

<b>PART 4d – FINANCIAL PROCEDURE RULES</b>
<div style="display: flex; justify-content: space-between;"> <span>Effective from <del>24</del>90 May <del>2023</del>2015</span> <span>Approved by Council on <del>x 2023</del>30 March 2015</span> </div>

## Financial Regulations

### 1 INTRODUCTION

- 1.1 In accordance with section 151 of the Local Government Act 1972, the Chief Financial Officer is responsible for the proper administration of the Council's financial affairs. In discharging this duty, he will have due regard to the relevant legislation and regulations including the Local Government Finance Act 1988 and those Accounts and Audit Regulations as are in force.
- 1.2 The Financial Regulations provide the framework for managing the Authority's financial affairs. They apply at all times to every officer of the authority and anyone acting on its behalf. They must be read in conjunction with the Contract Procedure Rules, and any other relevant procedures, guidance or other internal controls laid down by the Council, for example, the Council's Anti-Fraud and Corruption Policy.
- 1.3 The Chief Financial Officer is responsible for issuing advice and guidance to underpin these regulations.
- 1.4 The Chief Executive, Deputy Chief Executive and all Heads of Service (who together comprise Management Team) shall be responsible for ensuring that all staff within their service areas comply with these regulations and guidance at all times. Any responsibility imposed under these regulations on officers within Management Team may be exercised by any other officer authorised by the Council, the Chief Executive or Deputy Chief Executive.
- 1.5 If the Chief Executive, Deputy Chief Executive or any Head of Service becomes aware of any contravention of these Rules, they shall notify the Chief Financial Officer, who shall determine the appropriate action.

### 2 FINANCIAL MANAGEMENT STANDARDS

- 2.1 The Chief Financial Officer shall determine the Accounting Policies to be used in the preparation of the Council's annual accounts.
- 2.2 All accounting records must be maintained on the Council's corporate financial systems unless authority is obtained from the Chief Financial Officer.
- 2.3 All systems that form the basis of the Council's financial accounts must be approved by the Chief Financial Officer.
- 2.4 The Chief Financial Officer must be consulted of any prospective changes to existing systems or purchases of new systems so that an assessment of compatibility and controls can be carried out in advance.
- 2.5 The Chief Executive, Deputy Chief Executive and all Heads of Service shall be responsible and ensure that all financial records and systems are properly maintained and shall carry out independent checking of financial transactions and also verify relevant final statements.

### 3 ACCOUNTING RECORDS AND RETURNS

- 3.1 Except in specific circumstances considered on an individual basis by the Chief Financial Officer, the following principles shall be observed at all times:
- (i) the duties of providing information regarding the sums due to or payments made 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;
  - (ii) any person who has the responsibility of examining and checking cash transactions shall not themselves be involved in any of these transactions.
- 3.2 The Chief Financial Officer must be consulted prior to the submission to appropriate Government Departments (or agencies) or other bodies of applications, claims, returns or statements of a financial nature and shall be provided with a copy of such returns.
- 3.3 The Chief Executive, Deputy Chief Executive and all Heads of Service are required to ensure that all grant claims are submitted to the Chief Financial Officer for checking and authorisation as appropriate prior to the submission deadline and in time to ensure grant monies are received. All grant claims must be accompanied by the appropriate evidence required to make the claim. Any delays must be notified to the Chief Financial Officer immediately.
- 3.4 Financial records, receipts, invoices etc, including documentation relating to contracts for work done, supplies and services shall not be disposed of other than in accordance with any approved retention schedule or guidance which shall incorporate the relevant statutory requirements.
- 3.5 The Chief Financial Officer is responsible for preparing the Council's Statement of Accounts and it must be prepared in accordance with all proper accounting codes and guidance.
- 3.6 The Chief Executive, Deputy Chief Executive and all Heads of Service shall provide all such information as specified by the Chief Financial Officer to enable the timely closure and production of the Council's Final Accounts in compliance with relevant regulations.
- 3.7 The Annual Statement of Accounts must be approved by the Council's Audit and ~~Standards~~ Governance Committee prior to certification by the external auditor.

### 4 REVENUE EXPENDITURE

- 4.1 The Chief Financial Officer shall prepare a Medium Term Financial Strategy for approval by Council.
- 4.2 The Chief Executive, Deputy Chief Executive and all Heads of Service shall provide annually when requested, all the necessary information for the preparation of an annual revenue budget to the Chief Financial Officer in a timely manner.
- 4.3 Revenue expenditure is defined as operational expenditure incurred in the day-to-day running costs of the council that will generally be spent in the next twelve months; e.g., employees costs, gas, water, electricity, purchase of materials, printing, stationery.
- 4.4 The Chief Executive, Deputy Chief Executive and all Heads of Service may incur revenue expenditure to the limit of their approved budget allocation, subject to the regulations and the Council's Financial Procedure Rules and Scheme of Delegation without further approval, except:
- (i) any revenue expenditure which involves a variation from the Council's approved Policy Framework, which must be approved by Council.

