



Part 4, Section 6: Financial Procedure Rules for Officers

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4.6.1 WHY DO WE HAVE FINANCIAL PROCEDURE RULES?

- 4.6.1.1 Financial Procedure Rules provide the framework for the management of the public money and other resources under the Council's stewardship. They identify the financial responsibilities that apply to every Member and Officer of the authority and anyone acting on its behalf.
- 4.6.1.2 These rules are intended to be flexible while ensuring that financial propriety and governance is upheld and that the use of resources is legal, properly authorised, and provides value for money.
- 4.6.1.3 The rules are also a balance between officers being able to do their operational jobs while providing safeguards for members about strategy, policy, decision- making and oversight.
- 4.6.1.4 The Corporate Management Team are responsible for ensuring that all staff are aware of the Financial Procedure Rules, Contract Regulations, accounting instructions or procedures and that they are observed.
- 4.6.1.5 Provided officers and members operate within these Financial Procedure Rules, they will have the full authority of the Council. However, if officers and/or members operate outside these rules, they will leave themselves and the Council in a vulnerable position, and the Council may decide to take appropriate action.

4.6.2 GENERAL RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

- 4.6.2.1 The Chief Finance Officer is, under Section 151 of the Local Government Act 1972, responsible for the proper administration of the Council's financial affairs.
- 4.6.2.2 The Chief Finance Officer is also the Responsible Officer for the purposes of Section 114 of the Local Government Finance Act 1988 (unlawful expenditure etc.) and to ensure the proper administration of the financial affairs of the Council as required by the Accounts and Audit (England) Regulations extant at any time.
- 4.6.2.3 The Chief Finance Officer will nominate a Deputy Chief Finance Officer who, in the absence of the Chief Finance Officer, has the authority to make decisions about the application these Financial Procedure Rules and the financial aspects of the Council's Constitution.

- 4.6.2.4 The Chief Finance Officer shall review these Financial Procedure Rules and associated guidance on a regular basis but at least every three years, including any financial limits contained in the rules and the constitution and will report to the Constitutional Review Committee and the Council.
- 4.6.2.5 In order to administer the financial affairs of the Council, the Chief Finance Officer has the authority to issue such detailed instructions as they may deem appropriate and these should be considered as part of this framework.

4.6.3 FINANCIAL PROCEDURE RULE A: TAKING FINANCIAL DECISIONS

- 4.6.3.1 Budget Holders, Deputy Chief Officers, Chief Officers and the Chief Executive can make a financial decision if:
- 4.6.3.1.1 the decision is consistent with the budget and policy framework; and
 - 4.6.3.1.2 it is in accordance with an agreed and written scheme of delegation from the Chief Executive or Chief Officers to Deputy Chief Officers and Budget Holders consistent with the scheme of delegation between officers and members within the Council's Constitution.
- 4.6.3.2 If Budget Holders, Deputy Chief Officers, Chief Officers and the Chief Executive are in any doubt about the above they should consult the Chief Finance Officer and/or the Monitoring Officer.

4.6.4 FINANCIAL PROCEDURE RULE B: EMERGENCY OR DISASTER

- 4.6.4.1 In the event of an emergency or disaster as defined by the Civil Contingencies Act or by the Chief Executive as a local emergency, these Financial Regulations will be suspended and the Chief Executive and Chief Officers will have delegated powers to take any action deemed necessary subject to such action and associated expenditure (and claims) being reported to the Cabinet as soon as practicable.

4.6.5 FINANCIAL PROCEDURE RULE C: MEDIUM-TERM FINANCIAL STRATEGY

- 4.6.5.1 The Chief Finance Officer will, based on the information available to them, set out the financial prospects for the Council in a Medium Term Financial Forecast as part of quarterly financial monitoring and develop a 5-Year Medium Term Financial Strategy with the Corporate Management Team and the Cabinet for recommendation to Council as part of the budget setting process. Existing proposals will be re-examined in the light of changing circumstances and the Council's objectives and priorities, and new proposals will be added for the succeeding years if required.

4.6.6 FINANCIAL PROCEDURE RULE D: THE ANNUAL BUDGET AND COUNCIL TAX SETTING

4.6.6.1 The Chief Finance Officer will prepare annually, in consultation with the Corporate Management Team, a

- Revenue Budget and a Medium-Term Financial Strategy that includes estimates of income and expenditure for the ensuing year (the budget year) and projections for four years thereafter, and
- Capital, a 5 year Capital Programme.

The Budget, MTFS and Capital Programme will be expected to be consistent with the general directions of the Cabinet and corporate priorities.

4.6.6.2 The Chief Finance Officer, in consultation with the Corporate Management Team, will set out the process and timetable for the preparation of the budget.

