

Financial Regulations



Version 1 – October 2019

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Status of the Regulations

These Financial Regulations form part of Fareham Borough Council's Constitution and are a statutory requirement under the Local Government Act 2000.

Their purpose is to provide the framework for managing the authority's financial affairs. They are supported by a set of supplementary procedure and guidance notes to assist in the interpretation of the rules contained in the Regulations.

The posts currently fulfilling the responsibilities stipulated in the Regulations are laid out in a supporting table. The Statutory Chief Finance Officer has delegated authority to keep this table up to date.

The general principle behind these Regulations is:

“All financial dealings must be of the highest standard conducive with being custodians of public resources and assets.”

These Financial Regulations **must be followed** by all members, employees and anyone acting on the council's behalf. Where work is carried out in partnership then the regulations of the 'principal' authority should be followed.

The Statutory Chief Finance Officer will maintain a continuous review of these regulations and submit any changes to the Audit and Governance Committee for review and Full Council for approval.

The Statutory Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations to members, employees and others acting on the authority's behalf.

The Statutory Chief Finance Officer may agree to waive the provisions of these Regulations if considered in the Council's best interests. Any material decision to waive the provisions of the Financial Regulations will be reported to a **future meeting of the Executive**.

Regulation 1: Responsibilities of Members

1.1 Overall Responsibilities

1.1.1 **All members** have a general duty of care to the Council and responsibility for taking all reasonable actions to:

- a) Ensure use of resources is legal and properly authorised.

- b) Ensure use of resources achieves best value.
- c) Ensure that at no time any assets, income or other resources under their control are put at an unacceptable risk of loss or waste.

1.2 The Council

- 1.2.1 **Constitution and Governance Framework:** The Council is responsible for approving the Council's constitution and governance framework and ensuring that appropriate action is taken in response to any concerns raised by the Audit and Governance Committee.
- 1.2.2 **Policy Framework and Budget:** The Council is responsible for approving the Council's policy framework, the annual budget, budget strategy and Treasury Management Strategy within which the decision-making groups and individuals operate.
- 1.2.3 **Statutory Reports:** The Council should ensure that appropriate action is taken in response to any formal reports issued by the statutory officers or external auditors.

1.3 Decision Making Groups and Individuals

- 1.3.1 Member groups and individuals who are delegated the power to make decisions on behalf of the Council should carry out their responsibilities within the policy, governance and financial frameworks set by the Council.

1.4 The Audit and Governance Committee

- 1.4.1 **Governance Framework:** The Audit and Governance Committee is responsible for recommending changes to the governance framework to the Council, including changes to the Financial Regulations.
- 1.4.2 **Annual Governance Statement:** The Audit and Governance Committee is responsible for overseeing the annual review of the effectiveness of Council's governance framework and approving the Annual Governance Statement on behalf of the Council.
- 1.4.3 **Statement of Accounts:** The Audit and Governance Committee is responsible for the approval of the annual Statement of Accounts on behalf of the Council.
- 1.4.4 **Financial Stability:** The Audit and Governance Committee are responsible for overseeing the Council's financial stability and should bring to the attention of the Council any concerns arising from the Statement of Accounts or reports issued by the external auditors.

Regulation 2: Responsibilities of the Statutory Officers

2.1 General

2.1.1 In accordance with the Local Government Act 2000 and subsequent amendments, the Council must appoint the following 3 statutory officers:

- Head of Paid Service (HPS)
- Monitoring Officer (MO)
- Chief Finance Officer (SCFO)

2.1.2 These officers must be free to carry out their obligations as stipulated by legislation which includes:

- Section 151 of the Local Government Act 1972 (SCFO)
- Sections 114 and 114A of the Local Government Finance Act 1988 (SCFO)
- Sections 4 and 5 of the Local Government and Housing Act 1989 (HPS and MO)
- Sections 25 and 27 of the Local Government Act 2003 (SCFO)
- The Accounts and Audit Regulations (SCFO)

2.2 The Head of Paid Service

2.2.1 **Management:** The Head of Paid Service is responsible for the overall corporate management and operational activity of the Council.

2.2.2 **Professional Advice:** S/he is responsible for the provision of professional advice to all parties and committees in the decision-making process.

2.2.3 **Records of Decisions:** S/he is responsible, together with the Monitoring Officer, for ensuring a system for recording and reporting Council decisions is maintained.

2.3 The Monitoring Officer

2.3.1 **Standards of Conduct:** The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Audit and Governance Committee.

2.3.2 **Constitution:** The Monitoring Officer will maintain the Constitution and ensure that it is available for consultation by Members, staff and the public.

2.3.3 **Records of Decisions:** S/he is responsible, together with the Head of Paid Service, for ensuring that procedures for recording and reporting decisions, and the reasons for those decisions, are operating effectively.

- 2.3.4 **Advice on Budget and Policy Framework:** S/he is responsible, together with the Statutory Chief Finance Officer, for advising the Executive if their decisions are not in accordance with the budget and policy framework.
- 2.3.5 **Unlawfulness and Maladministration:** S/he is responsible for overseeing that no action of the Council contravenes any legislation or code of practice or may lead to a charge of maladministration.
- 2.3.6 If s/he considers that any proposal, decision or omission will give rise to unlawfulness or maladministration s/he will make a Section 5 report to the Council or the Executive, as appropriate, after consultation with the Head of Paid Service and Statutory Chief Finance Officer.

2.4 The Statutory Chief Finance Officer (SCFO)

- 2.4.1 **Financial Administration:** The Statutory Chief Finance Officer is responsible for:
- establishing a framework for the proper administration of the Council's financial affairs;
 - setting and monitoring compliance with financial management standards;
 - establishing an adequate and effective system of internal audit;
 - advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
 - giving accurate, impartial advice and information on financial issues and options to the Chief Executive's Management Team, the Council and all its committees and members.
- 2.4.2 Detailed responsibilities of the Statutory Chief Financial Officer as part of the 'financial administration framework' are also included in the relevant sections of the other Financial Regulations.
- 2.4.3 **Robust Budget:** The Statutory Chief Financial Officer shall issue a Section 25 report each year before the Council's budget is approved.
- 2.4.4 **Advice on Budget and Policy Framework:** Along with the Monitoring Officer, the Statutory Chief Finance Officer is responsible for advising the Executive if their decisions are not within the budget and policy framework.
- 2.4.5 **Unlawful Proposals:** The Statutory Chief Finance Officer shall issue a Section 114 (2) report to the Executive, all members and the Council's external auditor if s/he considers that any proposal, decision or course of action by the Council, a committee, a member of the Executive or an officer:
- will involve incurring unlawful expenditure, or

- is unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account which is unlawful.

2.4.6 In preparing a report s/he shall consult as far as practicable with the Head of Paid Service and the Monitoring Officer.

2.4.7 **Expenditure Exceeds Resources:** The Statutory Chief Finance Officer shall issue a Section 114 (3) report to the Executive, and subsequently the Council, if it appears that the expenditure in the financial year is likely to exceed the resources available.

