are responsible for:-

- Ensuring that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Head of Finance and Business development.
- Liaising with the Head of Legal & Democratic Services in relation to the signing of any contracts on behalf of the Council.

Deleted: m

Deleted: Head of Finance &

Deleted: d

Deleted: s

Deleted: Directors and Heads of Service must consult either the Head of Finance & Business Development and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

B11 Accounting records and returns

The Head of Finance and Business Development is responsible for determining the accounting procedures, processes, and records maintained for the Authority.

Deleted: f

Deleted: Head of Finance &

Deleted: a

B12 The Annual Statement of Accounts

The Head of Finance and Business Development is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

Deleted: Head of Finance &

Full Council or an approved Audit Committee (if in place) is responsible for approving the Statement within the statutory timescales.

B13 Virement

Virement is a temporary re-alignment of budgets, allowable provided that there is no change in Council policy and that there is no additional financial commitment for future years.

Deleted: Full Council is responsible for agreeing procedures for transferring revenue budget provision between budget headings (subsequently known as "virement")

Virement will operate as follows:

Head of Finance and

- Section Managers may re-align budgets across their cost centres but within the boundaries of financial policies, regulations, procedural rules and the scheme of delegation as agreed with their Head of Service;
- Heads of Service may re-align budgets across services within their area of jurisdiction but within the boundaries of financial policies,

Deleted: Head of Services can exercise Virement up to £10,000 within a single portfolio following consultation with the relevant portfolio holder and Head of Finance &

Deleted: Business Development provided there is no change in Council

Deleted: Policy and no additional financial commitment for future years.

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

DRAFT 1

regulations, procedural rules and the scheme of delegation as agreed with their Director;

- Directors may re-align budgets across Service Heads within their area of jurisdiction but within the boundaries of financial policies, regulations, procedural rules and the scheme of delegation as agreed with the Chief Executive.
- If the proposal is likely to affect the services of another Head of Service, then it will only be implemented with the agreement of the Chief Executive, in consultation with the relevant Portfolio Holder. The exception to this is as follows;

Ex CCT contracts (Grounds Maintenance, Refuse Collection – The Head of Leisure & Environmental Services is allowed to incur operational revenue expenditure against a specific activity as long as it is financed by income generated by that activity, as demonstrated by a business case, and agreed with the Head of Finance and Business Development

All virements must be notified to the Accountancy section, in order that adjustments to monitoring reports may be made and Members duly informed, as part of the process for reporting financial performance.

Formatted: Bullets and Numbering

Deleted:

Deleted: other

Formatted: Bullets and Numbering

Deleted: that Departmental Head

Deleted: s

Deleted: in consultation

Deleted: H

Deleted: h

Deleted: ead of Finance &

Deleted: No virement from or to a staffing budget is allowable without Executive approval

B14 Treatment of year-end balances

Where a Manager wishes to carry forward and use a surplus, this request must be supported by the relevant Director and approved by the Head of Finance and Business Development. Any deficits at year-end will be reported to Executive and Council.

The Head of Finance and Business Development may also allow commitment or, exceptionally, spending of approved budgets before 1 April. Written approval is required.

Deleted: The full Council is responsible for agreeing procedures for carrying forward under-and overspendings.

Deleted: service

Deleted: m

Deleted: executive

Deleted: Head of Finance and

Deleted: The same will apply to any distribution of a surplus.

Deleted: Head of Finance &

B15 Emergencies and essential expenditure

The provisions of these regulations shall not prevent the Chief Executive, a Director, or Head of Service in consultation with the Head of Finance and Business Development where appropriate and practicable, from incurring revenue expenditure which is essential to meet any immediate need created by a sudden emergency or a situation related to Section 138 of the Local Government Act 1972 in accordance with the procedures in the Council's Standing Orders

Deleted: or a

Deleted:

Deleted: Head of Finance &

DRAFT 1

The Executive, a Committee, an individual Member of the Executive or Officers discharging Executive functions may take a decision which is contrary to the Council's policy framework or contrary or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:

- if it is not practical to convene a quorate meeting of the full Council; and
- If the chair of a relevant Scrutiny Committee agrees that the decision is a matter of urgency. In the absence of either party, consent of the Mayor is required.

All reasons for the decision should be documented and an urgent action form completed. This then needs to be reported to the next full Council explaining all relevant circumstances.

Specific procedures for emergency and urgent contracts as detailed in Contract Standing orders 12 and 13. Urgent Business procedures are detailed under Standing Order 18.

B16 Accounting policies

The Head of Finance and Business Development is responsible for selecting accounting policies and ensuring that they are applied consistently. **C FINANCIAL PLANNING**

C1 Introduction

Full Council is responsible for agreeing the Council's budget and policy framework as approved by the Executive. In terms of financial planning, the key elements are the revenue budget and the capital programme:

C2 Budget & policy framework and budget format

Full Council is responsible for approving the budget & policy framework as detailed in the Constitution. Executive will publicise a timetable for making proposals to Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework

The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax Base, setting the Council Tax, decisions relating to the control of the Council's borrowing requirements and the control of its capital expenditure.

Full Council is also responsible for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. These procedures are set out in the Constitution.

Deleted: c

Deleted: m

Deleted: e

Deleted: o

Deleted: e

Formatted: Bullets and Numbering

Deleted: s

Deleted: c

Deleted: F

Deleted: Head of Finance &

Deleted: 1
1

Deleted: B

Deleted: P

Deleted: P

Deleted: B

Deleted: P

Deleted: Part 4c of

Deleted: B

Deleted: as set out in the Budget Book and Capital Programme

Deleted: and

Deleted: ,

Deleted: and setting of virement limits

Deleted: approving procedures for agreeing variations to approved budgets plans and strategies forming the policy framework and for

The Executive is responsible for taking in-year decisions on priorities in order to deliver the budget policy framework within the financial limits set by the Council.