4.6.6.3 The Corporate Management Team will provide the information requested by the Chief Finance Officer in the form requested.

4.6.6.4 The Corporate Management Team and Deputy Chief Officers will review their base budgets annually with a view to correcting over and under spending within their overall approved budgets, releasing any budgets no longer required, and identifying any service pressures, but ensuring that service budgets are developed based on the Cabinet approved budget principles.

4.6.6.4.1 The Chief Financial Officer will prepare a report for Cabinet that states the principles on which the budget will be produced; it is expected that Cabinet will approve these budget principles prior to the Draft Budget thereby giving sufficient time for officers to develop their budget and MTFS proposals. It is expected that officers will produce budgets based on these principles and any variation will be reported to Cabinet at the draft budget approval stage.

4.6.6.4.2 The process of approving the Budget & MTFS will follow a 2-stage process; Draft and Final budget. The Draft budget will include the main budget assumptions and the Final will reflect any subsequent changes prior to presentation to Council. It is expected that Scrutiny will review the Draft budget once considered by Cabinet.

4.6.6.5 The Chief Finance Officer will submit a report to the Cabinet for recommendation to the Council in February of each year,

including:

- 4.6.6.5.1 The proposed revenue budget requirement for the Council and its element of the Council Tax;
 - 4.6.6.5.1.1 the proposed capital programme;
 - 4.6.6.5.1.2 the Chief Finance Officer's statement of the robustness of estimates and the adequacy of reserves as required under legislation;
 - 4.6.6.5.1.3 other requirements including the treasury management policy and policies required by the Prudential Code for Local Authority Borrowing;
 - 4.6.6.5.1.4 special expenses and other precepts and their impact on the Council Tax; and
 - 4.6.6.5.1.5 the Council Tax resolutions to set a legal Council Tax.

4.6.7 FINANCIAL PROCEDURE RULE E: CAPITAL PROGRAMME AND SPENDING

- 4.6.7.1 Expenditure on an item or related group of items is normally defined as capital expenditure if it will last for more than a year, and cost more than £10,000 in total, excluding VAT. Such items form the Council's Capital Programme following a rigorous selection process and are funded from the Council's capital funds.
- 4.6.7.2 The Chief Finance Officer will provide guidance for bids to the capital programme and these will be appraised by an appropriate officer group before consideration by Cabinet for onward recommendation to Council.
- 4.6.7.3 Deputy Chief Officers and Chief Officers will consult with the Chief Finance Officer on the categorisation of expenditure as capital or revenue.
- 4.6.7.4 The Council's capital programme consists of approved "programmes" (e.g. planned maintenance, landlord's responsibilities) and "specific schemes" (e.g. a new building).
- 4.6.7.5 When planning capital expenditure, officers are responsible for providing "fair estimates" of the actual cost of the project based on sound business cases; such estimates are to include a contingency not exceeding 5%; officers will be expected to keep within the cost estimate.
 - 4.6.7.5.1 However, once a project is underway and it

becomes evident that a further capital allocation is needed; if the additional allocation is

4.6.7.5.1.1 <10%, this will need to be agreed by the Chief Financial Officer and the Portfolio Holder for Finance - with a supporting statement by the service Chief Officer and Portfolio Holder.

4.6.7.5.1.2 >10%, then the service will report to Cabinet who will request additional resources from Council.

4.6.7.5.2 Additional capital allocations will be financed as follows; either:

4.6.7.5.2.1 A direct revenue allocation (direct revenue financing, grant or similar),

4.6.7.5.2.2 or:

i. A contingency capital programme allocation, representing 5% of that years capital programme will be maintained. This capital allocation will be “unfinanced” but if it is needed, then the respective service will have an additional capital financing (MRP) charge (this is equivalent to 50% of the 15% noted in (a) above).

ii. For amounts exceeding the amount in (2 i), this will be from a direct revenue contribution (underspend) or reallocation of capital resources from another project. If the latter, Cabinet will approve from which other capital allocation will be applied.

4.6.7.6 Chief Officers have the authority to spend on a specific scheme if:

- a) it is in the capital programme approved by Council;
- b) the Cabinet has approved the detailed proposals and financial aspects, (including any business case) of the specific scheme if this has not been carried out before the approval of the capital programme by the Council;
- c) the total cost of the scheme is within that budgeted for in the approved capital programme, including any revenue consequences;
- d) the process of asking for and accepting Tenders adheres to the contract rules; and
- e) the scheme has a named Senior Responsible Officer and appropriate project management arrangements and governance.