- (ii) any expenditure which leaves the Council with future commitments for which funding has not been identified. This would require approval by the ~~Finance and Democracy~~Executive Committee.

4.5 In exceptional circumstances, the Council's Urgent Business Procedure may be used compliant with regulation 25.

#### REVENUE VIREMENTS

4.6 Virements between revenue budget heads shall be authorised as follows:

- (i) up to £25,000 by ~~t~~he Chief Executive, Deputy Chief Executive or the relevant Head of Service;
- (ii) up to £50,000 by the Chief Financial Officer;
- (iii) up to £250,000 by the ~~Executive Finance and Democracy~~ Committee ~~following consideration by the relevant programme committee~~; and
- (iv) over £250,000 by Council.

Requests for approval should be supported by adequate background information; e.g., impact on future years.

#### REVENUE BUDGET INCREASES - FUNDED

4.7 Revenue budget increases supported by new or increased external funding, or from earmarked reserves, shall be authorised as follows:

- (i) up to £50,000 by the Chief Financial Officer following consultation with the chair~~man~~ of the ~~Finance and Democracy~~Executive Committee.;
- (ii) up to £250,000 by the ~~Executive Finance and Democracy~~ Committee ~~following consideration by the relevant programme committee~~; and
- (iii) over £250,000 by Council.

Budget increases supported by funding from earmarked reserves must be solely for the purposes for which the earmarked reserve was intended.

4.8 Requests for approval should be supported by adequate background information; e.g., impact on future years.

#### REVENUE BUDGET INCREASES – UN-FUNDED

4.9 Unfunded revenue budget increases must be approved by Council, except in the following circumstances:

- (i) The ~~Executive Finance and Democracy~~ Committee may approve an unfunded revenue budget increase for one-off unforeseen expenditure not envisaged at the time the Council's budget was agreed providing there are no ongoing financial implications for future years.
- (ii) The maximum amount of the unfunded revenue budget increase to be approved by the ~~Executive Finance and Democracy~~ Committee in any year is £100,000.

#### FEES AND CHARGES

## 4.10 Fees and charges will be considered as follows:

- (i) ~~The Executive Committee~~ Each programme committee will recommend to annual budget Council a schedule of fees and charges for activities ~~within the remit of that committee~~ for approval.
- (ii) Outside the annual budget setting process, any amendment or introduction of new fees and charges for activities ~~within the remit of the Executive Committee~~ programme committees, ~~together with the Planning Committee insofar as it relates to programme committee functions,~~ which are expected to vary income by up to £25,000 in any one financial year can be approved by ~~the Executive Committee~~ the relevant programme committee, whilst those with an impact of over £25,000 in any one financial year require Council approval.

**5 REVENUE ACCOUNTING AND MONITORING**

- 5.1 The Chief Executive, Deputy Chief Executive and all Heads of Service are responsible for ensuring that all revenue expenditure and income is recorded correctly and promptly on the Council's financial information system and accounted for in the year in which the goods and services have been received or provided.
- 5.2 The Chief Executive, Deputy Chief Executive and all Heads of Service must reconcile any local manual or computerised systems they hold to the Council's corporate financial information on a monthly basis and in any event in accordance with any guidance issued by the Chief Financial Officer.
- 5.3 The Chief Executive, Deputy Chief Executive and all Heads of Service are responsible for monitoring all revenue expenditure and income during the financial year against approved budgets and for taking action to avoid overspending against those budgets.
- 5.4 The Chief Executive, Deputy Chief Executive and all Heads of Service shall comply in a timely way with any requests for budget monitoring updates made by the Chief Financial Officer.

**6 CAPITAL PROGRAMME**

- 6.1 The five year Capital Programme comprising individual schemes is part of the Council's Budget and Policy Framework and shall be approved annually and at appropriate intervals as necessary in the year.
- 6.2 This sub-paragraph sets out the definition of capital expenditure.
  - (i) Subject to a de-minimus level of £10,000, all expenditure on the acquisition, creation or enhancement of tangible fixed assets should be capitalised on an accruals basis. Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, should be capitalised and be classified as a tangible fixed asset, provided that it yields benefits to the authority and the services it provides are for a period of more than one year.
  - (ii) Expenditure that should be capitalised will include expenditure on the:
    - (a) acquisition, reclamation, enhancement or laying out of land
    - (b) acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
    - (c) acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels.