Deleted: Full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another.

Deleted: resources and

C3 Budget preparation

The Head of Finance and Business Development is responsible for ensuring the preparations of an annual revenue budget and a general revenue and capital forecast on a three-yearly basis, for consideration by the Executive, before submission to the full Council

Deleted: C3 Budget format

The general format of the budget will be approved by Full Council, following consideration by the executive on the advice of the Head of Finance & Business Development. The draft budget will include allocation to services, budget heads and projects, proposed Council Tax and contingency funds.

It is the responsibility of the Heads of Service to ensure that budgets reflecting service plans are submitted to the Head of Finance and Business Development in line with guidance he/she has issued.

Deleted: 4

Deleted: Head of Finance &

Deleted: at

Deleted:

Deleted: is prepared on an annual basis

Deleted: Head of Finance &

Deleted: 5

Deleted: s

Deleted: /

Deleted: h

Deleted: Head of Finance &

Deleted:

Deleted: Head of Finance &

Deleted: service

Deleted: service

C4 Budget monitoring and control

Once approved by the Council the revenue budget gives authority for expenditure to be incurred for the amounts shown in the budget. It is the responsibility of Heads of Service and Budget Holders/Managers, to control expenditure/income within their area and to monitor performance taking account of financial information provided by the Head of Finance and Business Development. They must also take any action necessary to avoid exceeding their budget allocation, taking due regard of the rules of virement and year end balances, and will notify the Head of Finance and Business Development of any budgetary problems. Only expenditure consistent with the corporate plan is allowed. Any exceptional requirement outside of the corporate plan must obtain approval from the Executive with the source of funding identified

Deleted: ¶

Deleted: Head of Finance &

The Head of Finance and Business Development is responsible for providing appropriate financial information and delivery of training needs to assist departmental heads in the effective monitoring of budgets. He/she must monitor the overall position on expenditure/income against budget allocations and report to Executive no less than twice yearly. These reports must include variances where they are or forecasted to be in excess of £10,000 of the latest approved budget. Virements will be reported to the Executive.

Deleted: e

Deleted: 10% or

Deleted:

Deleted: Members.

C5 Resource allocation

Deleted: 6

The Head of Finance and Business Development is responsible for developing and maintaining a resource allocation process that ensures due consideration of the policy framework.

Deleted: Head of Finance &

Deleted: P

C6 Preparation & control of the capital programme

Deleted: 7

DRAFT 1

The Head of Finance and Business Development is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by Executive before submission to the full Council and where practicable, on a three year rolling programme. The capital programme will take account of the budget and policy framework, the Medium Term Financial Strategy, Corporate Capital Strategy, and Asset Management Plan.

Deleted: Head of Finance &

Deleted: F

Deleted: B

Deleted: P

Deleted: F

Deleted: on the basis,

Capital schemes may only be committed after an assessment in the agreed standard format including an estimate of the associated revenue expenditure and income has been approved by the Executive and appropriate finance has been made available

Where it appears that any scheme in the capital programme will be overspent by less than 10% or below £20,000, which ever is the lower, after taking into account the ability to move capital budget resources between schemes, approval for the overspend can be made by the relevant Director, providing there is no material change to the scope of the project and resources are secured. Revisions required in excess of 10% or £20,000, where there is no material change to the scope of the project and resources are secured, require the approval of the Corporate Team. All requests for additional funds for the capital programme will require the approval of Executive.

Deleted: Inclusion in the capital programme confers authority to incur expenditure on

Deleted: planning and costing and tender preparation, providing that the cost of doing so does not exceed 15% of the total budget allocated. Apart from this the approval of Executive must be obtained before any work is commenced or commitments made.

Deleted: 1

Deleted: Head of Finance & Business Development

Deleted: 1

Deleted: Head of Finance and Business Development

Deleted: or

No capital expenditure which requires the approval of a Government Department, or other funding organisation, will be incurred until such approval has been received by Council or a written assurance from the issuing body has been received that such approval will be given in due course

The Head of Finance and Business Development is responsible for providing appropriate financial information and delivery of training to assist departmental heads in the effective monitoring of the capital programme. A monitoring report to Executive must be made no less than twice yearly. These reports must include variances where they are or forecasted to be in excess of 10% or £10,000 of the latest approved budget.

Deleted: Head of Finance &

Deleted: needs

C7 Guidelines on budget preparation

Guidelines on budget preparation are to be issued by the Head of Finance and Business Development.

Deleted: 8

Deleted: Head of Finance &

Deleted: The guidelines will take account of:

Available resources
Legal requirements
Medium-term planning prospects
Strategic plans
Spending pressures
Best value and other relevant government guidelines
Other internal policy documents
Cross-cutting issues (where relevant)

Deleted: 9

Deleted: a

C8 Adequacy of Reserves and Provisions

It is the responsibility of the Head Finance & Business Development to advise the Executive and/or the full Council on prudent levels of reserves for the Authority

D: RISK MANAGEMENT AND CONTROL OF RESOURCES**D1 Introduction**

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational and financial risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

D2 Risk Management

The Executive is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Head of Finance and Business Development is responsible for ensuring that adequate insurance cover is in place, where appropriate.