- 4.6.7.8 Chief Officers have the authority to spend on a programme if:
- a) it is in the capital programme approved by Council;
 - b) there is a clearly set out plan for the programme of works agreed by the Cabinet if this has not been carried out before the approval of the capital programme by the Council;
 - c) the total cost of the programme is within that budgeted for in the approved capital programme, including any revenue consequences;
 - d) the process of asking for and accepting Tenders adheres to the contract rules; and
 - e) the programme has a named Senior Responsible Officer.
- 4.6.7.9 If any specific scheme or programme, after tender, is likely to exceed approved budgets the Chief Finance Officer must be informed before any commitments are made.
- 4.6.7.10 The Chief Finance Officer, in consultation with the Chief Executive, Leader of the Council and the Cabinet Member responsible for Finance, has the authority to bring forward capital spending on the condition that the overall scheme or programme is within its overall budget and total capital spend for the year in question is within the annual capital budget. The exercise of this authority is subject to reporting to the next available Cabinet meeting for in year financial reporting as set out in Financial Procedure Rule I.

4.6.8 FINANCIAL PROCEDURE RULE F: FINANCIAL CONTROL (see also FPR Q)

- 4.6.8.1 The Chief Finance Officer shall be informed immediately of any decision, course of action or entry of item of account, actual or proposed which may give rise to a report under Section 114 (2) of the Local Government Finance Act 1988. Where the Chief Finance Officer believes that the Council, the Cabinet, one of its committees or one of its officers is about to make a decision which would be unlawful then they must, as required by Section 114 of the Local Government Finance Act 1988 to report this to Council.
- 4.6.8.2 The Monitoring Officer shall report on any contravention of law or of a code of conduct and any act of maladministration in accordance with the Local Government and Housing Act 1989.

4.6.9 FINANCIAL PROCEDURE RULE G: FINANCIAL MANAGEMENT

- 4.6.9.1 The Council operates an "incremental" budget system; in that, parts of a budget are controlled by the Deputy Chief Officer and other parts are controlled centrally. Budget Holders, Deputy Chief Officers, Chief Officers and the Chief Executive are responsible and accountable for achieving their budgets and for the security, custody and control of all resources within their control.
- 4.6.9.2 Every officer will at all times endeavour to secure the best value for money and will establish:
- a) service standards and output measures for its various services and functions; and
 - b) sound arrangements for the planning, appraisal, authorisation and control of all resources and ensure that these are functioning properly in order to achieve economy, efficiency and effectiveness
- 4.6.9.3 In order that they may exercise proper budgetary control each Chief Officer will have direct access to financial information contained within the Authority's Financial Management system. In addition, the Chief Finance Officer will provide each Budget Manager, Deputy Chief Officer, and Chief Officer with periodical statements of income received and expenditure incurred, as and when requested.
- 4.6.9.4 Each Budget Holder, Deputy Chief Officer and Chief Officer will provide to the Chief Finance Officer information regarding outstanding commitments and expected income and expenditure for the remainder of the financial year upon request.
- 4.6.9.5 Any report to Council, or any body of the Council which would involve the Council in any income and expenditure shall indicate full financial implications, authored by the report writer, and includes a commentary on the available budget (revenue or capital) and the forecast outturn (such commentary to include reasons for variances). Such financial implications should be agreed with the Chief Finance Officer.
- 4.6.9.6 The Chief Finance Officer will be notified as soon as possible with respect to any matter which is liable to affect substantially the finances of the Council and for which provision is not made in the current budget, before any commitment is incurred. The Chief Finance Officer will then report to the Chief Executive in order that the necessary action can be taken, including reporting to the Cabinet and if required the Council.
- 4.6.9.7 Virements are a permanent change to budget allocations and will apply across the MTFs. Deputy Chief Officers and Chief

Officers are authorised to vire between the cost centres that they are responsible for. Virements between Chief Officers are authorised, subject to agreement between respective Portfolio Holders. No virement can increase the Net Expenditure in any financial year and virements between years are not permitted.

4.6.9.8 All virement is subject to the following conditions:

- a) there are no changes in the level of service (including grant giving budgets) and no changes in policy as set out by the Cabinet or Council;
- b) no virement will commit expenditure in future years above the currently agreed budgets;
- c) the Deputy Chief Officers service related cost centre subject to the virement is not overspent;
- d) the aggregate of the Chief Officers service related cost centres are not overspent;

4.6.9.9 The Chief Finance Officer will be informed of all virement in a prescribed form to reflect them in financial systems.

4.6.9.10 The exercise of virement over £50,000 in aggregate within and between service costs centres will be reported to the Cabinet on a quarterly basis for information in accordance with Financial Procure Rule I.

4.6.9.11 In exceptional circumstances any underspend of a budget will be considered by the Cabinet for carry forward into the next financial year on condition that:

- a) the overall budget of the Council is not overspent;
- b) that the Chief Officer level budget is not overspent;
- c) that the proposed carry forward is essential to meeting service standards or objectives of the Council; and
- d) whether, on balance, the underspend was not in management's control.