- (iii) In this context, enhancement means the carrying out of works which are intended to:
  - (a) lengthen substantially the useful life of the asset, or
  - (b) increase substantially the market value of the asset, or
  - (c) increase substantially the extent to which the asset can or will be used for the purposes of or in conjunction with the functions of the Council.
- (iv) Under this definition, improvement works and structural repairs should be capitalised, whereas expenditure to ensure that the fixed asset maintains its previously assessed standard of performance should be recognised in the revenue account as it is incurred. Expenditure on existing fixed assets should be capitalised in three circumstances:
  - (a) enhancement – see above
  - (b) where a component of the fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful life, is replaced or restored
  - (c) where the subsequent expenditure relates to a major inspection or overhaul of a fixed asset that restores the benefits of the asset that have been consumed by the authority and have already been reflected in depreciation.

- 6.3 The Capital Programme will generally contain expenditure on the acquisition of fixed assets or expenditure which adds to, rather than maintains, the value of fixed assets. In cases of doubt the Chief Financial Officer will determine whether a scheme will be treated as capital or revenue expenditure.
- 6.4 The Chief Executive, Deputy Chief Executive and all Heads of Service shall provide periodically when requested in a timely manner to the Chief Financial Officer all the necessary information for the preparation of an annual programme of capital expenditure, including progress on existing schemes and new schemes.
- 6.5 The Chief Executive, Deputy Chief Executive and all Heads of Service may incur capital expenditure on schemes within the approved Capital Programme subject to compliance with these regulations and the Council's Contract Procedure Rules and Scheme of Delegation.
- 6.6 No expenditure may be incurred on any scheme in the Capital Programme until a detailed report has been approved by ~~Executive Committee~~[the relevant programme committee](#) (save as to exemptions 6.7 and 6.8 below), including as a minimum:
- (i) a cost breakdown of the scheme;
  - (ii) the method and cost of financing the scheme;
  - (iii) the future revenue budget impact;
  - (iv) relevant value for money issues;
  - (v) a risk assessment;
  - (vi) viable alternatives;
  - (vii) details of procurement path and delegations required (if any);
  - (viii) detailed objectives, outputs and outcomes, and
  - (ix) relevant drawings and plans,
- except the cost of preliminary work to produce the above report.

- 6.7 Expenditure may be incurred on any scheme within the approved Capital Programme that is under £100,000 total scheme value without the prior need for authorisation from the [Executive Committee](#) ~~relevant programme committee~~ in order to expedite the delivery of relatively modest schemes. In respect of these schemes a report must be presented to the [Executive Committee](#) ~~relevant programme committee~~ setting out full details of the scheme and how the money has been spent, upon conclusion of the scheme at the earliest opportunity.
- 6.8 A detailed report is not necessary as set out at regulation 6.6 above in the case of replacement equipment and vehicles on a like-for-like basis, housing renovation grants and disabled facilities grants. In this instance, full scheme approval and authority to contract is initiated in accordance with the Contract Procedure Rules and Chief Financial Officer delegations.

## 7 CAPITAL MONITORING AND REPORTING REQUIREMENTS

- 7.1 The Chief Executive, Deputy Chief Executive and Heads of Service are required to ensure that throughout the implementation period of a capital scheme, the specification remains consistent with the original overall objectives of the scheme and that expenditure continues to deliver best value for money for the Council.
- 7.2 The Chief Executive, Deputy Chief Executive and Heads of Service must monitor and report capital expenditure and income for all schemes within the approved capital programme and identify any variations against the approved level of expenditure. Monitoring and reporting will be undertaken at intervals specified by the Chief Financial Officer.
- 7.3 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that any funding identified for capital schemes has been secured as appropriate for each scheme. Reimbursements from third parties should be claimed promptly as expenditure is incurred and wherever possible in advance of expenditure being incurred so that cash flow costs are minimised.
- 7.4 The Chief Executive, Deputy Chief Executive and Heads of Service are required to use the Council's financial information systems to maintain records of actual and committed expenditure, income for each capital scheme and records of the approved budget allocations.
- 7.5 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that all information on the Council's financial system is accurate and up to date and is fully reconciled to any supporting records.

## 8 CAPITAL PROGRAMME – RE-PHASING

If it becomes necessary to re-phase approved expenditure within a current or future year's Capital Programme, then the Chief Financial Officer may undertake such re-phasing and report it to the ~~relevant programme committee~~ [Executive Committee](#) and incorporate such changes within the next update of the Council's Medium Term Financial Strategy.