Deleted: a

Deleted: Head of Finance &

Deleted: e

Deleted: a

Deleted: proper

Deleted: exists

Deleted: and

The Chief Executive, Directors, Heads of Service and Service Managers are responsible for promoting risk management throughout the authority. The key controls for risk management are:-

(a) Procedures are in place to identify, assess, prevent, transfer or contain material known risks, and these procedures are operating effectively throughout the Authority

Deleted: a

(b) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis

(c) Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives

d) Provision is made for losses that might result from the risks that remain

(e) Procedures are in place to investigate claims within required timescales

(f) Acceptable levels of risk are determined and insured against where appropriate

(g) The Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Deleted: a

D3 Insurances

The ~~Head of Finance and Business Development~~ shall effect all insurance cover deemed necessary and negotiate all claims in consultation with other Officers where necessary.

~~Deleted: Head of Finance &~~

~~Deleted: a~~

~~Deleted: o~~

The Chief Executive, Directors, Heads of Service, and Service Managers shall give prompt notification to the ~~Head of Finance and Business Development~~ of all new risks, properties or vehicles or other assets on which insurance cover may be required and of all alterations which may affect existing insurances.

~~Deleted: and~~

~~Deleted: Head of Finance &~~

~~Deleted: to be insured~~

The Chief Executive, Directors, Heads of Service and Service Managers shall notify the ~~Head of Finance and Business Development~~ in writing of any loss, liability or damage or any event likely to lead to a claim and inform the police where appropriate.

~~Deleted: and~~

~~Deleted: forthwith~~

~~Deleted: Head of Finance &~~

The ~~Head of Finance and Business Development~~ shall periodically review all insurances in consultation with the Heads of Service as appropriate.

~~Deleted: Head of Finance &~~

The Chief Executive, Directors, Heads of Service and Service Managers shall consult the ~~Head of Finance and Business Development and Head of Legal and Democratic Services~~ regarding the terms of any indemnity which the Council is requested to give. Managers will notify the Insurance section prior to undertaking any external contract

~~Deleted: and~~

~~Deleted: Head of Finance &~~

~~Deleted: Solicitor to the Council~~

The Chief Executive, Directors, Heads of Service and Service Managers concerned shall notify the ~~Head of Finance and Business Development~~ in such form as he/she may require of any case known to him/her where steps are necessary to prevent or mitigate loss or damage of property not belonging to the Council but in their control.

~~Deleted: and~~

~~Deleted: Head of Finance &~~

D4 Internal Control

Internal control refers to the systems of control devised by management to help ensure 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.

~~Deleted: a~~

~~Deleted: a~~

The ~~Head of Finance and Business Development~~ 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 authorities that govern their use

~~Deleted: Head of Finance &~~

It is the responsibility of the Chief Executive, Directors and Heads of Service to establish sound arrangements for planning, appraising, authorising and

DRAFT 1

controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

D5 Audit Requirements

The Accounts and Audit Regulations 2006 require every local authority to maintain an adequate and effective internal audit service and the Audit Commission is responsible for appointing external auditors to each local authority.

Deleted: 3

Responsibility for maintaining an adequate and effective system of internal audit is delegated to the Head of Finance and Business Development. The Chief Executive, Directors and Heads of Service must ensure that agreed actions regarding audit recommendations are carried out in a timely and efficient manner.

Deleted: Head of Finance &

The Head of Finance and Business Development and Audit Manager or their authorised representatives shall have authority where necessary in the performance of Council duties to:

Deleted: Head of Finance &

- enter any Council premises or land in the occupation of the Council;
- have access to all records, documents and correspondence relating to any financial and other transaction of the Council;
- require and receive oral or written explanations from any employee as he/she thinks necessary concerning any matter under examination and;
- require any employee of the Council to produce cash, stores or any other Council property under his/her control.

Whenever any matter arises which involves, or is thought by any Council employee or Member to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity as to finance, property or advantages in the exercise of the functions of the Authority, the Director, employee or Member concerned shall forthwith notify the Head of Finance and Business Development and the Head of Finance and Business Development and Audit Manager shall, in consultation with the Chief Executive, take such steps as considered necessary.

Deleted: m

Deleted: m

Deleted: Head of Finance &

Deleted: Head of Finance &

The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Deleted: Customs and Excise and the Inland Revenue

D6 Preventing Fraud and Corruption

The Head of Finance and Business Development is responsible for the development, promotion and maintenance of an anti-fraud and anti-corruption policy. The Chief Executive, Directors, Heads of Service and Service Managers are responsible for reporting to the Head of Finance and Business

Deleted: Head of Finance &

Deleted: and

Deleted: Head of Finance &

DRAFT 1

Development all suspected irregularities and to instigate the appropriate disciplinary procedures where the outcome of an audit investigation indicates improper behavior.

D7 Assets – acquisition and security

Heads of Service and Service Managers must ensure that records and assets are properly maintained and securely held. They must also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

The Heads of Service and Service Managers are responsible for ensuring that proper arrangements exist for the security and care at all times of all buildings, stocks, stores, furniture, equipment, cash etc, under his/her control. He/she shall consult the Head of Finance and Business Development in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Deleted: Head of Finance &

Inventories shall be maintained by all service units of furniture, fittings and equipment, vehicles, plant and machinery, in a form and to such extent as prescribed by the Head of Finance and Business Development. Inventories shall include for each item the date of purchase and the purchase price.

Deleted: Head of Finance &

Maximum limits for cash holdings shall be agreed with the Head of Finance and Business Development and shall not be exceeded without his/her express permission.

Deleted: Head of Finance &

Keys to safes, cash boxes, and other receptacles in which money or valuables are secured will be kept in a locked key cupboard or carried on the person of those responsible at all times. The loss of any such keys will be reported to the Head of Finance and Business Development immediately.

Deleted: Head of Finance &

The Heads of Service and Service Managers shall be responsible for maintaining proper security and privacy of information contained in the financial records under their control including such information held on computer in accordance with the principles of the Data Protection Act. The Heads of Service shall have regard to any advice given by the Head of Legal and Democratic Services in his/her capacity as Data Protection Officer.