4.6.10 FINANCIAL PROCEDURE RULE H: MAINTENANCE AND USE OF RESERVES

- 4.6.10.1 General Fund (Unallocated) Reserve (GFUR): Proposals for the application of forecast service under or overspends against the GFUR will be reported to Cabinet on a quarterly basis. Cabinet will confirm if they accept the reported forecasts and if there is a need for a specific contribution to/from the GFUR, this will be actioned via a Budget Surplus Reserve. In this way, the GFUR will be consistently maintained at the agreed MLR of 20% and contribution's to/from Earmarked Reserves will be transparently seen.
- 4.6.10.2 Earmarked Reserves: Earmarked Reserves will be established or deleted in line with the principles for reserves (Risk, Prudential Financial Management, Medium-Term Financial Strategy and Funding Source of Last Resort). However, there will be predetermined controls around their operation as follows:
- o The Chief Finance Officer will be able to create reserves, following consultation with the Portfolio Holder for Resources.
 - o Earmarked Reserves will only be able to be removed with the agreement of Cabinet.
 - o Contributions to/from Earmarked Reserves will:
 - either be in line with statutory requirements or service need, and
 - only be made when agreed with the Chief Finance Officer.
- 4.6.10.3 Capital Receipts Reserve: The Council will receive capital receipts through the sale of capital assets that support general service activity these receipts will only be applied for similar such activity. The first call for the application of such receipts will be to finance in-year capital expenditure, this will have the effect of minimising the Councils statutory obligations in respect of Minimum Revenue Provision.
- 4.6.10.4 Capital Grants Unapplied Reserve This reserve will only hold capital grants that will have been acquired by the Council for a specific purpose. The use of these grants will be in line with regulations.

4.6.11 FINANCIAL PROCEDURE RULE I: IN YEAR FINANCIAL REPORTING

- 4.6.11.1 The Chief Finance Officer will report to the Cabinet on the Council's financial position in relation to its budget on a quarterly

basis unless circumstances dictate that a report is brought to the Cabinet prior to the quarterly reports.

- 4.6.11.2 Budget holders, Chief Officers and the Chief Executive will provide realistic budget projections for the year to the Finance Team.

4.6.12 FINANCIAL PROCEDURE RULE J: ACCOUNTING AND STATEMENT OF ACCOUNTS

- 4.6.12.1 The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and other related guidance.
- 4.6.12.2 In preparing this Statement of Accounts, the Chief Finance Officer will:
- a) select suitable accounting policies and then apply them consistently;
 - b) make judgements and estimates that are reasonable and prudent; and
 - c) comply with the Local Authority Code of Accounting practice and related advice; subject to any statutory overrides or the use of the Chief Financial Officer "True & Fair View Override" (although the use of CFO override is highly unlikely and will be subject to external audit review).
- 4.6.12.3 The Chief Finance Officer will:
- a) keep proper accounting records on financial systems which are up to date;
 - b) take reasonable steps for the prevention and detection of fraud, bribery, corruption and other irregularities;
 - c) prepare and submit all financial returns, reports and statistics to meet both Council and statutory requirements; and
 - d) prescribe the form, security and maintenance of financial records kept by the Council.
- 4.6.12.4 In order to administer the financial affairs of the Council, the Chief Finance Officer shall have authority to issue such detailed instructions as they may deem appropriate.
- 4.6.12.5 The Chief Finance Officer shall be consulted regarding the proposal of any new financial procedures and will ensure that a satisfactory and, so far as possible, uniform system is adopted across the Council.

4.6.13 FINANCIAL PROCEDURE RULE K: RISK MANAGEMENT

- 4.6.13.1 The Monitoring Officer is responsible for risk management and will ensure the Council's risk management strategy and processes are reviewed annually and that the Council's strategic risk register is reviewed quarterly. Both will be reported to the Audit and Standards Committee.
- 4.6.14.2 Chief Officers, Deputy Chief Officers and Project/Programme Managers are responsible for maintaining service/project/programme level risk registers in the format prescribed by the Monitoring Officer and to provide information to the Monitoring Officer for the strategic risk register.