2.4.8 **Deputies:** The Nominated General Finance Manager, Nominated Operational Finance Manager and Nominated Strategic Finance Manager are deputised to perform the Section 114 duties if the Statutory Chief Finance Officer is unable to perform these duties.

2.4.9 Members and Officers shall draw to the attention of the Statutory Chief Finance Officer at the earliest opportunity, any subject which may lead to a formal report.

Regulation 3: Responsibilities of Employees and Agents of the Council

3.1 Chief Executive Officer, Deputy Chief Executive Officer and Directors

3.1.1 The Chief Executive Officer, Deputy Chief Executive Officer and Directors are responsible for the effective management of the financial resources allocated to their areas of responsibility.

3.2 Heads of Service

3.2.1 Heads of Service are responsible for the effective management of the financial resources allocated to their services in compliance with these Financial Regulations and their budget allocations.

3.2.2 Heads of Service must make sure employees and agents within their service are instructed on the relevant requirements of Financial Regulations and have adequate guidance on financial procedures and working practices.

3.2.3 Heads of Service must ensure that they consult with the Statutory Chief Finance Officer, and members where required, on any matter liable to materially affect the Councils finances at the earliest opportunity.

3.2.4 The financial implications of any decisions must be fully identified and considered before the decision is made.

3.3 All Employees and Agents

- 3.3.1 **Duty of Care:** All employees and agents have a general duty of care when dealing with public money and assets.
- 3.3.2 All employees and agents are responsible for taking reasonable actions to:
- ensure use of resources is legal and properly authorised;
 - ensure use of resources achieves best value;
 - ensure that at Council assets, income or other resources are not put at any undue risk.
- 3.3.3 **Understand the Rules:** All employees and agents must be familiar with these Financial Regulations where they relate to their work. If an employee or agent is unclear about these rules, they must get advice before acting, by talking to their line manager or accountant.
- 3.3.4 **Financial Records:** All employees and agents must ensure that all financial records maintained meet the requirements of the Statutory Chief Finance Officer and comply with proper standards of financial control.
- 3.3.5 **Irregularity:** Where there is a suspicion of Financial Irregularity, it is the duty of all individuals to report the matter in accordance with Financial Regulation 10.4.

Regulation 4: Authorisation Limits

- 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

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- 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 payments made on Council Procurement cards which can be made by an approved card holder who has signed a procurement card 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.

Regulation 4 - Appendix 1: Current Authorisation Limits

			Level 1	Level 2	Level 3	Other
	Covers	Additional Rules	Member of Chief Executive's Management Team	Head of Service	Other staff nominated by their Head of Service or Director	Finance Team Authoriser
Budget Expenditure	<p>Electronic authorisation on efinancials, Orchard or Technology Forge</p> <p>Manual authorisation of order forms, yellow stickers or payment vouchers/certificate</p>	<p>Any 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 £1,000,000 must have been approved by the Statutory Chief Finance Officer</p>	No Limit	£100,000	£10,000	Not applicable
Petty Cash	<p>Cash Advances</p> <p>Reimbursement</p> <p>Float Top Up</p>	<p>Any payment over £200 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.</p>	£200	£100	£50	Not applicable
Procurement Cards	<p>Advance payments</p> <p>In person payments</p> <p>Telephone payments</p> <p>Internet orders</p>	<p>Limits are the upper limit for single transactions.</p> <p>Higher limits can be given in individual cases, up to the maximum single transaction Procurement card limits, 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

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			Level 1	Level 2	Level 3	Other
	Covers	Additional Rules	Member of Chief Executive's Management Team	Head of Service	Other staff nominated by their Head of Service or Director	Finance Team Authoriser
		<p>The maximum <u>monthly</u> limit that can be set for any card is £10,000. Limits above £5,000 must be approved as above.</p> <p>Actual limits for single and monthly transactions are set out in individual Procurement Card agreements.</p>				

Financial Management	Payroll administration and pension payments	Any cheque over £50,000 must be countersigned by an officer with Financial Management authorisation.	Not applicable	Not applicable	Not applicable	£3,000,000
	Precepts to other precepting authorities	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.				
	Routine transfers to Government Departments (e.g. Inland Revenue. NNDR)					
	Pension payments					
	Authorisation of sundry debtor refunds	Any Financial Management transaction over £3,000,000 must have been approved by the Statutory Chief Finance Officer who cannot also be the authoriser. An allowed exception to this rule is transfers of money between accounts held by the Council's nominated bank.				
	Tax Adjustments					
	Inter-account transactions					
	Treasury management transactions					
Employee Expenses	Payments to employees made through the electronic expenses system:	Any claim where the employee's manager is not available can be authorised by a Super User.	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 or Deputy Chief Executive Officer can only be authorised by another Director, Deputy Chief Executive or a Super User. A claim submitted by the			
			Level 1	Level 2	Level 3	Other
	Covers	Additional Rules	Member of Chief Executive's Management Team	Head of Service	Other staff nominated by their Head of Service or Director	Finance Team Authoriser
	Mileage, Overtime, Hourly Salary, Standby, Eye care, Subsistence, Parking, Public transport.		Chief Executive Officer can only be authorised by another Statutory Officer. This is controlled electronically by the system. Claims shall not be submitted and authorised by the same person.			

Pay Advances		Any payment over £500 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.	£500	£200	Not applicable	Not applicable
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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

Regulation 6: Financial Planning

6.1 The Financial Strategy

- 6.1.1 **Production of Strategy:** The Statutory Chief Finance Officer (SCFO) must ensure that a Financial Strategy showing a 3 year forward assessment, including commitments, for both revenue and capital expenditure is prepared for the Executive and taken to the Council for approval.
- 6.1.2 **Pay Policy Statement:** The annual review of the Council's Finance Strategy must include the Pay Policy Statement for the following year, in a format that meets the requirements of section 38 of the Localism Act 2011.
- 6.1.3 **Council Strategies:** Other Council strategies should be aligned to the corporate aims and objectives and should take account of the Council's Financial Strategy.
- 6.1.4 **Significant Service Proposals:** The SCFO must ensure that when capital projects or significant revenue proposals are considered, the relevant Director includes detailed financial implications of the decision in their report, including the impact on current and future years.

6.2 Asset Management Plan

- 6.1.5 **Production of Plan:** The SCFO must ensure that an appropriate Asset Management Plan is prepared for the Executive.

6.3 Maintenance of Provisions & Reserves

- 6.1.6 **Level of Reserves:** When formulating the Financial Strategy and setting the annual council tax, the SCFO must advise the Executive and the Council on a prudent level of reserves that needs to be maintained in order to protect the authority's stability.
- 6.1.7 **Section 27 Report:** Where a reserve is likely to be inadequate during the forthcoming year, the SCFO must make a report to the Council on the reasons why the situation has arisen and the remedial action to be taken.
(N.B. Relates to s.27 of the Local Government Act 2003.)
- 6.1.8 **Use of Reserve:** Any proposal to incur expenditure from a provision or a reserve must be approved by the SCFO.
- 6.1.9 **Earmarked Reserves:** Provisions or earmarked reserves must only be used for the purpose for which they were originally approved, unless agreed by the Council.