Deleted: Solicitor to the Council

Heads of Service and Service Managers shall have regard to the Council's ICT Security Policy in particular to the use of Council ICT property for personal use and ensure that only licensed software is used in systems under his/her control, and shall seek advice from the Head of Finance and Business Development as necessary. All purchases of ICT equipment and software must be made in accordance with the ICT Strategy and approved by the Head of Finance and Business Development or delegated nominee/s.

Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: d

DRAFT 1

The custody of securities, property deeds and other documents of title, will be the responsibility of the Head of Legal & Democratic Services. A register of Council land holdings shall be maintained by the Property section of all properties owned by the Council recording the purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest, rents payable, and tenancies granted. The Head of Finance and Business Development is responsible for maintaining an Asset Management Plan.

Deleted: l

Deleted: Head of Finance &

No lease, hire, rental or other financial arrangements of a similar nature will be entered into without the approval of the Head of Finance and Business Development.

Deleted: head of Finance &

Surplus materials, stores, vehicles, plant and equipment shall be disposed of in accordance with arrangements approved by the Head of Finance and Business Development. The current arrangements are set out in paragraph D8.

Deleted: Head of Finance &

Deleted: t

D8 Stocks and Stores

Stock levels shall not be in excess of normal requirements without the prior approval of the Head of Service or delegated nominee.

Stock and store records are to be kept in a form approved by the Head of Finance and Business Development. An annual stock take at 31st March will be carried out by each Service Manager independently of the Officer responsible for the stores. A written explanation of differences will be provided. The approval of the Head of Finance and Business Development or his/her authorised representative is required to write off deficiencies in stock.

Deleted: Head of Finance &

Deleted: storekeeper

Deleted: by each service manager and give

Deleted: a

Deleted: Only the Head of Finance &

Deleted: shall agree

Deleted: s of

Deleted: 100

- 1) Where the estimated disposal value of an individual item is less than £250, in which case discretion lies with the Head of Service
- 2) Where the estimated disposal value of an individual item is above £250, and the Head of Service in consultation with the Head of Finance and Business Development is satisfied that another means of disposal is more likely to achieve best value.
- 3) Surplus IT equipment may be donated to charitable organisations but must be clear of all software prior to disposal

Deleted: 100

Deleted: s

Deleted: Head of Finance &

Inventories of the Council's property other than stores will be kept within each Department. The inventory will record an adequate description of furniture, fittings and equipment, plant and machinery, and other assets as agreed with the Head of Service and the Head of Finance and Business Development. Each Service Manager is responsible for carrying out at least an annual check

Deleted: Head of Finance &

DRAFT 1

against the inventory, for taking action in relation to surpluses or deficiencies and noting these on the inventory.

The Council's property will not be removed except in accordance with the ordinary course of the Council's business. Council property will only be used for the Council's purposes unless specific instructions are issued by the appropriate Service Manager.

D9 Treasury Management

The Council has adopted a Local Code of Practice for Treasury Management in Local Authorities, encompassing CIPFA recommendations,

Deleted: ..

The Council is responsible for approving the Treasury Management Strategy prior to commencement of the new year, setting out the matters detailed in the Code. The Head of Finance and Business Development has the responsibility for implementing and monitoring the Strategy.

Deleted: Head of Finance &

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive and for the execution and administration of treasury management decisions to the Head of Finance and Business Development who will act in accordance with the organisations policy statement and treasury management practices (TMPs) and, if he/she is a CIPFA member, CIPFAs Standard of Professional Practice on Treasury Management

Deleted: Head of Finance &

The Head of Finance and Business Development is responsible for reporting to Executive each half year on the activities of the treasury management operation and on their exercise of his/her delegated management. One such report will comprise an annual report on Treasury Management to Executive prior to 30th September

Deleted: Head of Finance &

Deleted: T

Deleted: o

All investments of money under its control shall be made in the name of the Council except where Fund Managers are employed to act on behalf of the Council; bearer securities shall be accepted from this regulation.

All securities which are the property of, or in the name of, the Council shall be held in the custody of the Head of Legal and Democratic Services except where Fund Managers are employed to act on behalf of the Council.

Deleted: Solicitor to the Council

All borrowings shall be effected in the name of the Council.

Deleted: a

Any trust funds shall wherever possible be in the name of the Council

All Officers acting as trustees by virtue of their official position shall deposit all securities etc, relating to the trust with the Head of Legal and Democratic Services unless the deed otherwise provides.

Deleted: Solicitor to the Council

D10 Banking Arrangements

All arrangements with the Council's bankers shall be made by the Head of Finance and Business Development under the arrangements approved by the Executive, and he/she shall be authorised to operate such banking accounts, including National Giro Accounts, as he/she may consider necessary

Deleted: Head of Finance &

All arrangements for the ordering, safe custody and issue of cheques will be made only on the authority of the Head of Finance and Business Development

Deleted: Head of Finance &

Cheques on the Council's Account, including National Giro Accounts, shall bear the facsimile signature of the Head of Finance and Business Development and another authorized signatory or be signed by the Head of Finance and Business Development or other Officer authorised by him/her. Any cheques over £20,000 will require checking by an authorized signatory and the supporting paperwork signed accordingly.

Deleted: Head of Finance &

Deleted: Head of Finance &

Departmental bank accounts will not be opened without the agreement of the Head of Finance and Business Development with the exception of the Elections Account. Departmental Officers responsible for operating a bank account on behalf of the Council will make safe and efficient arrangements for the control of access to blank cheques, the preparation, signing and despatch of cheques and the frequent and, where possible, independent reconciliation of cash books with bank statements in accordance with instructions issued by the Head of Finance and Business Development.