## 9 CAPITAL PROGRAMME - SCHEME OVERSPENDS

- 9.1 The Chief Financial Officer will monitor any predicted under or overspends on capital schemes during each financial year and include their impact in any monitoring reports on the basis of information derived from ~~t~~ The Chief Executive, Deputy Chief Executive and Heads of Service.
- 9.2 The [Executive Committee](#) ~~Finance and Democracy Committee~~ will monitor the progress of the five year Capital Programme within the overall limit set by Council, and ~~programme committees~~ will receive periodic capital programme monitoring reports.

**CAPITAL VIREMENTS AND BUDGET INCREASES**

- 9.3 The Chief Financial Officer may approve increased costs on an individual scheme within the approved Capital Programme to a maximum of £50,000 provided that it is funded by a virement of resources from another scheme in the five year Capital Programme (provided it is compliant with regulation 7.1) or by new or increased external funding, or from earmarked reserves.
- 9.4 The ~~Executive Committee~~Finance and Democracy Committee, following consideration by the relevant programme committee, may approve increased costs on an individual scheme within the approved Capital Programme to a maximum of £250,000 provided that it is funded by a virement of resources from another scheme within the five year Capital Programme (provided it is compliant with regulation 7.1) or by new or increased external funding, or from earmarked reserves.
- In all other cases, including where the request is inconsistent with 7.1, ~~t~~The Chief Executive, Deputy Chief Executive and Heads of Service must seek Council approval to any unfunded capital scheme budget increase.
- 9.5 If it is unclear during the progress of a scheme as to its final outturn cost or the impact on the five year Capital Programme, the Chief Financial Officer will advise ~~t~~The Chief Executive, Deputy Chief Executive or Head of Service as to the need and timing for a budget increase. In exercising this judgement, the Chief Financial Officer is authorised to consider the probability, size, and nature of the potential overspend and its impact on the capital programme.

**10 NEW CAPITAL SCHEMES**

- 10.1 The process for the addition of new capital schemes to the Council's Capital Programme shall ordinarily be as part of the Council's annual budget setting process.
- 10.2 The ~~Executive Committee~~Finance and Democracy Committee, following consideration by the relevant programme committee, may approve in-year additions to the Capital Programme up to £250,000 on a new scheme, provided it is funded by a virement of resources from another scheme in the five year Capital Programme (subject to rule 7.1 in respect of the scheme bearing the virement) or new or increased external funding, or from earmarked reserves.
- 10.3 All new schemes in excess of £250,000 or those without a virement or external funding require Council approval for addition to the existing programme.

**11 BUDGETARY CONTROLS**

- 11.1 The Chief Executive, Deputy Chief Executive and Heads of Service are required to comply with any budget control guidance issued by the Chief Financial Officer.
- 11.2 The Chief Executive, Deputy Chief Executive and Heads of Service are required to review all budgets within their remit at least quarterly and are responsible for ensuring that their budget is monitored on a regular basis and that appropriate action is taken when a projected variation is likely to occur. The Chief Executive, Deputy Chief Executive and Heads of Service are also responsible for ensuring that virement requests are submitted in a timely manner and that appropriate action is taken at the earliest opportunity to contain a variation where no immediate virement source can be identified.
- 11.3 The Chief Executive, Deputy Chief Executive and Heads of Service will report to the Chief Financial Officer performance against the overall budget position and ensure that meaningful narrative explanations to all favourable and adverse budget variations are provided in order that periodic budget monitoring reports can be provided to ~~programme committees~~the Executive Committee.



## **12 GRANTS TO EXTERNAL ORGANISATIONS**

- 12.1 It is the responsibility of the Chief Executive, Deputy Chief Executive and Heads of Service to ensure that organisations in receipt of grant aid (either from the Council's own funds or through external funding) have (as a minimum):-
- (i) satisfactorily demonstrated that they are a competent and suitable organisation to receive public money; and
  - (ii) ensure appropriate management and accountability procedures are in place to achieve their aims and objectives; and
  - (iii) ensure that financial propriety is observed.
- 12.2 Where a grant is approved, there must be written confirmation of the grant offer and where appropriate a formal grant agreement before any payment is made.
- 12.3 Any grant offers (as a minimum) must require the recipient to keep appropriate records and ensure these are available for Council inspection and further the clause must require the organisation to demonstrate that the grant has been used for the agreed purpose.
- 12.4 In grants over £10,000, other additional clauses must be included (as a minimum) in the offer letter/agreement namely:-
- (iv) details of the amount of grant approved; and
  - (v) the purpose and duration of the grant; and
  - (vi) the arrangements for payment; and
  - (vii) the monitoring and evaluation arrangements; and
  - (viii) the circumstances when grant funding may be terminated.
- 12.5 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that any grants given must have their terms and conditions monitored and checked for compliance. For grants over £10,000, this may also require the organisation to submit audited accounts. Further, for grants over £10,000, the Chief Executive, Deputy Chief Executive and Heads of Service must ensure that the organisation provides financial and statistical information on a quarterly basis and that review meetings with the Chief Executive, Deputy Chief Executive or Head of Service's representative and organisation happen at least twice a year.