6.4 Financing Arrangements

- 6.4.1 **Council Tax Setting:** An annual General Fund, Housing Revenue Account Budget and Capital programme proposal shall be agreed by the Executive. These should then be submitted to the Council to approve the budget, set the council housing rents and agree the Council Tax for the following year, in the context of the Financial Strategy.
- 6.4.2 **Grant Claims:** The relevant Director must ensure that all claims for funds, including grants, are made by the due date and in the manner prescribed by the funding body. Significant grant claims should be supported by appropriate documentation and checks.
- 6.4.3 **Use of Specific Finances:** The relevant Director must ensure that all resources from donations, grants or partnerships are being used for the purpose for which they are intended.
- 6.4.4 **Fees and Charges:** Fees and charges must be reviewed at least annually to take into account the budget setting principles of the Council's Financial Strategy.
- 6.4.5 **Other Financing Options:** Expenditure which involves any leasing, hire purchasing or rental agreements for more than 1 year must not be incurred without the SCFO's approval.

Regulation 7: Financial Reporting

7.1 Accounting Policies and Procedures

- 7.1.1 **Accounting Standards:** The Statutory Chief Financial Officer (SCFO) must ensure that the accounting policies, procedures and financial records adopted by the Council take into consideration published standards and codes of practice and are acceptable to the Council's external auditors.
- 7.1.2 **Integrity of Accounting Systems:** All accounting and financial systems in use must be approved by the SCFO to ensure they provide a comprehensive, consistent and accurate record of the organisation's financial transactions.
- Use of such systems must be monitored to ensure that they remain relevant to changing circumstances.
- 7.1.3 **Separation of Duties:** Wherever possible, financial systems of control should be designed so that no one individual is solely responsible for an entire process.

7.2 Financial Reports

7.2.1 **Quality of Financial Reports:** Any employee producing financial reports must ensure that they are clear, accurate, relevant, reliable, consistent and compatible with the Council's accounting and financial information systems. They should be complete, free from deliberate or systematic bias and material error.

7.2.2 **Supporting Documentation:** Where appropriate, working papers should be maintained to safeguard the quality and transparency of financial reports. In particular these should set out the basis on which sums have been estimated and any assumptions made.

7.3 Financial Statements

7.3.1 **Reports to Executive:** The SCFO must ensure that the following accounts and reports are prepared from the Executive for approval by the Council:

- a) the aggregate estimates of all services for the financial year together with other matters related to the revenue budget, including the proposed Council Tax for the following year;
- b) an opinion of the robustness of the estimates made and the adequacy of financial reserves;
- c) the aggregate capital programme, its financing and the implications for the financial year;
- d) the aggregate outturn of all services for the previous financial year.

7.3.2 **Reports to Audit and Governance Committee:** The SCFO must ensure that the following accounts and reports are prepared for approval by the Audit and Governance Committee:

- a) the Annual Statement of Accounts to the 31st March of each year;
- b) an Annual Governance Statement.

7.3.3 **External Audit of Statement of Accounts:** The SCFO must ensure that the draft annual statement of accounts and supporting working documents, are prepared and ready for external audit in sufficient time to enable the audited financial statement to be published within the timetable legally stipulated for the Council.

7.3.4 **Publication of Financial Statements:** The SCFO must ensure that financial statements are published in accordance with statutory requirements and, where appropriate, to interested parties identified by the Council. Other potential users should be made aware of their availability.

Regulation 8: Revenue and Capital Budgets

8.1 Preparation of Revenue Budgets

- 8.1.1 **Financial Strategy:** Detailed budgets for expenditure and income must be prepared with due regard to the Council's Financial Strategy and spending priorities.
- 8.1.2 **Procedures:** Revenue budgets must be prepared following the procedures and timetables set by the Statutory Chief Finance Officer (SCFO).
- 8.1.3 **Estimates:** It is the responsibility of the budget holders to ensure that estimates reflect service delivery plans and take account of past performance and assessments of future resources and commitments.
- 8.1.4 **Working Papers:** Estimates should be supported by working papers, which clearly show the assumptions made.
- 8.1.5 **Contingencies:** Individual service budgets cannot include contingency items for unplanned expenditure. However, provision can be made for known expenditure whose impact and value is not known.
- 8.1.6 **Growth Items:** Any significant growth items proposed for inclusion in a revenue budget should be appraised against the criteria laid down in the Finance Strategy.
- 8.1.7 **Trading and Holding Accounts:** Budgets set for trading and holding accounts must net to zero and have an associated method of internal charging established that has been approved by the Statutory Chief Finance Officer.

8.2 Preparation and Delivery of the Capital Programme

- 8.2.1 **De-Minimus Level:** No expenditure under **£10,000** will normally be considered for capitalisation. The exception to this is Vehicle and Plant purchases which must be over **£5,000**.
- 8.2.2 **Approval to Capitalise Expenditure:** Any proposal to capitalise expenditure must be approved by the Statutory Chief Finance Officer (SCFO).
- 8.2.3 **Capital Scheme Proposals:** Reports must be prepared for the Executive on any scheme to be added to the Capital Programme. These reports must be prepared in accordance with [Financial Regulation Support Document 39 - New Capital Scheme Proposals](#).

- 8.2.4 **Scheme Approval:** The Executive must consider the scheme in the context of the Council's Finance Strategy and Asset Management Plan, approved by the Council.
- 8.2.5 **Budget Approval:** Budget approval must be given for each individual scheme included in the Capital programme, and the revenue budget implications of the scheme.
- 8.2.6 **Financing of Scheme:** The Statutory Chief Finance Officer must advise on the most appropriate method of financing any approved expenditure.
- 8.2.7 **Start of Schemes:** Schemes can only be initiated when the Statutory Chief Finance Officer has confirmed that the funding has been secured.
- 8.2.8 **Project Monitoring:** It is the responsibility of the capital scheme lead officer to keep the Executive Committee informed of any problems that may occur in relation to the timescales for delivery of the scheme.
- 8.2.9 **Substitution of Schemes:** Any full or part substitution of an approved capital scheme with a new scheme within the Capital programme must be approved by the Council.

8.3 Budgetary Control

- 8.3.1 **Provision of Information:** Financial Services shall provide budget holders with relevant and timely financial information to enable them to monitor their budgets effectively.
- 8.3.2 **Budget Holders Responsibilities:** Budget Holders are accountable for the control of income and expenditure within their allocated budgets and should monitor progress, taking account of the financial information available. They should take appropriate action to avoid exceeding their budget allocation and act, as laid out below, if any material variances are anticipated.
- 8.3.3 **Executive Responsibilities:** It shall be the duty of the Executive Committee to monitor and regulate financial performance across revenue budgets and the capital programme to ensure that income and expenditure remain within the limits of the approved budget.
- 8.3.4 **Authority to Incur Expenditure:** Expenditure can only be incurred against a budget if the appropriate delegated authority has been given, as set out in [Financial Regulation 4](#).
- 8.3.5 **Expenditure Outside Budgets:** Expenditure is not permitted if a budget, reserve or financing provision has not been made.