Deleted: Head of Finance &

Deleted: o

Any electronic transfer of funds must be authorised by the Head of Finance and Business Development, or other authorised Officer listed on the bank mandate, prior to such transfer being made through facilities provided by the Council's bankers. This excludes those payments made for goods ordered and purchased on line

Deleted: certified

Deleted: Head of Finance &

Deleted: o

Deleted: under manuscript signature

D11 Staffing

The Chief Executive is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

Heads of Service are responsible for controlling total staff numbers by:

- Advising Executive on the budget necessary in any given year to cover estimated staffing levels
- Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- The proper use of the appointment process

DRAFT 1

E: SYSTEMS AND PROCEDURES (NOTE: THE PROVISIONS OF THIS SECTION WILL BE AMENDED TO REFLECT NEW PROCEDURES OPERATING AS A RESULT OF THE IMPLEMENTATION OF THE NEW FINANCE SYSTEM)

E1 Introduction

Sound systems and procedures are essential to an effective framework of accountability and control.

E2 General

The Head of Finance and Business Development is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by the Heads of Service to the existing financial systems or the establishment of new systems must be approved by the Head of Finance and Business Development. However, the Heads of Service are responsible for the proper operation of financial processes in their own department.

Deleted: Head of Finance &

Deleted: a

Deleted: Head of Finance &

The Heads of Service should ensure that their staff receive relevant financial training that has been approved by the Head of Finance and Business Development.

Deleted: s

Deleted: Head of Finance &

The Heads of Service must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. The Heads of Service must ensure that staff are aware of their responsibilities under freedom of information legislation and have due regard to the issue of intellectual property rights when developing systems.

The following principles shall be observed in the allocation of accounting duties:-

- Wherever possible there should be adequate segregation of duties so that employees with the duty of checking transactions are not themselves engaged in any of those transactions.
- The duty of providing information, calculating, checking and recording sums due to or from the Council shall wherever possible be separated from the duty of collecting and disbursing them.
- Wherever possible accounting transactions and control functions (such as reviews and reconciliations) should be evidenced, providing a full audit trail.
- Employees shall not certify claims for reimbursement of expenses or other payments to themselves.

E3 Income and Expenditure

DRAFT 1

It is the responsibility of the Chief Executive, Directors and Heads of Service to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act in respect of payments, income collection and placing orders, together with the limits of their authority.

Heads of Service, in consultation with the Head of Finance and Business Development will review all fees and charges at least annually and obtain approval as part of the Annual Budget process

Deleted: Head of Finance &

Deleted: d

E4 Collection of Income

The collection of all money due to the Council shall be in accordance with arrangements approved by the Head of Finance and Business Development. Unless otherwise agreed by the Head of Finance and Business Development no money received by Council employees in the course of their duties shall be paid into any other bank account other than the Council bank account.

Deleted: Head of Finance &

Deleted: Head of Finance &

Each Service Manager, in consultation with the Head of Finance and Business Development, will make and maintain arrangements to ensure the proper recording of all sums due to the Council and the collection, custody, control, disposal and prompt and proper accounting for all monies recovered.

Deleted: Head of Finance &

The Heads of Service shall ensure that accounts are rendered promptly in connection with income due in respect of work done, goods supplied, services rendered or other amounts payable to the Council. They shall also ensure that any Departmental computer systems recording income are reconciled monthly to the cash received in the Council's main financial system, and that this requirement is taken into account when purchasing such computer systems

The Head of Finance and Business Development shall be notified promptly of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.

Deleted: Head of Finance &

All official receipt forms or receipt books, licences, tickets (of value) and all documents or vouchers representing receipts for money or money's worth will be in the form approved by the Head of Finance and Business Development and will be ordered, controlled and issued by Financial Services, unless the Head of Finance and Business Development approves other arrangements. All receipts and issues of such stationery will be properly recorded and acknowledged.

Deleted: Head of Finance &

Deleted: Head of Finance &

Where cheque payments are presented personally, the receipting employee will ensure that such payments are supported by a cheque guarantee card. He/she will also ensure:

DRAFT 1

- that the card holder signs the cheque in the presence of the receipting employee, who must ensure that the signature corresponds with that on the cheque card;
- that the code number shown on the cheque guarantee card is the same as that shown on the cheque;
- that the receipting employee personally writes the card number on the reverse of the cheque;
- that the amount of the payment must not exceed the limit shown on the face of the card;
- that the card expiry date has not passed

This does not apply in the case of Council Tax, Community Charge, Business Rates, rents, or in circumstances where the Head of Finance and Business Development agrees that it is not appropriate to require a cheque guarantee card.

Where the value of the cheque guarantee card is less than the required payment, employees will not accept a number of cheques using the same guarantee number. This is in breach of banks internal rules and can result in the guarantee being invalidated. The Head of Finance and Business Development will be consulted in such instances in order to provide guidance.

Service Managers will consult with the Head of Finance and Business Development before introducing facilities for payment by credit / debit /procurement card. All commission costs relating to facilities for payment by credit / debit/procurement card are to be met from the budget of the department offering the facility.

Each employee who receives money on behalf of the Council will, in addition, keep such records as may from time to time be prescribed by the Head of Finance and Business Development, including an accurate and chronological account of all receipts and of their deposit either with the Head of Finance and Business Development or with the Council's bankers including their agents or with National Girobank. A copy of the secure cash carrier receipt will be retained for a period of 12 months. Where secure cash carrier bags and boxes are used, the official seals must be used and the numbers noted.

Personal cheques shall not be cashed out of the money held on behalf of the Council.

Every transfer of money held by or for the Council from one member of staff to another will be evidenced by the signature of the receiving Officer.