4.6.14 FINANCIAL PROCEDURE RULE L: INTERNAL AUDIT

- 4.6.14.1 Internal Audit must report functionally to the Audit & Standards Committee (those charged with governance).
- 4.6.14.2 The Chief Financial Officer will maintain:
- an adequate and effective internal audit of all activities of the Council
 - day-to-day operational oversight of Internal Audit, and be
 - Internal Audit's first point of contact with the Council.
- 4.6.14.3 Internal Audit has a right of access to all Council departments at all times to such offices, officers, records, physical assets, correspondence and other documents relating to any financial and other transactions of the Council and Council property that appear necessary for the purpose of the audit.
- 4.6.14.4 The Head of Internal Audit must establish effective communication with, and have free and unfettered access to, the Chief Executive and the Chair of the Audit and Standards Committee.
- 4.6.14.5 Internal Audit will receive such explanations as are necessary concerning any matter under examination.
- 4.6.14.6 The Head of Internal Audit shall report to the Chief Finance Officer who shall refer audit reports to the appropriate officers. Chief Officers have a responsibility to respond to Internal Audit recommendations and to implement agreed actions within agreed timescales.

- 4.6.14.7 Where a report concerns the Chief Finance Officer or Monitoring Officer in person, the Head of Internal Audit will report direct to the Chief Executive.
- 4.6.14.8 Where a report concerns the Chief Executive in person, the Head of Internal Audit will report direct the Chief Finance Officer who will report to the Leader of the Council and Chair of the Audit and Standards Committee.

4.6.15 FINANCIAL PROCEDURE RULE M: IRREGULARITIES, FRAUD, BRIBERY AND CORRUPTION

- 4.6.15.1 Any officer or Member will notify the Chief Finance Officer immediately of any suspected or apparent fraud, irregularity, bribery or corruption concerning Council resources or the exercise of the functions of the Council in accordance with the Council's Whistleblowing Policy and/or its Anti Theft, Fraud, Corruption and Bribery Policy. This should include any evidence of wrongdoing that is available.
- 4.6.15.2 The Chief Finance Officer will arrange, where appropriate, for an internal audit investigation and for the Council's external auditors and the Council's insurers to be informed. The Chief Finance Officer, in consultation with the Monitoring Officer and Chief Executive, will decide whether to refer any such issue to the police or other authorities and will make external auditors aware of the allegations and actions to be taken.
- 4.6.15.3 The Chief Finance Officer is responsible for ensuring that the Council's Anti Theft, Fraud, Corruption and Bribery Policy is subject to periodic review and will make recommendations to the Audit and Standards Committee.
- 4.6.15.4 The Monitoring Officer is responsible for keeping the Council's Whistleblowing Policy is subject to periodic review and will make recommendations to the Audit and Standards Committee.
- 4.6.15.5 Chief Officers are responsible for ensuring their staff are aware of the relevant policies and of their contents.
- 4.6.15.6 If the allegation of wrongdoing is against the Chief Finance Officer or the Monitoring Officer this should be reported to the Chief Executive who will make the necessary arrangements to investigate the matter. If the allegation of wrongdoing is against the Chief Executive this should be reported to the Chief Finance Officer and the Monitoring Officer.

4.6.16 FINANCIAL PROCEDURE RULE N: TREASURY MANAGEMENT

4.6.16.1 The Chief Finance Officer has the responsibility for the execution and administration of treasury management decisions. They will act in accordance with the Council's Borrowing and Investment Strategy under the extant Prudential Code, agreed treasury management practices and the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management.

4.6.17 FINANCIAL PROCEDURE RULE O: ACQUISITION AND DISPOSAL OF PROPERTY

4.6.17.1 It is the responsibility of the Corporate Property Officer to maintain a land and property database for all land and property currently owned or used by the Council.

4.6.17.2 The acquisition and disposal of any interest in land and buildings or any other property will be in accordance to the delegations to the Corporate Property Officer as set out in O3 below, the Constitution, the Corporate Property Strategy, the Disposals, Acquisitions & Community Asset Transfer Policy, and other supporting policies.

4.6.17.3 Decisions on disposals and acquisitions of land and property are delegated as set out below:

| | | |
|---|--|---|
| a) | Small Land – such land is <0.25 acres and will be subject to disposal as per the "Small Land Sales Policy" | |
| For land greater than 0.25 acres and all land acquisition | | |
| 1 | £0 - £500k | Chief Finance Officer + Chief Executive + Cabinet Member for Finance. |
| 2 | £500k - £1m | As (O3-1) + the Leader |
| 3 | £1m - £2.5m | As (O3-2) + consultation with all Cabinet Members |
| 4 | + £2.5m | Cabinet decision |

4.6.18 FINANCIAL PROCEDURE RULE P: INFORMATION AND COMMUNICATIONS TECHNOLOGY

- 4.6.18.1 All information and communications technology (ICT) equipment, digital equipment, computer programs, or IT consultancy must be approved by the Deputy Chief Officer for ICT in consultation with the Chief Finance Officer, so as to ensure best price and system compatibility and interoperability with the Council's ICT infrastructure.
- 4.6.18.2 The Deputy Chief Officer for ICT is responsible for the procurement of all telephony.
- 4.6.18.3 Any new proposal for the acquisition of ICT that is a Major Project or greater than £100k; this should be highlighted to Internal Audit for assessing for potential inclusion in the audit plan.
- 4.6.18.4 Any new application or system shall not be operated with live data until the Deputy Chief Officer for ICT has confirmed in writing that all requirements have been met.