In the event of the Council being involved in an emergency response, such that a control centre has been established, additional powers of expenditure are allowed in accordance with [Financial Regulation Support Document 29](#).

- 8.3.6 **Decisions Outside Budgets:** Budget holders considering undertaking activities that have financial implications, for which there is no budgetary provision, must consult with the Statutory Chief Finance Officer before either making a commitment or reporting their plans to the Council, Executive, Committees or Panels.

The Statutory Chief Finance Officer must be given a reasonable time scale in which to respond and be satisfied that all financial issues have been considered before a report is submitted to the Executive.

- 8.3.7 **Arbitration on Expenditure Charges:** The Statutory Chief Finance Officer will be the final arbitrator over any disputed expenditure charges.

- 8.3.8 **Budget Overspends:** Where it is anticipated that there will be an adverse variance against a revenue or capital budget then the variance should be discussed with the relevant accountant and savings plans or other mitigating measures identified.

- 8.3.9 **Revenue Budgets:** Where no mitigating measures can be identified for a revenue budget and the adverse variance exceeds **£20,000**, for the total net budget of a service listed in the Council's budget book, then the variance should be reported to the service Director and the Statutory Chief Finance Officer, who should then refer it to the Executive, or other relevant committee, if they are of the opinion that this materially affects the estimates.

- 8.3.10 **Capital Budgets:** Where the total cost of a capital scheme is anticipated to exceed the original provision by **10%** (subject to a minimum of **£20,000**) then approval must be obtained from the Executive Committee.

- 8.3.11 Where capital budget overspends are anticipated to be below this threshold the Statutory Chief Finance Officer should be informed who may then refer the issue to the Executive Committee if s/he is of the opinion that it will materially affect the estimates.

8.4 Virements

- 8.4.1 **Temporary Effect:** Virements must not increase overall net expenditure, result in a permanent change to the base budget or commit the authority to expenditure in future years.

If the budget transfer is to be permanent, then the growth item rules in the Finance Strategy should be followed.

8.4.2 **Detrimental Effect:** Virements must not have a detrimental effect to the delivery of a service from which the budget is vired. If a budget transfer is likely to have a detrimental effect on the delivery of a service that year, then the following rules apply:

Total Value of Transfer	Authorisation required
Up to £20,000	Relevant executive portfolio holders
£20,000 and over	Executive Committee.

8.4.3 **Virements Permitted:** Virements are not permitted if:

- a) The virement is between a General Fund budget and a Housing Revenue Account budget.
- b) The virement involves a Capital budget. Changes to Capital budgets constitute a change to the capital programme which must be approved by the Council.

8.4.4 All other virements are permitted if authorisation is obtained in accordance with the following table:

Total Value of Virement (Aggregate within 1 year)	Nature of Virement	Authorisation required
Any Value	Involving “non-controllable” budgets such as employee or Internal Recharge budgets	“Nominated Operational Finance Manager”
Any Value	Involving “controllable” budgets within the same service listed in the Council’s budget book	Relevant Budget Holder
Up to £50,000	Involving “controllable” budgets between 2 or more services listed in the Council’s budget book	All relevant Budget Holders and their directors
£50,000 and over	Involving “controllable” budgets between 2 or more services listed in the Council’s budget book	All relevant Budget Holders, their directors, the Statutory Chief Finance Officer. The relevant executive portfolio holders must also be notified of the change.

8.4.5 All virements must be incorporated into the budget monitoring reports to the Executive Committee and explanations provided for significant variances.

8.5 Supplementary Estimates

8.5.1 **When Permitted:** Where a virement is not possible supplementary estimates may be considered if they meet one of the following criteria:

- circumstances of an exceptional nature, which could not have been foreseen;
- a change in Council or national policy, either in providing a new service or altering an existing service, which was not known at the time the estimates were prepared
- the rephasing of payments for schemes in progress, which involves no change in the overall cost, but the adjustment of budget provisions from one year to another.

8.5.2 **Consultation:** The advice of the Statutory Chief Finance Officer must be sought before any proposals for a supplementary estimate are considered.

8.5.3 **Approval:** All supplementary estimates must be approved by the Council.

8.5.4 **Urgent Expenditure:** Where expenditure is required urgently and there is no budget provision, verbal agreement may be obtained from the Executive Portfolio holder for Policy, Strategy and Finance, and the Chairman of the Scrutiny Board in consultation with the Statutory Chief Finance Officer and the Chief Executive Officer, up to a value of **£50,000**. This must be reported to the next meeting of the Executive and the Council.

8.6 Journal Transfers

8.6.1 **Authority to Action Journal:** Only officers in the Finance Work Group are authorised to action journals on the Council's accounting system.

8.6.2 **Authorisation Limits:** Any individual journal item over **£100,000** must be formally authorised by a Finance Officer who sits on the Section 151 Group, who themselves did not create the journal, before the end of the period in which it is created.

8.6.3 **Application of Authorisation Limit:** This requirement only applies to journals with the "sub type" referenced to an individual Accountant, (i.e. excludes those automatically generated by the system and referenced GR – "reversing journals").

8.7 Outturn

8.7.1 **Commitments and Accruals:** All commitments and accruals outstanding at the year-end must be reviewed by the budget holder to identify those for which expenditure or income is still anticipated, so that funding provision can be made which does not impact on the following year's budget.

- 8.7.2 **Carry Forward of Underspends:** Underspends will not be carried forward, unless agreed by the Executive committee when considering the overall outturn position.

Regulation 10: Risk Management

10.1 Risk Management

10.1.1 **Framework:** The Audit and Governance Committee are responsible for approving an appropriate approach to risk management for the Council.

10.1.2 **Policy:** The "Nominated Chief Officer with responsibility for Risk Management" is responsible for maintaining the Council's **Risk Management Policy** and **Business Continuity Policy**.

10.2 Internal Control

10.2.1 **Annual Governance Statement:** The Chief Executive's Assurance Group is responsible for maintaining an appropriate assurance framework which supports the production of the Annual Governance Statement in accordance with the latest Accounts and Audit Regulations.

10.2.2 All managers should be clear of their responsibilities with respect to the assurance framework and Local Code of Corporate Governance and should provide appropriate assurance information to support the Annual Governance Statement, as necessary.

10.2.3 **Responsibility and Purpose of Internal Controls:** All managers must establish, maintain and keep under review appropriate and effective internal controls which promote and encourage:

- a) the achievement of objectives;
- b) compliance with legislation and council policies, regulations and rules;
- c) the reliability and integrity of Information;
- d) economical and efficient use of resources;
- e) safeguarding of assets.

10.2.4 Managers should ensure that those involved in operating systems are clear as to their responsibilities and reporting lines.