Deleted: .
Formatted: Bullets and Numbering
Deleted: (i) .
Deleted: .
Deleted: .
Formatted: Bullets and Numbering
Deleted: (ii) .
Deleted: .
Formatted: Bullets and Numbering
Deleted: (iii) .
Deleted: .
Formatted: Bullets and Numbering
Deleted: (iv) .
Deleted: .
Deleted: (v)
Formatted: Bullets and Numbering
Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: o

DRAFT 1

Service Managers will ensure that all monies received on behalf of the Council will, without delay, either be paid to the Head of Finance and Business Development or subject to his/her instructions be banked in the name of the Council. Every person who so banks money will complete a bank paying in statement in a form showing such information as may be directed by the Head of Finance and Business Development. Cheques of £10,000 and over will be immediately transferred to the Head of Finance and Business Development for same day banking

Deleted: Head of Finance &

Deleted:

Deleted: Chief Finance Officer.

Deleted: Head of Finance &

For the purpose of paying money to the Council's bankers, or their agents, an official paying-in book will be used; no other paying-in stationery will be used. The paying-in slip will indicate the purpose and source of the payment if it does not relate to a debt to the Council.

Deleted:

E5 Issue of Debtor Accounts

Deleted: d

No invoices are to be raised for goods below the value of £20 unless legally obliged to do so or approval has been given by the Head of Finance and Business development. For all goods under £20 (unless the exceptions prevail;) and wherever practically possible, Managers will arrange for payment to be made in advance of the service being provided

Deleted: Head of Finance &

Managers must ensure prompt raising of Debtor Accounts and they must be raised using the approved computerised debtors system in operation. Managers must take all practical steps to satisfy themselves as to the correct VAT treatment of their income and will liaise with accountancy services if in doubt. The department initiating the payment must keep a complete file of evidence in respect of the debt to support any recovery action

The amount of an account may only be reduced if the original information was incorrect or cancelled in total if the debt was raised incorrectly. In both cases an invoice cancellation form must be used detailing all adjustments including VAT where applicable.

E6 Amounts to be written-off

No accounts or part thereof, due to the Council will be written -off unless there is no prospect of economic recovery of the debt. The relevant services must meet cost of the write-off unless alternative provision is approved. All requests for write-off must be submitted on the approved form by the Service Manager and counter-signed by the Head of Service, to be considered by Corporate Team. Corporate Team will approve the write-offs and report a summary of write-offs to the Executive on a quarterly basis

Deleted: the

Deleted: Head of Finance &

Deleted: Head of Finance and Business D

Deleted: d

Deleted: development is satisfied that

Deleted: Authority for write-offs is as follows:

The exceptions to this are:-

DRAFT 1

- The Head of Customer Services is authorised to write-off all debts, where the debtor has become insolvent.
- The Head of Leisure & Environmental Services is authorised to waive all types of fixed penalty fines.
- Each Head of Service is responsible for maintaining a register of debts written-off, to be co-ordinated by the Head of Finance and Business Development and a summary reported to the Executive quarterly.

E7 Expenditure

Official orders shall be in a form determined by the Head of Finance and Business Development. They are to be signed only by Officers authorised by the Heads of Service as detailed in the authorised signatory list held by accountancy services. Signatories to purchase requisitions and orders must ensure that goods and services are appropriate and needed, that there is adequate budget provision, that Contract Standing Orders have been complied with and that best value/value for money principles have been followed.

Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of services by public utilities, for periodical payments such as rent or rates, for petty cash payments, for contracts in writing signed in accordance with Standing Orders or such other exceptions as the Head of Finance and Business Development may approve. Verbal orders will only be given in cases of urgency by an Officer authorized to sign orders. Such verbal orders will be confirmed by the issues of a written order, marked confirmation, in the prescribed form within 2 working days or otherwise as agreed by the Head of Finance and Business Development.

Each order shall conform with the directions of the Council, Contract Standing Orders and any policies or directions of the Council related to purchasing. The Council's computerised commitment accounting system shall be used unless otherwise agreed by the Head of Finance and Business Development and outstanding orders shall be checked by service units periodically, and at least annually, to ensure management accounting information is accurate.

E8 Payment of Accounts

The Head of Finance and Business Development shall promptly pay all accounts properly due and payable by the Council within 28 days of the receipt of the invoice unless the invoice is in dispute. All invoices must be date stamped with the date of receipt.

- Deleted: s
- Formatted: Bullets and Numbering
- Deleted: up to the value of £500
- Deleted: 20
- Deleted: at his/her discretion.
- Deleted: and up to £500 where the debtor has become insolvent
- Formatted: Bullets and Numbering
- Deleted: standard car park charge notices.
- Deleted: The
- Formatted: Bullets and Numbering
- Deleted: Head of Finance &
- Deleted: Head of Finance and Business Development is authorised to write-off debts and will report to which for individual accounts or individual amounts do not exceed £2,500, any amounts exceeding this must have the approval of the Executive.
- Deleted: Any write offs over £1500 will be reported back to
- Formatted:
- Deleted: Overview and Scrutiny on an annual basis
- Deleted: The
- Formatted: Bullets and Numbering
- Deleted: Head of Finance and
- Deleted: Head of Finance and Business Development
- Deleted: Head of Finance &
- Deleted: o
- Deleted: c
- Deleted: s
- Deleted: o
- Deleted: Head of Finance &
- Deleted: o
- Deleted: Head of Finance &
- Deleted: related to contracts
- Deleted: Head of Finance &
- Deleted: Head of Finance &

DRAFT 1

The Service Manager is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment voucher or account arising from sources in his/her area of responsibility. Every invoice authorised must be signed (in the three authorisation boxes) by at least two different employees, and where practical these employees shall not have signed or placed the order for the works, goods or services.