4.6.19 FINANCIAL PROCEDURE RULE Q: FINANCIAL ADMINISTRATION

Banking

- 4.6.19.1 All banking arrangements, including agreement of bank charges and overdraft levels will be made by the Chief Finance Officer in the name of the Council and who is authorised to operate all necessary bank accounts.
- 4.6.19.2 No member of staff or Member has authority to set up bank accounts on behalf of the Council or to liaise with the Council's bankers or alternative bankers other than the Chief Finance Officer and their designated officers.
- 4.6.19.3 All cheques will be ordered only on the written authority of the Chief Finance Officer who shall also make arrangements for their safe custody upon receipt.
- 4.6.19.4 The normal method of Council payment shall be by bank automated clearing system (BACS) or Faster Payments. The use of clearing house automated payment systems (CHAPS) or cheque will be a last resort.
- 4.6.19.5 Such authorised officers shall include the Chief Finance Officer and such other officers they may determine. The Chief Finance Officer shall be authorised to delete authorised signatories from the list with immediate effect.

- 4.6.19.6 For all payroll payments (by BACS), the total value of the payment shall be reconciled by the Payroll team to the payroll system and authorised by the Deputy Chief Finance Officer or in their absence, one of the designated authorising officers.
- 4.6.19.7 The Chief Finance Officer shall make arrangements for all the Council's bank accounts to be reconciled and ensure that this is undertaken on a regular basis.

Salaries, Wages and Other Emoluments

- 4.6.19.8 The Chief Finance Officer is responsible for the calculation of all salaries, wages, compensation and other emoluments to officers and Members and the production of other necessary records in connection with pensions, national insurance, income tax, maternity and sick pay.
- 4.6.19.9 The Chief Finance Officer is responsible for the payment of members' allowances and for the authorisation and payment of salaries, wages and other emoluments.
- 4.6.19.10 Chief Officers will notify the Chief Finance Officer as soon as possible in a form to be prescribed, after consultation with HR, of all matters affecting the payment of such emoluments and in particular:
- a) appointments, resignations, dismissals, suspensions, secondments and transfers;
 - b) absences from duty for sickness or other reason, apart from approved leave;
 - c) changes in remuneration, other than normal increments and pay awards and agreements of general application; and any information which is necessary to maintain records of service for pensions, income tax, national insurance, etc.
- 4.6.19.11 Appointments of all employees of the Council will be within the agreed budget by Chief Officers.
- 4.6.19.12 Approval of new posts outside of the agreed budget of a Chief Officer will be by the Chief Executive and should be within agreed corporate budgets for managing capacity.
- 4.6.19.13 Deputy Chief Officers and Chief Officers are responsible for keeping HR informed to keep records up to date.

Allowances and Expenses

- 4.6.19.14 All claims for the payment of car allowances, subsistence, removal and other incidental expenses will be submitted promptly in a form approved by the Chief Finance Officer. After certification, by or on behalf of the appropriate Deputy Chief Officer or Chief Officer, details of amounts due will be

submitted to the Chief Finance Officer for payment.

- 4.6.19.15 The names of officers authorised to sign such records, together with specimen signatures, will be sent to the Chief Finance Officer and will be amended on the occasion of any change. Certification shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses were properly and necessarily incurred, and that the allowances are properly payable by the Council.
- 4.6.19.16 Payments to members, including any co-opted members of the Council or its committees, who are entitled to claim travelling or other allowances, will be made by the Chief Finance Officer, upon receipt of the prescribed form duly completed.

Contracts for Works, Goods and Services

- 4.6.19.17 The Monitoring Officer, in consultation with the Chief Finance Officer, will advise upon all aspects of all contracts before acceptance and will keep a contracts register showing particulars of all contracts entered into by the Council for works, goods and services and will retain copies of all contract documents.
- 4.6.19.18 The appointed Supervising Officer/Contract Manager will:
- a) put in place proportionate contract management arrangements and retain a copy of the contract for this purpose; and
 - b) give written orders in respect of all variations from the specification of the works, goods or services included in the contracts and copies of these orders shall be forwarded to the Monitoring Officer and the Chief Finance Officer with the estimated variations in cost noted thereon and budgetary provision relied upon.
- 4.6.19.19 Payments to contractors on account of contracts for works will be made only on a certificate issued by the Senior Responsible Officer/Contract Manager which will show the total amount of the contract, the value of work, goods or services executed to date, retention money, the amount paid to date and amount certified as due. Details of variations and fluctuations included in the value of work to date shall accompany the certificate.
- 4.6.19.20 On completion of a contract for works and before the issue of the certificate for final payment thereunder, the appointed Senior Responsible Officer shall produce to the Chief Finance Officer a detailed statement of the work under the contract, with all vouchers and documents relating to prime cost and provisional sums and any other particulars

required showing full measurements, additions, deductions and omissions. The Final Certificate shall not be issued nor shall the contractor be informed that the final account is agreed and the balance under the contract paid until the Chief Finance Officer and Monitoring Officer are satisfied that final payment should be made.