10.3 Insurance

10.3.1 **Arranging Cover:** The "Nominated Chief Officer with responsibility for Insurance" shall establish appropriate insurance cover for the Council and review it annually in consultation with relevant managers.

- 10.3.2 **Notification of Changes:** Managers should give notification to the "Nominated Chief Officer with responsibility for Insurance" of any circumstances, risks, purchases and disposals which may materially affect the insurance arrangements needed.
- 10.3.3 **Responsibility for Claims:** The "Nominated Chief Officer with responsibility for Insurance" shall negotiate all claims made on the Council's policies, in consultation with other officers as necessary.
- 10.3.4 **Notification of Claims:** Managers shall give prompt notification in writing to the "Nominated Strategic Finance Manager" of any loss, liability, damage or event likely to give rise to a claim by or against the Council.
- 10.3.5 **Contractor Cover:** Managers should ensure that suppliers, contractors, consultants or agents engaged must have insurance arrangements that adequately protect the Council's interests in accordance with [Financial Regulation Support Document 22](#).

10.4 Fraud and Corruption

- 10.4.1 **Maintenance of Anti-fraud and Corruption Policy:** The "Nominated Chief Officer with responsibility for Counter fraud" is responsible for maintaining the Council's [Anti-Fraud and Corruption Policy](#).
- 10.4.2 **Duty to Report Financial Irregularity:** Where there is a suspicion of Financial Irregularity, it is the duty of all individuals to report the matter to their Manager, the "Nominated Audit Manager" or the Statutory Chief Finance Officer. Such disclosures will be treated in accordance with the Council's Code of Practice for Confidential Reporting (also known as the [Raise a Concern Policy](#)).
- 10.4.3 The Nominated Audit Manager" should subsequently be notified of all investigations into fraud, corruption or impropriety and the outcomes.
- 10.4.4 **Investigation Procedure:** The "Nominated Audit Manager" should maintain an [Investigation Policy](#) and supporting procedures to determine how an investigation into an irregularity should be carried out. The [Investigation Policy](#) should be approved by the Chief Executive's Management Team.

Regulation 11: Audit Arrangements

11.1 External Audit

- 11.1.1 The external auditors will be appointed in accordance with the Audit Commission Act 1998 or any Local Audit Acts which supersede it.

11.1.2 The Statutory Chief Finance Officer will work with the external auditors and advise the Council, Audit and Governance Committee, Executive and Directors on their responsibilities in relation to external audit.

11.1.3 The "Nominated Audit Manager" must ensure that there is effective liaison between internal and external audit.

11.2 Internal Audit

11.2.1 **Responsibility:** The Statutory Chief Finance Officer is responsible for maintaining an adequate and effective internal audit of its accounting records and of its system of internal control in compliance with the latest Accounts and Audit Regulations.

11.2.2 The responsibilities of the Internal Audit Service also extend to organisational partners including collaborations, outsourced and shared services.

11.2.3 An annual report should be prepared for the Audit and Governance Committee on the activity and findings of the internal audit service.

11.2.4 The internal audit service should comply with the latest Public Sector Internal Audit Standards. This includes maintaining an Internal Audit Charter ([Financial Regulation Support Document 14](#)) which documents the purpose, authority and responsibility of the internal audit activity.

11.2.5 **Standard Powers of Auditors:** The Statutory Chief Finance Officer and members of the in-house Internal Audit and Corporate Fraud teams, whilst carrying out their duties, have the authority to:

- a) *Premises:* Enter, at any reasonable time, any premises or land owned, leased or controlled by the Council.
- b) *Documents:* Examine all documents, correspondence or information held by employees, members of the council or other third parties, pertinent to their audit work.
- c) *Explanations:* Obtain such information and explanations from any employee or member as necessary concerning any matter under examination.
- d) *Property:* Require any Council employee, agent or member to produce cash, stores, ICT equipment, or other Council property under their control upon request.

These powers may also be conveyed on the auditors working under contract on agreement with the "Nominated Audit Manager" or Statutory Chief Finance Officer.

11.2.6 Powers During an Investigation: Where a significant irregularity is suspected the in-house Internal Audit and Corporate Fraud teams also have the authority to:

- e) *Property:* Carry out a search of or seize any Council owned property and equipment.
- f) *Access systems:* Require any Council employee or member to surrender any keys, cards, de-encryption codes, passwords or any other item or information needed to allow access to Council premises, assets or data.
- g) *Interception:* Intercept and review communications, data or information held on Council's own equipment such as internet logs, email, fax and phone messages.
- h) *Remove documents:* Remove any documents or other material which may be required as evidence.
- i) *Exclusion:* Require an employee to leave the Council's premises immediately.

Execution of these powers shall be in accordance with the Investigation policy and procedures of the Council.

11.2.7 Responsibility of Auditees: Auditees are responsible for:

- a) Maintaining a constructive approach to the audit process.
- b) Adhering to agreed timescales.
- c) Making available employees, documents, computerised systems and information in a timely manner.
- d) Providing accurate information to the best of their knowledge.
- e) Providing prompt responses to audit reports.
- f) Implementing any actions arising in a timely manner.

Regulation 12: Treasury Management

12.1 Banking Arrangements

12.1.1 Making Arrangements with the Bank: All arrangements with the Council's bankers shall be negotiated by the "Nominated Chief Officer with responsibility for Treasury Management" who shall be authorised to operate such banking accounts as considered necessary.

12.1.2 Official Bank Accounts only: Individuals must not use personal bank accounts for any receipt or payment of monies related to the Council's affairs.

- 12.1.3 **Blank Cheques:** All forms of cheque shall only be ordered, issued and controlled by the "Nominated Chief Officer with responsibility for Treasury Management" who shall make proper arrangements for their safe custody.
- 12.1.4 **Cheque Signatures:** Cheques drawn on the Council's accounts shall bear the facsimile signature of the Statutory Chief Finance Officer (SCFO).
- 12.1.5 **Power to Open Cheques:** Cheques drawn on the Council's accounts can only be opened for encashment at the Council Offices by an officer who has been given that level of authorisation.
- 12.1.6 Exceptions to this are Housing Benefit cheques which can be authorised for encashment by the "Nominated Benefits Manager" or a nominated deputy.
- 12.1.7 **Reason to Open Cheques:** No cheque over £200 should be opened unless there is reasonable evidence that the payee does not have a bank account or other exceptional circumstances apply.
- 12.1.8 **Electronic Payments:** Where payments are to be transmitted electronically, the "Nominated Chief Officer with responsibility for Treasury Management" shall approve the procedures necessary to safeguard the authority against potential losses.
- 12.1.9 **Counter Signatures:** Supporting documents for any payment by cheque or electronic means to be drawn for more than **£50,000**, or **any manual cheque**, must be physically countersigned by another officer, authorised to do so, who was not the originator of the payment.
- 12.1.10 **Bank Statement Reconciliation:** In respect of the Council's main payment and receipt bank accounts, bank statements must be obtained on a daily basis and these must be promptly reconciled to records of transactions and reconciled to ledger postings at least monthly.
- Duties should be separated such that those responsible for drawing or paying in monies do not undertake the reconciliation.
- 12.1.11 **Un-presented Cheques:** Cheques drawn on the Council's bank account which remain un-presented should be cancelled in accordance with [Financial Regulation Support Document 36](#).
- 12.1.12 **Procurement Cards:** Only the Nominated Chief Officer with responsibility for Exchequer functions" shall have the authority to arrange these systems of payment and agree credit limits.