When checking an account, the checking Officer shall, determine, before passing the invoice for final authorisation have satisfied himself/herself that:

- the works, goods or services to which the account relates have been received, carried out, examined and approved;
- the prices, extensions, calculations, trade discounts, other allowances, credits and tax have been compared to the order and are correct;
- the relevant expenditure has been properly incurred;
- the relevant expenditure is within the relevant budget provision;
- appropriate entries have been made in inventories and stores records as required;
- the account has not been previously passed for payment and is a proper liability of the Council;
- the account (including any Value Added Tax) has been correctly coded.

Council Officers will not make out an invoice except in any case or category of cases agreed by the Head of Finance and Business Development, nor will any Officer add any item to an invoice submitted by a supplier. If additional items should be included on the invoice, an amended invoice will be requested from the supplier. Amendments may be made if there has been a simple error in addition or multiplication of unit costs. Errors in the VAT coding or calculation must be returned to the supplier for correction. All amendments to an invoice will be made in ink and initialled by the Officer making the amendments. The reasons for such action will be stated on the invoice. It is the role of the Service Manager to satisfy him/herself that abuse is not taking place

Authorised undisputed invoices should be returned for payment to accountancy services within 10 days of receipt. When an invoice is disputed it must be marked as such. When a disputed invoice is finally passed for payment, evidence to support the dispute must be attached.

Deleted: o

Deleted: (a)

Formatted: Bullets and Numbering

Deleted:

Deleted: (b)

Formatted: Bullets and Numbering

Deleted:

Deleted: (c)

Formatted: Bullets and Numbering

Deleted:

Deleted: (d)

Formatted: Bullets and Numbering

Deleted:

Deleted: (e)

Formatted: Bullets and Numbering

Deleted:

Deleted: (f)

Formatted: Bullets and Numbering

Deleted:

Deleted: (g)

Formatted: Bullets and Numbering

Deleted: o

Deleted: Head of Finance &

Deleted: o

Deleted: o

Deleted: DISPUTED

DRAFT 1

Head of Service/Managers shall by not later than a date determined by the Head of Finance and Business Development in each year notify him/her of all outstanding expenditure relating to the previous financial year.

Deleted: Head of Finance &

Payments drawn on the Council's bank accounts can be made on the internet once approval has been given by the Head of Finance and Business Development and approved ordering procedures followed.

Deleted: Head of Finance &

Deleted: d

Use of Council corporate payment cards shall be in accordance with instructions issued by the Head of Finance and Business Development and a signed undertaking. Only the Head of Finance and Business Development shall have authority to obtain and issue corporate payment cards

Deleted: Head of Finance &

Deleted: Head of Finance &

E9 Petty cash

Where it is considered appropriate by the Head of Finance and Business Development he/she will approve a Petty Cash account for use by the authorised Officer who will be personally responsible for the amount so advanced. Arrangements for the safe custody of petty cash are subject to the approval of the authorised Officer.

Deleted: Chief Finance Officer

Deleted: o

Deleted: Head of Finance &
Business Development

No income received on behalf of the Council may be paid into a petty cash account but must be banked or paid to the Authority.

Petty cash payments shall be limited to minor items of expenditure and to such other items as the Head of Finance and Business Development may approve and shall be supported by receipted vouchers and proper VAT receipts where appropriate. In no case shall the amount of an individual payment exceed £30 except with the agreement of the Head of Finance and Business Development. Reimbursements to petty cash shall be made at periods not exceeding one month. In no circumstances will the account holder allow the account to become overdrawn

Deleted: Head of Finance &

Deleted: Head of Finance &

An Officer responsible for a petty cash account shall, if so requested, give to the Head of Finance and Business Development a certificate as to the state of his/her account.

Deleted: o

Deleted: Head of Finance &

On leaving the employment of the Council or otherwise ceasing to be entitled to hold a petty cash account the Officer concerned shall account to the Head of Finance and Business Development for the amount advanced to him/her.

Deleted: o

Deleted: Head of Finance &

The Head of Finance and Business Development may authorise change floats as required and these shall be subject to the foregoing regulations as appropriate.

Deleted: Head of Finance &

E10 Payments to Employees and Members

The Human Resources Manager is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Members. The payment of all salaries, wages, compensation and other emoluments to former employees of the Council shall only be made by the Human Resources Manager.

Deleted: m

Heads of Service/Managers or person authorised by him/her shall notify the Human Resources Manager promptly within the time limits and in the form prescribed by him/her, of all matters affecting the payment of such emoluments, and in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reasons, apart from approved leave in the form of a monthly return.
- changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records of service for superannuation, income tax, national insurances and the like.

Deleted: (a)

Formatted: Bullets and Numbering

Deleted:

Deleted: (b)

Formatted: Bullets and Numbering

Deleted:

Deleted: (c)

Formatted: Bullets and Numbering

Deleted:

Deleted: (d)

Formatted: Bullets and Numbering

Deleted: m

Deleted: o

All notifications must be signed by the appropriate Manager or nominated Officer.

Appointments of all employees shall be made in accordance with the regulations of the Council and the established grades and rates of pay

All time records or other pay documents shall be in a form prescribed by the Head of Finance and Business Development and shall be certified by authorised Officers

Deleted: Head of Finance &

Deleted: o

Accountancy Services will at least annually, issue a listing from payroll for Managers to check and advise of any discrepancies

Deleted: m

All claims for payment of subsistence allowances, traveling and incidental expenses shall be submitted, duly certified to the Human Resources Manager in a form approved by the Head of Finance and Business Development. The names of Officers authorised to sign such records shall be sent to the Head of Finance and Business Development together with specimen signatures and shall be amended on the occasion of any change. The certification by the authorised signatory shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are correctly calculated and

Deleted: Head of Finance &

Deleted: o

Deleted: Head of Finance &

Deleted: o

DRAFT 1

properly payable by the Council. Payment will not be made if the claim is submitted more than six months after the expenses have been incurred unless approval is given by the Head of Finance and Business Development.