- 4.6.19.21 Claims from contractors in respect of matters not clearly within the terms of an existing contract shall be referred to the Chief Finance Officer and Monitoring Officer for consideration of the Council's legal liability and for consideration before a settlement is reached.

Raising Orders

- 4.6.19.22 Chief Officers and Deputy Chief Officers are responsible for procurement or the raising of orders in accordance with the Council's Statement of Required Practice for Procurement ('The Procurement SORP') and Contract Procedure Rules.
- 4.6.19.23 The Chief Finance Officer will determine the procedures and processes in electronic systems, providing that they do not weaken existing controls.
- 4.6.19.24 The Chief Finance Officer will approve the design of all official order forms.
- 4.6.19.25 All work, goods or services must have an official order.
- 4.6.19.26 The Council's ordering system must not be used to order or seek quotes or estimates for works, goods or services for personal use. Any abuse of the Council's ordering system for personal use will be regarded as a serious breach of trust, and will result in disciplinary action.
- 4.6.19.27 An order for goods or services must not be raised if the cost is not covered by an approved budget, or if it contravenes a standing order, contract rule or financial rule.
- 4.6.19.28 Chief Officers will send a list of names, signatures and authorised limits of staff allowed to sign or authorise orders on their behalf, to the Chief Finance Officer.
- 4.6.19.29 Official orders must clearly show the materials, work or services together with an estimated total value. They must also show whether the materials, work or services are covered by a 'Contract Price' or by an 'Agreed Price'.
- 4.6.19.30 Suppliers must be asked to send invoices direct to the Council and to show on invoices the official order number and where they have delivered the goods or services.
- 4.6.19.31 In exceptional cases where orders are placed by phone or, in case of emergency, by verbal instruction; these must be confirmed by an official order (which may be an electronic order) the next working day at the latest.

- 4.6.19.32 Full advantage must be taken of any contract that has been arranged centrally, e.g. for stationery, and to make sure that the standard and quality of goods or services ordered is right for what is wanted.
- 4.6.19.33 Chief Officers and Deputy Chief Officers must use contractors or suppliers for works, goods or services procured in accordance with the Procurement SORP.

Paying Invoices

- 4.6.19.34 All Deputy Chief Officers are authorised to certify invoices for payment within their service areas up to a limit of £50,000.
- 4.6.19.35 Chief Officers are authorised to certify invoices for payment within their service areas up to a limit of £100,000.
- 4.6.19.36 Payments over £100,000 are to be authorised by the relevant Chief Officer and the Chief Finance Officer (or the deputy Chief Finance Officer or the Chief Executive).
- 4.6.19.37 Before certifying an invoice for payment the authorised officers will satisfy themselves that:
- a) a division of duty between ordering and goods receipting has been complied with;
 - b) the work, goods or services to which the account relates have been received, carried out, examined and approved;
 - c) the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
 - d) the relevant expenditure has been properly incurred and within budget and coded adequately;
 - e) appropriate entries have been made on copy orders and in inventories, stores records or stock books as required electronic or otherwise;
 - f) the account has not been previously passed for payment and is a proper liability of the Council; and
 - g) the payment is lawful.
- 4.6.19.38 The names of officers authorised to certify such documents shall be notified in advance to the Chief Finance Officer, together with specimen signatures, and any change in such authorisation will be similarly notified to the Chief Finance Officer.

Income

- 4.6.19.39 Arrangements for the collection of all money due to the Council shall be approved by the Deputy Chief Officer and reported to the Chief Finance Officer.

- 4.6.19.40 Chief Officers and Deputy Chief Officers will ensure that all money received in their service areas by an officer on behalf of the Council will be receipted in a manner specified by the Chief Finance Officer and will, without delay, be deposited the Council's bank.
- 4.6.19.41 Chief Officers and Deputy Chief Officers will take into account the cost of collection of income against raising an invoice. There should be no invoice raised below £10 for collection. If there are charges less than £10 then these should be collected in advance.
- 4.6.19.42 No deduction shall be made from income except to the extent that the Chief Finance Officer authorises it.
- 4.6.19.43 All claims for grant income will be submitted on time. Any potential late claims will be reported to the Chief Finance Officer.
- 4.6.19.44 Every officer who receives money on behalf of the Council or for which they are accountable to the Council, shall keep such records as required by the Chief Finance Officer, and shall produce them for inspection as and when required by the Chief Finance Officer.
- 4.6.19.44 The Chief Finance Officer shall be responsible for arranging or supervising arrangements for ordering and maintaining stocks of all receipt books and other numbered accounting documents.