12.1.13 **Procurement Cards:** Purchases by procurement card must follow the Council's approved **Procurement Card Policy and Guidelines**. This covers card usage, record keeping, supporting receipts, statement reconciliation and monitoring arrangements.

12.1.14 **Operation of Trust Funds:** Officers, who are required by their official capacity to operate a bank account for the control of charitable, community or other funds not belonging to the Council, must notify the Statutory Chief Finance Officer and have regard to any guidance given by the SCFO

12.1.15 **Third Party Funds and Assets:** No administration of any funds or assets held on behalf of third parties, is permissible except in exceptional cases approved by the Statutory Chief Finance Officer. A written record of all transactions must then be maintained

12.2 Treasury Management

12.2.1 **Adoption of Code of Practice:** Fareham Borough Council adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services.

12.2.2 **Maintenance of Policy and TMPS:** Accordingly, Fareham Borough Council will create and maintain, as the cornerstones for effective treasury management:

- a **treasury management policy statement**, stating the policies and objectives of its treasury management activities. The policy must be approved by the Council after any significant change.
- Suitable **Treasury Management Practices** (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

12.2.3 **Responsibilities:** The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and will nominate a body to oversee that the implementation is in accordance with the **Treasury Management Strategy and Policy**.

12.2.4 The execution and administration of treasury management decisions is delegated to the "Nominated Chief Officer with responsibility for Treasury Management", who will act in accordance with the **policy statement and Treasury Management Practices** and CIPFA's Standard of Professional Practice on Treasury Management.

12.2.5 **Reporting:** The Council will receive reports on its treasury management policies, practices and activities, which will include, an annual strategy in

advance of the year, and an annual report produced timely after its close, and any other reports in accordance with the Code of Practice.

12.2.6 The “Nominated Chief Officer with responsibility for Treasury Management”, will report to the Executive at least twice a year on the activities of the treasury management operation and on the exercise of the delegated treasury management powers, including any breaches of the **Treasury Management Policy**. The last of these reports will be the annual report referred to in 12.2.5.

12.3 Loans and Investments

12.3.1 **Register of Assets and Liabilities:** All loans and investments shall be affected in the name of the Council by the SCFO who shall maintain a register of all negotiable instruments, stocks, bonds, mortgages and other securities held by the Council.

12.3.2 **Adequate records:** Adequate records of money borrowed and invested must be maintained.

12.3.3 **Security of Documents:** All documents of title to Council investments must be held securely by a nominated officer.

12.4 The Prudential Code

12.4.1 **Compliance:** The Council has a statutory duty to adopt and comply with “The Prudential Code for Capital Finance in Local Authorities”, a professional code developed by CIPFA. The SCFO is responsible for ensuring that this duty is fulfilled.

12.4.2 **Setting the Indicators:** Each year as part of the formal budget setting process, the SCFO will report the Council’s “Prudential Indicators” (as defined in the professional Code), to the Executive and Council. It is the responsibility of the SCFO to ensure that Members are presented with all matters to be taken into account when considering the indicators.

12.4.3 In setting or revising the indicators, the Council will have regard to the following matters:

- Affordability
- Prudence
- Sustainability
- Value for money
- Stewardship of assets
- Service Objectives
- Practicality

Once adopted by the Council, the prudential indicators will act as a set of parameters within which the Council shall operate during the year.

12.4.4 Treasury Management Indicators: The SCFO will also ensure that the prudential indicators that relate to Treasury Management will be considered at the same time as the Council's Treasury Management Strategy.

12.4.5 Monitoring and Control: The SCFO must ensure that appropriate, robust processes are in place for monitoring performance against the indicators.

12.4.6 Reporting Non-Compliance: Where it is evident that one or more of these indicators has been, or is likely to be, breached the SCFO must make a report to the Executive as soon as is practicable to do so. This report should explain the reasons why the approved parameters have been (or are at risk of being) breached and recommend a course of action to be taken to rectify the situation.

Regulation 13: Physical Assets

13.1 Overview

13.1.1 Asset Register: The Statutory Chief Finance Officer will maintain the 'Asset Register' which contains details of all assets leased or owned by the Council which exceed the Capital de-minimus levels. This must be maintained in accordance with the accounting policies of the Council.

13.1.2 Updates to Asset Register: Heads of Service will provide information as required by the Statutory Chief Finance Officer for the maintenance of the asset register.

13.1.3 Due Care: Heads of Service are responsible for maintaining proper security, care and protection of all building, equipment, vehicles, stocks, stores and cash under their control. This includes minimising the risks of natural hazards, theft, damage and misuse.

13.1.4 Reporting of Thefts: The Statutory Chief Finance Officer and Nominated Audit Manager shall be informed, as soon as possible, of any break-in, theft or attempt at such, and any loss otherwise suffered.

13.1.5 Reporting of Losses: The Statutory Chief Finance Officer and Nominated Audit Manager shall be informed of any missing equipment or significant shortfalls in stock as soon as possible after discovery, together with explanations for the loss, if known.

13.2 Land and Buildings

13.2.1 **Maintenance of Portfolio:** The "Nominated Chief Officer with responsibility for Estates" shall carry out an on-going review of the Council's land and buildings portfolio, to ensure it continues to meet the corporate objectives.

13.2.2 **Acquisition of Assets:** All negotiations for the purchase, occupation and development of land and buildings owned by third parties, or use of Council land (with the exception of casual lettings) should be carried out in liaison with the Property, Estates or Procurement teams, as appropriate to the acquisition. Any land acquisition over **£10,000** should be approved by the Executive Committee.

13.2.3 Any asset to be obtained by a leasing arrangement must be carried out in liaison with the Statutory Chief Finance officer and meet the conditions stipulated in [Financial Regulation Support Document 12](#).

13.2.4 **Property Terrier Record:** The "Nominated Chief Officer with responsibility for Estates" shall maintain a record of all land and buildings owned, mortgaged or leased by the Council (including dwellings provided under the Housing Acts) in accordance with appropriate professional practice.

13.2.5 **Clear responsibilities:** The "Nominated Chief Officer with responsibility for Estates" is responsible for ensuring that the Council's arrangements for managing land and buildings owned, mortgaged or leased by the Council, are formally documented.

This should include responsibilities for the following:

- Custody and security of the title deeds.
- Security of buildings
- Arranging for appropriate insurance cover.
- Carrying out condition surveys and prioritising the works.
- Management of budget allocations for building maintenance.
- Procurement of repairs and maintenance works.
- Record keeping of the repairs and maintenance carried out.
- Carrying out and recording inspections of land and buildings.
- Carrying out and acting upon the results of corporate premises hazard and health and safety risk assessments.
- Carrying out and acting upon the results of energy efficiency assessments.