## **13 EXTERNAL FUNDING**

- 13.1 In addition to the requirements set out at regulation 3.2 and 3.3, the Chief Executive, Deputy Chief Executive and Heads of Service are required to ensure that the Chief Financial Officer is informed of all funding bids and subsequent grant offers.
- 13.2 The Chief Executive, Deputy Chief Executive and Heads of Service are required to ensure that the acceptance of grant offers (i.e., terms and conditions) are always signed by the Chief Financial Officer where there is a requirement that the Council has to act as the Accountable Body.
- 13.3 The Chief Executive, Deputy Chief Executive and Heads of Service are required to ensure that, for any project where external grant funding has been accepted, the project(s) progresses in accordance with the bid, and that there is compliance with the Council's Contract Procedure Rules and these rules and other controls and the appropriate grant conditions.



**14 INTERNAL AUDIT**

- 15.1 The Chief Financial Officer- is responsible for maintaining an adequate and effective internal audit function (in accordance with current regulations), the internal audit of all accounts and financial transactions of the Council and its employees and shall satisfy himself as to security arrangements for the custody and safeguard of Council assets.
- 14.2 Internal Audit is responsible for conducting its work in accordance with current professional standards.
- 14.3 Internal Audit shall have access to premises at reasonable times and all manual and electronic systems. Internal Audit shall be entitled to require the production of all cash, stores and accounts and any supporting documents and to obtain information and explanations from any employee of the Council with regard to any matter under examination.
- 14.4 The Chief Executive, Deputy Chief Executive and Heads of Service are required to report any discovered or suspected cases of fraud, corruption or other financial irregularity immediately to the Head of Internal Audit.
- 14.5 Where irregularities ascertained or suspected upon investigation are found, if it involves fraud or corruption, then the matter will be dealt with in accordance with the Council's Anti-Fraud and Corruption Policy.

**15 INCOME**

- 15.1 The Chief Executive, Deputy Chief Executive and Heads of Service are responsible for ensuring that accounts for charges for work done, goods supplied or services rendered on behalf of the Council and all income due to the Council are issued to the debtor(s) concerned promptly.
- 15.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall follow guidance issued by the Chief Financial Officer as regards the receipting of all monies.
- 15.3 All cheques, postal orders, money orders and banker's drafts shall be crossed in a manner approved by Chief Financial Officer.
- 15.4 All official receipts must be issued in the form approved by the Chief Financial Officer. All monies received by the Council shall be acknowledged by a receipt in an authorised form.
- 15.5 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that all income received is paid in fully and promptly into the Council's bank account in the form in which it is received on a daily basis, but where not possible, within five working days of receipt.
- 15.6 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that the appropriate debt recovery procedures are put in place in respect of any outstanding income due to the Council.
- 15.7 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that receipts, tickets and other records of income are held securely and for the appropriate retention period.
- 15.8 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that any money paid into the Council's bank account is reconciled with paying-in slips to provide an audit trail on a regular basis, at a minimum quarterly.
- 15.9 Income must not be used to cash personal cheques or other payments.

- 15.10 The Chief Executive, Deputy Chief Executive and Heads of Service must notify the Chief Financial Officer, or when requested, of any outstanding income relating to the previous financial year as soon as possible after 31 March or in line with any timetable approved by the Chief Financial Officer.
- 15.11 Once raised, no debt (with the exception of Council Tax, Housing Benefit Overpayment and Business Rate debts) can be cancelled except by full payment or writing off. Any request for writing off a debt must be made to the Chief Financial Officer with supporting evidence for debts up to £25,000. Over £25,000 all requests for write-offs must go to ~~Finance and Democracy~~the Executive Committee for approval.
- 15.12 Any transfer of money between officers or payments into the bank must be undertaken using agreed procedures without variation.
- 15.13 In order to comply with money laundering regulations, the Council will not normally accept cash payments exceeding €15,000 (approx £12,000). Any requests for cash payments to this level or above must be referred to the Chief Financial Officer.