Write Off of Debts

- 4.6.19.45 The Chief Finance Officer has the authorisation to write off any individual debt or the aggregate for any one debtor up to and including £10,000 subject to all procedures for recovery of the debt being completed or legislative requirements deeming the debt to be irrecoverable. Over this amount the Cabinet must approve any write off of an individual debt or the aggregate for any one debtor.

Petty Cash

- 4.6.19.46 The Chief Finance Officer will approve such advance amounts as they consider appropriate. These shall be operated on an imprest basis and in a manner specified by the Chief Finance Officer.
- 4.6.19.47 Where they consider it appropriate, the Chief Finance Officer will open an account with the Council's bankers, or such other financial institution as deemed appropriate, for the use by the imprest holder. Under no circumstances is the account to go overdrawn and if this arises will be notified to the Chief Finance Officer promptly.
- 4.6.19.48 Income received on behalf of the Council will not be paid

into an imprest/advance account but shall be banked or paid to the Council as provided elsewhere in these Financial Procedure Rules.

- 4.6.19.49 Payments shall be limited to minor items of expenditure (£30 or less) and to such other items as the Chief Finance Officer will approve and will be supported by a receipt voucher.
- 4.6.19.50 Under no circumstances should an imprest account be used for any personal/ non – Council transactions.
- 4.6.19.51 An officer responsible for an advance amount shall certify as to the state of the advance on the 31 March in each year.
- 4.6.19.52 On leaving the employment of the Council or otherwise ceasing to be entitled to hold the advance, an officer shall account to the Chief Finance Officer for the amount of the advance.

Stocks, Stores and Inventories

- 4.6.19.53 Chief Officer and Deputy Chief Officers are responsible for the care, custody and recording of stocks and stores held by their services on behalf of the Council. The Chief Financial Officer will agree the form and content of records to be kept for this purpose.
- 4.6.19.54 Stocks shall not exceed the quantities considered necessary by the Chief Officer and Deputy Chief Officer concerned to meet the reasonable requirements of the Council.
- 4.6.19.55 Deputy Chief Officers responsible for stocks will arrange for periodical checks of stocks by persons other than those responsible for the stocks and will ensure that such checks are made at least once in every financial year.
- 4.6.19.56 The Chief Finance Officer is authorised to write-off physical differences or losses (including obsolescence) of stocks, stores or other assets. Losses will be reported to the Audit and Standards Committee on an annual basis.
- 4.6.19.57 Chief Officers or Deputy Chief Officers responsible for stocks and stores will provide the Chief Finance Officer as soon as possible after 31 March in each year a certificate as to the value of stocks held at the close of the financial year on a valuation basis determined by the Chief Finance Officer.
- 4.6.19.58 Chief Officers and Deputy Chief Officers will maintain an inventory to record an accurate description of furniture, fittings, equipment, plant and machinery so as to enable identification. They are responsible for an annual check of the inventory. The extent to which the property of the Council will be recorded and the form in which the inventory

will be kept will be specified by the Chief Finance Officer.

Security

- 4.6.19.59 Deputy Chief Officers and Chief Officers are responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, and other resources under their control. They will consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Wherever possible assets of the Council will be marked as the property of the Council.
- 4.6.19.60 The maximum limit for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without their express permission.
- 4.6.19.61 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Chief Finance Officer immediately the loss is discovered.

Insurance

- 4.6.19.62 The Chief Finance Officer will review annually and affect insurance cover and prescribed procedures for claims, consulting with Chief Officers as appropriate.
- 4.6.19.63 Deputy Chief Officers and Chief Officers will notify the Chief Finance Officer promptly of all new risks, property or vehicles to be insured and every matter which may affect existing insurances.
- 4.6.19.64 Deputy Chief Officers and Chief Officers will notify forthwith in writing any loss, liability or damage or any event likely to lead to a claim to the Chief Finance Officer, who will, in turn, notify the Council's Insurers. In appropriate instances, the Chief Finance Officer shall inform the police or other authorities.
- 4.6.19.65 The Chief Finance Officer shall ensure that all relevant employees of the Council are included in a suitable fidelity guarantee insurance.
- 4.6.19.66 Chief Officers will consult the Chief Finance Officer with respect to the terms of any indemnity, warranty or guarantee that the Council is requested to give.