13.3 Furniture, Equipment, Vehicles and Plant

13.3.1 **Records of Assets held:** The Transport Manager will maintain appropriate records of the vehicles and plant held by the Council

13.3.2 The “Nominated Head of Service for ICT” will maintain appropriate records of the IT equipment held by the Council.

13.3.3 Heads of Service will maintain appropriate records of all other furniture, equipment, heritage or infrastructure assets held or deployed by their service.

This will include maintaining an up to date inventory of all individual items with a purchase value in excess of **£200**, plus items considered by the Head of Service to be of high importance to the service, vulnerable to loss and/or which could be the subject of an insurance claim if lost or damaged.

13.3.4 The inventory records maintained should include the minimum information determined by the Statutory Chief Finance Officer.

13.3.5 **Loans of Equipment:** Council property (owned or hired) should not be removed other than in the ordinary course of the Council's business except in accordance with directions issued by the Head of Service concerned.

13.3.6 **Inventory Checks:** Heads of Service should arrange for the accuracy of the inventory to be verified periodically at a frequency appropriate to the risk of loss of the individual items recorded.

13.4 Stocks and Stores

13.4.1 **Stock levels:** Heads of Service must make arrangements for the maintenance of reasonable levels of stocks and stores in his/her control. The level of stock considered reasonable should be that necessary for the effective delivery of the service.

13.4.2 **Records of Stock Levels and Movements:** Heads of Service should ensure that appropriate up to date records of the level and value of stocks and stores held are maintained. This should include appropriate records of movements in stock. The Statutory Chief Finance Officer shall be entitled to receive on demand details of the quantities and values held.

13.4.3 **Stock Checks:** Periodical physical examinations of stocks and stores held, against the stock records, should be carried out at a frequency based on the value and vulnerability of the stock.

13.5 Disposal of Assets

13.5.1 **Disposal of Assets:** Any land, building or other asset that the Council wishes to sell, transfer its interest in, or otherwise dispose of, should be done in a way that achieves the best consideration for the Council.

13.5.2 **Disposal of ICT equipment:** ICT equipment can only be disposed of by ICT Services, and if it is considered redundant in accordance with the ICT Strategy.

13.5.3 Disposal of Land and Buildings: Land and buildings can only be disposed of in conjunction with the "Nominated Chief Officer with responsibility for Estates" and in accordance with the Disposal Strategy. Any valuations must be undertaken by the "Nominated Estates Manager" or a suitably qualified person.

13.5.4 Methods of Disposal of Assets over £1,000: The following are approved methods of disposal for assets with an estimated potential market value at the time of disposal of £1,000 or more:

- Public Advert or Notice, inviting tenders in accordance with the Council's Contract Procedure Rules;
- Advertisement in specialised journals
- Use of Approved Estate Agents
- Use of Auctions (with a reserve price)
- Part Exchange for Replacements
- Negotiations with neighbouring land owners
- Sealed Bids opened by service with two officers present
- Any other method of disposal endorsed by the "Nominated Chief Officer with responsibility for Estates" (land and buildings) or "Nominated Chief Officer with responsibility for Procurement" (other).

Where the estimated asset value is greater than **£10,000** the method of disposal would normally involve open competitive tenders, unless it can be justified that this would not be in the Council's best interest.

13.5.5 Methods of Disposal of Assets Under £1,000: Disposal of assets under **£1,000** should be carried out in accordance with the [Financial Regulations Support Document 42-Policy for Disposal of Council items, equipment, waste and materials in the Council's control](#).

13.5.6 Authorisation of Disposal: The method of disposal proposed to achieve the best consideration for the Council must be authorised, and the final disposal reported, in accordance with the table below:

Type of Asset	Estimated potential market value at the time of disposal	Stage 1 - Approval of Method of Disposal	Stage 2 - Reporting of Disposal
All	More than £10,000	Executive Committee	Report to Executive Committee <u>prior</u> to disposal if price to be achieved is below the valuation.
Land and buildings	£10,000 or less	The Nominated Chief Officer with responsibility for Estates	Report to Executive portfolio holder for Policy, Strategy and Finance <u>after</u> disposal.

Furniture, Equipment, Vehicles, Plant, Stocks	£1,000 to £10,000	Director and Statutory Chief Finance Officer	None
Furniture, Equipment, Vehicles, Plant, Stocks	Less than £1,000	Head of Service	None

13.5.7 **Release of Asset:** The asset should not be released until receipt of the income has been confirmed.

13.5.8 **Exemptions:** The disposal rules above do not apply to properties that are sold as a result of a statutory obligation.

Regulation 14: Other Council Assets

14.1 **IT Systems:** IT system administrators are responsible for maintaining the security of the data held on any system under their control.

14.2 The Statutory Chief Finance Officer should be notified of any proposals to introduce or change an IT system that affects the recording of financial transactions.

14.3 **Intellectual Property:** Information, data and methodologies created using Council resources remain the property of the Council, unless otherwise agreed by the appropriate Director.

14.4 **Document Retention:** Any documents of a financial nature shall be retained for the period stipulated in the Council's Information Disposal Schedule. Where a document is not listed then it should be retained for the minimum periods required for accounting and taxation purposes.

14.5 **Controlled Stationery:** The Director with responsibility for that service is responsible for ordering and safeguarding stocks of any stationery that has a financial value such as blank cheques, receipt books, rail warrants and parking permits.

14.6 Appropriate records should be kept to account for the issue and use of the controlled stationery.

Regulation 16: Ordering and Paying for Works, Goods and Services

16.1 General Principles

16.1.1 **Nature of Purchasing:** This regulation applies to the purchase of goods, services or works. It excludes transactions which form part of the Council's Treasury Management processes.

16.1.2 **Emergency Responses:** In the event of the Council being involved in an emergency response, such that a control centre has been established, some of the rules contained in this regulation can be waived in accordance with [Financial Regulation Support Document 29](#).

16.1.3 **No Personal Gain:** Employees should not achieve any personal gain when making a purchase for the Council. Orders may only be placed for Council supplies. They must not be used for personal purchases under any circumstances.

16.1.4 **Procurement Rules:** Purchasing must be carried out in accordance with the **Procurement and Contract Procedure Rules** which explain the rules and thresholds for ordering and sourcing.

16.1.5 **Separation of Duties:** There should be a least 2 council officers, other than the Accounts Payable Section, involved at some point in the chain of ordering, receipt of goods and payment of invoices.

16.1.6 **Authorised Officers:** Orders and invoice payments can only be authorised by council officers nominated to do so in accordance with [Financial Regulation 4](#).