## 16 CONTRACTS

- 16.1 These rules set out internal financial procedures to supplement the Contract Procedure Rules.
- 16.2 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that financial appraisals of firms or persons are carried out in relation to all contracts in excess of £50,000.
- 16.3 Rule 16.2 applies to all Contracts (except land and employment contract and any others deemed not applicable by the Chief Financial Officer) including contracts for buildings, developers, insurance companies, franchise agreements and leasing companies.
- 16.4 All financial appraisals shall be carried out in accordance with procedures determined by the Chief Financial Officer.
- 16.5 The Chief Executive, Deputy Chief Executive and Heads of Service shall consult with the Chief Financial Officer as to the type and level of security (if required) from a preferred supplier for all contracts over £50,000.
- 16.6 Payments to contractors on account, shall be authorised only on a certificate signed by the Chief Executive, Deputy Chief Executive or Head of Service (or authorised officer) showing the total amount of the contract, the value of approved variations, the value of work executed to date, apportioned between original costs and fluctuation costs, retention money paid, retention money released, amount paid to date and the amount now certified.
- 16.7 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that payments (including stage payments) are made only against contractors' certificates and only where ~~these officers are~~director is satisfied that payment has become due. The Council must issue an authenticated receipt to the contractor within a period of three months. All variations must be agreed in advance by the Monitoring Officer.

## 17 ORDERING AND PAYING FOR WORKS, GOODS AND SERVICES

- 17.1 The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that the purchase of equipment, goods, materials and engagement of services shall be effected through the most economical and practical means. The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that expenditure is incurred in accordance with the Council's Contract Procedure Rules and the principles of any Corporate Procurement Strategy.

- 17.2 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that if a corporate contract or framework agreement exists for the provision of particular goods or services, then this must be used for all purchases. Any exemptions to this requirement must be approved by the Chief Financial Officer in advance.
- 17.3 Each officer authorising a requisition, who shall be properly authorised to do so in agreement with the Chief Financial Officer, shall be responsible for ensuring that it is properly completed and is within approved budget provisions. The authorising officer must ensure that there is adequate evidence supporting a requisition before it is approved.
- 17.4 Verbal orders shall only be given in emergencies and must be confirmed by an authorised official order on the same or next working day.
- 17.5 Whenever delivery is made to an employee of the Council, an appropriate record should be made to which the goods or material should be checked as soon as possible.
- 17.6 All invoices for goods and services shall be processed in accordance with agreed procedures.
- 17.7 The Chief Executive, Deputy Chief Executive and Heads of Service are responsible for ensuring that all invoices, claims and accounts are checked and copies of the corresponding orders or electronic records are appropriately annotated to show that the accounts have been passed for payment.
- 17.8 All accounts shall be paid in accordance with procedures agreed with the Chief Financial Officer.
- 17.9 Payment must not be made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- (i) receipt of works/goods/services;
  - (ii) that the invoice has not been previously paid;
  - (iii) that expenditure has been properly incurred;
  - (iv) that the prices and arithmetic are correct;
  - (v) correct accounting treatment of tax;
  - (vi) that the invoice is correctly coded;
  - (vii) discounts have been taken where appropriate; and
  - (viii) appropriate entries made on accounting records.
- 17.10 Any special arrangements for payment of a creditor must be approved by the Chief Financial Officer.
- 17.11 In the event that goods, materials or services are not supplied in accordance with orders placed, the Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that subsequent to the payment, a credit should be obtained from the supplier. Where the business with the supplier is non-routine and infrequent, a refund should be obtained.
- 17.12 The Chief Financial Officer shall specify the method of dealing with regular periodical payments. Information concerning any change in or cessation of such liabilities shall be notified to the Chief Financial Officer by the Chief Executive, Deputy Chief Executive or the Head of Service concerned.
- 18 ORDERS PLACED USING THE ELECTRONIC PURCHASE ORDER SYSTEM OF THE COUNCIL**
- 18.1 The Chief Executive, Deputy Chief Executive and Heads of Service are responsible for ensuring they comply with the security protocols as set by the Chief Financial Officer with regard to the use of the Council's electronic communication and electronic financial systems.