Deleted: Head of Finance and

Payments to Members of the Council who are entitled to claim traveling or other allowances will be made by the Human Resources Manager upon receipt of the prescribed form duly completed, certified by the Member and authorised signatory and accompanied by receipts of expenditure. The Head of Legal & Democratic Services in liaison with the Head of Finance and Business Development shall prepare at least every four years an updated Members' Allowances Scheme for approval by Council upon recommendations from the independent remuneration panel.

Deleted: m

Deleted: Head of Finance &

The Executive will determine schemes for the management of the Civic Hospitality, Mayoral Hospitality, Leader Hospitality and Mayor's Charity Accounts upon the advice of the Head of Finance and Business Development.

Deleted: Head of Finance &

E11 VAT & other taxation

The Head of Finance and Business Development is responsible for advising Management Team, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority. The Heads of Service/Managers are responsible for ensuring that transactions within their responsibility comply with the law relating to general taxation and V.A.T. The Head of Finance and Business Development will provide guidance and advice on the administration of V.A.T. All matters of both principle and practice, including any errors or discrepancies, shall be immediately referred to the Head of Finance and Business Development. Contacts with HM Revenues and Customs concerning matters of V.A.T. must be through the Head of Finance and Business Development.

Deleted: Head of Finance &

Deleted: a

Deleted: s

Deleted: Head of Finance &

Deleted: Head of Finance &

Deleted: Customs and Excise

Deleted: Head of Finance &

E12 Retention of Records

Records will be retained in accordance with the guidance in the Corporate Records Retention Guidelines.

Deleted: E12 Financial Stationery

¶
All official forms, cheques, tickets, stores requisition notes order books and other documents representing money shall be ordered, controlled and issued by the Head of Finance & Business Development. Register will be maintained of all receipts and issues.¶

Deleted: 3

Deleted: The Head of Finance & Business Development shall determine the requirements that Departments shall observe in relation to the retention of financial records. These are currently the following number of complete financial years:-¶

DRAFT 1

F: EXTERNAL ARRANGEMENTS

F1 Introduction

The local Authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Deleted: a

F2 Partnerships

The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. The Executive can delegate functions including those relating to partnerships to Officers. Where functions are delegated, the Executive remains accountable for them to the full Council.

Deleted: o

The Head of Paid Service and/or other senior Officers represent the authority on partnership and external bodies.

Deleted: o

The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the authority.

The Heads of Service, supported by the Head of Finance and Business Development must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

Deleted: Head of Finance &

The Heads of Service are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

F3 External Funding

The Head of Finance and Business Development is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts. The Heads of Service shall inform the Head of Finance and Business Development immediately of funding notified by external bodies and the conditions attached thereto and shall ensure that claims for funds and project progress reports are submitted by the due date in liaison with the Head Finance and Business Development.

Deleted: Head of Finance &

Deleted: a

Deleted: Head of Finance &

Deleted: &

Deleted:

F4 Work for Third Parties

The Executive is responsible for approving significant new contractual arrangements for any work for third parties or external bodies, particularly if there is any net cost to the Council or the total value of the new work in one year will exceed £50,000

DRAFT 1

G INDEX (TO BE AMENDED FOLLOWING FINAL REVISIONS)

	Page
A Introduction & status of financial regulations	2
B1 Financial management – introduction	4
B2 Financial management -responsibilities of Full Council	4
B3 Financial management -responsibilities of the Executive	4
B4 Financial management -responsibilities of the OSC's	4
B5 Financial management - responsibilities of the Standards Committee	4
B6 Financial management - functions delegated to panels	5
B7 Financial management - responsibilities of Head of Paid Service	5
B8 Financial management - responsibilities of Monitoring Officer	5
B9 Financial management - responsibilities of S151 Officer	5
B10 Financial management - responsibilities of Directors and Heads of Service	5
B11 Accounting records and returns	7
B12 Annual Statement of Accounts	7
B13 Virement	7
B14 Treatment of year end balances	8
B15 Emergencies and essential expenditure	8
B16 Accounting Policies	8
C1 Financial planning – introduction	9
C2 Budget & Policy Framework	9
C3 Budget format	9
C4 Budget preparation	9
C5 Budget monitoring and control	10
C6 Resource allocation	10
C7 Preparation and control of the capital programme	10
C8 Guidelines on budget preparation	11
C9 Adequacy of reserves and provisions	11
D1 Risk management and control of resources – introduction	12
D2 Risk management	12
D3 Insurances	13
D4 Internal control	13
D5 Audit requirements	14
D6 Preventing Fraud & Corruption	14
D7 Assets – acquisition and security	15
D8 Stocks & stores	16
D9 Treasury management	17
D10 Banking arrangements	17
D11 Staffing	18

DRAFT 1

E1	Systems and procedures – introduction	19
E2	Systems and procedures – general	19
E3	Income & expenditure - general	19
E4	Collection of Income	20
E5	Issue of debtor Accounts	22
E6	Amounts to be written-off	22
E7	Expenditure	23
E8	Payment of Accounts	23
E9	Petty cash	25
E10	Payments to employees and members	25
E11	VAT & other taxation	27
E12	Financial stationery	27
E13	Retention of Records	27
F1	External arrangements – introduction	28
F2	Partnerships	28
F3	External Funding	28
F4	Work for third parties	29