

REGULATION 4: AUTHORISATION LIMITS

Incurring expenditure relates to any process, which places a commitment on the Council to commit or spend its monetary resources. These processes include authorising orders, invoices or any type of reimbursement. They do not relate to the administrative activities supporting these processes e.g. setting up an electronic order.

- 4.1 **Nature of Spend:** Expenditure should only be incurred in relation to the business of FBC and procurement channels should not be used for personal use under any circumstance.
- 4.2 **Budget Provision:** Expenditure can only be incurred within the revenue and capital budgets approved by the Council.
- 4.3 **Capital Expenditure:** Only expenditure that meets the capitalisation rules can be charged against a capital scheme.
- 4.4 **Budget Holder Agreement:** When authorising expenditure, the authoriser should be confident that the budget holder has confirmed that the expenditure can be posted against their budget. The authoriser should take reasonable steps to be able to demonstrate this confirmation if challenged.

Exemptions from the need for budget holder confirmation are:

- Internal recharges
 - Employee related costs
 - Energy costs
 - Vehicle costs
 - Insurance premiums and excesses
 - Leasing costs
 - Capital financing costs
 - Bank charges
 - Bad debt provisions
 - ICT software and hardware costs
 - Non negotiable expenditure e.g. external audit fees
 - Accounting transactions and corrections
 - Anything else procured centrally or expenditure on a consolidated invoice.
- 4.5 **Authorisers:** Orders and payments which involve the spending of council funds must be authorised by an employee of the Council, whose powers to incur expenditure are in accordance with the limits set out in Appendix 1, and who has been nominated as an authoriser by their Head of Service.

The exception to this are payment made on Council Procurement cards which can be made by an approved card holder who has signed a procurement card user agreement setting out their authorised limits in accordance with Appendix 1.

An authorised officer, other than the card holder, must be nominated to receive details of the transactions being charged to each card.

- 4.6 Employees must not authorise any payments which are above these limits unless written approval to do so has been given by the employee's director and Statutory Chief Finance Officer.
- 4.7 **Emergency Responses:** In the event of the Council being involved in an emergency response, such that a control centre has been established, additional powers of authorisation are allowed in accordance with [Financial Regulation Support Document 29](#).
- 4.8 **Personal Benefit:** No employee can authorise payments to themselves, or to related bodies/individuals where they have a personal interest. Any exceptions to this must be agreed by the Statutory Chief Finance Officer.

Appendix 1 - Current Authorisation Limits

			Level 1	Level 2	Level 3	Other
	Covers	Additional Rules	Member of CXMT	Head of Service	Other staff nominated by their Head of Service or Director	Finance Team Authoriser
Budget Expenditure	Electronic authorisation on efinancials, Orchard or Technology Forge Manual authorisation of order forms, yellow stickers or payment vouchers/certificate	<p>Any cheque over £50,000 must be countersigned by an officer with Financial Management authorisation.</p> <p>Any non-cheque payment over £50,000 must be additionally approved by an officer with Financial Management authorisation, who is different from the first authoriser.</p> <p>Any payment over £500,000 must have been approved counter signed by the Statutory Chief Finance Officer who cannot also be the authoriser first signatory.</p>	£500,000	£75,000	£10,000	Not applicable
Petty Cash	Cash Advances Reimbursement Float Top Up	Any payment over £200 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.	£200	£100	£50	Not applicable
GPC Procurement Cards	Advance payments In person payments Telephone payments Internet orders	<p>Limits are the upper limit for single transactions.</p> <p>Actual limits for single and monthly transactions are set out in individual Procurement Card agreements.</p> <p>Higher limits can be given in individual cases on approval of the Nominated General Finance Manager or Statutory Chief Finance Officer</p>	Up to £5,000	Up to £2,000	Up to £1,000	Not applicable

<p>Financial Management</p>	<p>Life Assurance Claims Precepts to other precepting authorities Routine transfers to Government Departments (e.g. Inland Revenue. NNDR) Pension payments Authorisation of sundry debtor refunds Tax Adjustments Inter-account transfers</p>	<p>Any cheque over £50,000 must be countersigned by an officer with Financial Management authorisation.</p> <p>Any non-cheque payment or transfer over £50,000 must be additionally approved by an officer with Financial Management authorisation, who is different from the first authoriser.</p> <p>Financial Management transactions over £3,000,000, other than inter-account transfers, must have been approved by the Statutory Chief Finance Officer who cannot also be the authoriser.</p> <p>Any cheque, or supporting document for BACS/CHAPS over £50,000 must be physically signed by an authorised person.</p> <p>Any payment over £1,500,000 must be counter signed by another authorised person.</p> <p>Any payment over £3,000,000 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>£1,500,000 £3,000,000</p>
<p>Employee Expenses</p>	<p>Payments to employees made through the electronic expenses system: Mileage, Overtime, Hourly Salary, Standby, Eye care, Subsistence, Parking, Public transport.</p>	<p>Any claim where the employee's manager is not available can be authorised by a Super User.</p>	<p>A post holder can authorise any claim of an employee whose post reports to theirs in the management structure. A claim submitted by a Director can only be authorised by another Director or a Super User. A claim submitted by the Chief Executive Officer can only be authorised by another Statutory Officer. This is controlled electronically by the system. Claims should not be submitted and authorised by the same person.</p>			
<p>Pay Advances</p>		<p>Any payment over £500 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.</p>	<p>£500</p>	<p>£200</p>	<p>Not applicable</p>	<p>Not applicable</p>

Notes to Appendix 1

1. These limits relate to NET expenditure (net of VAT).
2. The authorisation rules in relation to income are laid out in Financial Regulation 19.
3. The authorisation rules in relation to changes in staff remunerations are laid out in the Pay Policy.
4. The rules in relation to signing agreements are laid out in Contract Procedure Rules and the Constitution
5. Some posts are designated as Heads of Services in relation to this policy where there is not a direct Head of Service available in the management structure. These posts must be approved as such by the Director of the department.
6. A manual signature must be provided for all post holders who are nominated to authorise expenditure.