- 18.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for maintaining all relevant supporting documentation for electronic orders within their service area.
- 18.3 All non-catalogue orders must be approved by an authorising officer of the spending service area (who shall be properly authorised to do so in agreement with the Chief Executive, Deputy Chief Executive or relevant Head of Service). The authorising officer shall be responsible for ensuring that the order is properly completed. All financial appraisals shall be carried out in accordance with procedures determined by the Chief Financial Officer. The authorising officer shall be responsible for ensuring that the order is properly completed.
- 18.4 An officer receiving goods or services on behalf of the Council must be other than the officer authorising the originating order. The officer must confirm the satisfactory (or unsatisfactory) receipt of goods or services in the electronic procurement system to verify that they are in accordance with the authorised order in the manner agreed by the Chief Financial Officer. The receiving officer must ensure that they have adequate evidence and the technical competence to execute this action. This applies equally to when an officer is entering in the electronic procurement system the receipt of goods or services on behalf of another officer. The acceptance of the satisfactory receipt of goods confirms that:
- (i) an account when presented will be properly payable by the Council; and
  - (ii) proper entries have been made in inventories, stores and other property records or registers.
- 18.5 The officer entering the receipt of goods or services in the electronic procurement system should record the date the goods or services were received, delivery note details and appropriate comments regarding the receipt of goods or services.
- 19 WHERE IT HAS NOT BEEN POSSIBLE TO UTILISE THE ELECTRONIC PURCHASE ORDER SYSTEM OF THE COUNCIL**
- 19.1 All orders for goods or services shall be issued on official order forms in a manner and form agreed by the Chief Financial Officer. The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for the issuing and safe custody of order books.
- 19.2 A technically competent officer other than the original officer who signed the order, shall initial the certification grid on each account as evidence that work has been done, services provided or goods received and checked against a delivery note.
- 19.3 A further appropriate officer shall initial the certification grid on each account as evidence that:-
- (i) each account has been checked against an official order and has not been previously passed to the Chief Financial Officer and that the order has been properly complied with;
  - (ii) prices are correct and in accordance with contracts or quotations and that relevant discounts have been deducted;
  - (iii) arithmetic calculations are correct.
- 19.4 Manual orders may be placed by email, so long as regulations 19.1 - 19.3 have been complied with.
- 19.5 Payment in advance for works, goods or services should only be used in exceptional circumstances e.g. training, publications, travel arrangements.

**20 SALARIES AND ALLOWANCES**

- 20.1 The Chief Financial Officer shall approve the method of payroll, preparation, payment, documents and records to be kept (including retention) and the certificates to be given for wages.
- 20.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for the completion and certification of timesheets, incentive/bonus schemes, and overtime claims by employees within their service area.

**21 INSURANCE**

- 21.1 The Chief Financial Officer shall be responsible for ensuring that all insurable risks of the Council are adequately covered and for maintain the necessary records for making claims and payments on behalf of the Council.
- 21.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall notify the -council's nominated insurance officer promptly of all risks, liabilities, properties or vehicles which are required to be insured and of any alterations affecting risk of insurances indicating the amount of cover required.
- 21.3 The Chief Executive, Deputy Chief Executive and Heads of Service shall immediately notify the council's nominated insurance officer of any fire, loss, accident or other event that may give rise to a claim against the Council's insurers.

**22 TAXATION**

- 22.1 In line with the Immigration, Asylum and Immigration Nationality Act 2001~~1996~~, it is the responsibility of all directors to ensure that all new employees provide a National Insurance Number.
- 22.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that all new persons employed by the Council are added to the Council's payroll where tax shall be deducted from any payment as appropriate (except bone fide self-employed or staff who are employed via an agency).
- 22.3 The Chief Executive, Deputy Chief Executive and Heads of Service must adhere to guidelines issued for the application of VAT, timing and coding.

**23 TREASURY MANAGEMENT AND BANKING**

- 23.1 The CIPFA Code of Practice on Treasury Management in the Public Services requires the Council to review, approve and adopt a Treasury Management Strategy.
- 23.2 The Council must also review, approve and adopt Prudential Indicators in line with the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code). This sets out a framework for self-regulation of capital spending.
- 23.3 The Chief Financial Officer is required to report to the Audit ~~and Standards~~ and Governance Committee and Council in accordance with all statutory requirements on treasury management activities.
- 23.4 No bank accounts shall be opened or closed in connection with any Council business without the prior approval of the Chief Financial Officer. Arrangements for the ordering and issuing of cheques shall be by the Chief Financial Officer. All cheques drawn shall be signed by Chief Financial Officer or officer nominated for the purpose.

- 23.5 The Chief Executive, Deputy Chief Executive and Heads of Service shall follow any instructions on banking arrangements as issued by the Chief Financial Officer.
- 23.6 The Council will create and maintain, as the cornerstones for effective treasury management:
- (i) a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
  - (ii) suitable treasury management practices, setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 23.7 The Council 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 and an annual report after the close of the financial year.

## **24 TRUST FUNDS HELD FOR THIRD PARTIES**

- 24.1 The Chief Executive, Deputy Chief Executive and Heads of Service must arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities etc. relating to the trust to the Chief Financial Officer, unless the deed provides otherwise.
- 24.2 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that trust funds are held on behalf of third parties, for their secure administration, approved by the Chief Financial Officer and to maintain written records of all transactions.
- 24.3 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that trust funds are operated within any relevant system and the specific requirements for each trust.

## **25 CASH DISBURSEMENTS**

- 25.1 The Chief Financial Officer may authorise the Chief Executive, Deputy Chief Executive and Heads of Service to hold individual cash or bank imprest accounts to meet minor expenditure incurred by the Council. The Chief Financial Officer shall authorise the level of such accounts and expenditure should not exceed the set amount approved.
- 25.2 Subsistence claims should only be paid out of petty cash in exceptional circumstances.
- 25.3 Car allowances shall be paid out of the car allowance system.
- 25.4 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure that where cash or bank imprest accounts are operating, all employees:
- (i) obtain and retain vouchers to support each payment from the imprest account;
  - (ii) where appropriate, obtain an official VAT invoice;
  - (iii) make adequate safety for safe custody of the account;
  - (iv) produce on demand to the Chief Financial Officer the cash and vouchers to the value of the account;
  - (v) record transactions promptly;
  - (vi) reconcile and balance the accounts at least monthly; reconciliation sheets to be signed and retained by imprest holder;
  - (vii) provide Chief Financial Officer with a certificate of value as at 31 March;

- (viii) ensure that the account is never used to cash personal cheques or make personal loans and that the only payments into the accounts are the reimbursement of the float and charges related to purchases where an advance had been made.

## **26 STOCKS AND STORES AND NON-LAND ASSETS**

- 26.1 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for the care, custody and control of stocks and stores held in their service and must maintain inventories as requested by the Chief Financial Officer. Stores and inventory records shall be kept in a format approved by the Chief Financial Officer.
- 26.2 The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that a system of continuous and controlled stock taking is in operation.
- 26.3 The Chief Executive, Deputy Chief Executive and Heads of Service shall arrange for all stocks and inventories to be checked physically at least annually and shall provide certification that the records are correct as required by the Chief Financial Officer.
- 26.4 Any disposal or surplus stores shall be in accordance with procedures laid down by the Chief Financial Officer.
- 26.5 All non-land assets other than stocks and stores must have a disposal policy.

## **27 CUSTODY AND SECURITY OF ASSETS**

- 27.1 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for ensuring that secure arrangements are made for the safe custody of land, buildings, cash and other property under their control.
- 27.2 All inventories shall be prepared and kept up to date by the Chief Executive, Deputy Chief Executive and Heads of Service for every Council establishment in accordance with guidelines issued by the Chief Financial Officer.
- 27.3 The Chief Executive, Deputy Chief Executive and Heads of Service shall arrange that authorised members of staff shall be responsible for keys of all safes or similar receptacles and secure locations and shall keep a record of the names of such employees. Duplicate keys may be kept by the Chief Executive, Deputy Chief Executive or Head of Service. If it is necessary to transfer keys; e.g., due to shift changes, then all transfers must be recorded and records maintained.
- 27.4 The Monitoring Officer shall be responsible for the custody of all legal deeds, agreements and contract documents. The Chief Executive, Deputy Chief Executive and Heads of Service are required to ensure that all such documents are lodged with her approval.
- 27.5 The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that records are maintained in respect of vehicles or plant under their control. Such records shall be kept in a manner agreed with the Chief Financial Officer and shall include details of usage, location visits, mileage, fuel, repairs and cost of repairs.
- 27.6 The Chief Executive, Deputy Chief Executive and Heads of Service shall ensure that secure arrangements are made for the physical security of the property in which ICT equipment is placed.
- 27.7 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for the management of data input into systems, the quality of the data input and meet the requirements of the Data Protection Act ~~1998~~ 2018 and the Freedom of Information Act 2000 and other appropriate legislation.



- 27.8 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure compliance with arrangements made to secure and safeguard computer software, hardware and data as issued by the Deputy Chief Executive.

## **28 RISK MANAGEMENT**

The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for the effective management of risk within their [service departments](#) and ensure compliance with the Council's Corporate Risk Strategy and any guidance issued by the Deputy Chief Executive.

## **29 INTERNAL CONTROL**

- 29.1 The Chief Executive, Deputy Chief Executive and Heads of Service shall be responsible for establishing an appropriate internal control framework within their service areas. These arrangements need to ensure compliance with all applicable statutes and regulations, Council rules and procedures and any guidance issued by the Chief Financial Officer.
- 29.2 The Chief Executive, Deputy Chief Executive and Heads of Service should ensure established internal controls are adhered to in order to have confidence in the proper use of resources, achievement of objectives and management of risks within their service areas.
- 29.3 The Chief Executive, Deputy Chief Executive and Heads of Service must ensure all staff in their service areas have a clear understanding of the internal controls applicable to their role and the consequences of any failure to adhere to them.