16.1.7 **Authoriser Checks:** The authorising officer is responsible for verifying that:

- the expenditure is for a purpose approved by the Council and is within the Council's statutory powers to incur;
- the correct procurement approach has been taken for the level of spend with that supplier, as set out in the **Procurement and Contract Procedure Rules**;
- an order or payment for the same purchase has not already been placed or made, through the same or another procurement channel;
- the value of the order or invoice is correct, any extra costs, such as delivery charges, have been included and any applicable discounts have been taken;
- VAT has been correctly identified and coded in accordance with [Financial Regulation Support Document 10](#);
- Income tax deductions have been correctly accounted for on payments to sub-contractors in accordance with [Financial Regulation 20](#);
- the cost has been coded appropriately and budget is available to cover the cost of the order or invoice in accordance with [Financial Regulation 4.4](#).

16.1.8 Additional Authoriser Checks for Invoices: Where the authorising officer is certifying an invoice for payment, due to no order having been raised, they should also satisfy themselves of the following before authorisation is given:

- the goods or services have been received or the work carried out satisfactorily;
- the details and prices as stated on the invoice are in accordance with that requested or expected by the Council;
- the invoice is arithmetically correct.

16.2 Orders

16.2.1 Timing of Order: Orders for all works, goods and services must be raised at the time the supply / service is requested and prior to the goods being received.

16.2.2 Exemptions: Raising orders may not be appropriate in the following circumstances:

- purchases using petty cash floats as covered in [Regulation 17](#);
- purchases made using the Council's Government Procurement Cards (GPC) in accordance with the approved [Procurement Card Policy and Guidelines](#);
- works or services provided under contract where the requirements of the Council's [Procurement and Contract Procedure Rules](#) apply;
- any other exceptions approved by the Statutory Chief Finance Officer.

16.2.3 Information Contained on Orders: Orders must indicate the nature, period of supply, and/or quantity of the work, goods or services required and the agreed value of these. In normal circumstances, prices should be pre-agreed, "fixed and firm including delivery charges" excluding VAT.

16.2.4 Verbal Orders: Urgent orders may be placed verbally, by an officer authorised to incur expenditure. The supplier should be advised that the order is subject to the Council's standard terms and conditions of purchase. Such orders shall be confirmed as soon as possible by an official order detailing the purchase and indicating that the supplier provides the goods or service in line with instructions previously issued.

16.2.5 Budgetary Control: Outstanding commitments and accruals against budgets for incomplete orders should be checked periodically, and at least annually, to ensure management accounting information is accurate.

16.3 Receipt of Goods and Services

16.3.1 Processing Order to Goods Received stage: The order record should be updated promptly when the works, goods and services have been supplied, once the following checks have been satisfied:

- there is confirmation by a Council Officer that all the required goods or services on the original order, have been received or the work carried out satisfactorily;
- there have been no additional goods and services provided outside of the original order;
- appropriate entries have been made in stores, inventory or other records.

16.3.2 Disputes and Credit Notes: Any orders where problems have been found with the works, goods and services should be placed in dispute and the invoice payment withheld until the dispute is resolved.

In these circumstances an appropriate officer from the service making the purchase should:

- raise the matter promptly with the supplier and keep a record of all ensuing negotiations;
- request a credit note or replacement goods for goods returned or incomplete deliveries;
- stop the goods received note being processed against the order;
- inform the Accounts Payable team that the invoice is in dispute.

16.4 Payment of Invoices

16.4.1 Form of Invoice: Invoices can only be paid if they are supplied in a form recognisable as such by H.M. Revenues and Customs, and clearly show what, if any, VAT has been added to the purchase.

16.4.2 Payments must not be made on Proforma invoices or Statements of Account, except in circumstances approved by the Nominated Operational Finance Manager.

16.4.3 Suppliers Statements: Suppliers Statements should be passed to the Accounts Payable who will check the accuracy of the payments listed to those recorded on the Purchase Ledger. Special attention should be made to reconcile any credit notes and unallocated cash listed on the statement, which are not reflected in the Council's Purchase Ledger. Any queries found should be raised with the supplier.

16.4.4 Transfer of Invoice: Invoices should be passed to the Accounts Payable Section at the earliest opportunity, for registering in the financial management system. They shall be entitled to make any enquiries necessary to determine the authenticity and accuracy of the payment.

16.4.5 Responsibilities of the Accounts Payable Section: The Accounts Payable Section are responsible for checking that *the right people are being paid the right amount and in accordance with the right payment terms.*

They should carry out the following checks on invoices received before processing them for payment:

- the service making the purchase has confirmed that all the works, goods and services have been received and there are no outstanding disputes with the supplier;
- the order or invoice has been appropriately authorised;
- a payment has not already been made for the invoice in question;
- the payment will be made to the correct supplier.

16.4.6 Authority to Make Payments: The payment of all monies due from the Council shall be made by the Nominated Chief Officer with responsibility for Exchequer functions", with the exception of authorised petty cash transactions.

16.4.7 Dispatch of Cheques: Cheques should be dispatched by post except in exceptional circumstances.

16.4.8 Payment Errors: Any payment error that comes to the attention of an employee must be brought immediately to the attention of the budget holder and the Accounts Payable Section, who should provide assistance in the timely resolution of disputes with suppliers.

16.4.9 Advance Payments: Payments should only be made in advance in exceptional cases where it is not appropriate to use a Government Procurement Card and the purchase needs to be secured in accordance with the supplier's terms (e.g. for a training course). Where possible, an interim payment should be paid rather than the full amount.

16.4.10 In making an advance payment employees must be confident that the goods or service will be received and be of an adequate quality, or a refund will be achievable. In all cases an invoice or VAT receipt must be subsequently obtained and processed.

16.4.11 Urgent Payments: The need for urgent payments should be kept to a minimum and only used where there is a genuine need. Work flows should be organised to avoid using urgent payments, wherever possible

Regulation 17: Petty Cash and Floats

17.1 Petty Cash and Float Holders

- 17.1.1 **Provision:** The "Nominated Chief Officer with responsibility for Exchequer functions" shall provide petty cash accounts and floats as s/he considers appropriate for council services.
- 17.1.2 Any petty cash or float provided should be operated in accordance with [Financial Regulation Support Document 32](#).
- 17.1.3 **Record of Provision:** The "Nominated Chief Officer with responsibility for Exchequer functions" shall maintain a record of authorised petty cash accounts and floats.
- 17.1.4 **Security:** Petty cash and float holders are responsible for the safekeeping of the cash and must keep a record of any money paid into or out of the account.
- 17.1.5 **Balancing Accounts:** Accounts and floats should be balanced to the total advanced, on a regular basis.
- 17.1.6 All balancing should be appropriately documented which includes a signature and date of the person carrying out the reconciliation. Any discrepancies found **over £25** should be reported to the line manager and "Nominated Audit Manager".
- 17.1.7 **Certificate:** Officers responsible for a petty cash account or a float shall, provide the Statutory Chief Finance Officer with a certificate of the sum held whether in cash or vouchers, when requested.
- 17.1.8 **Leavers:** Heads of Service or managers shall ensure that any staff member has accounted to the Statutory Chief Finance Officer for the amount advanced prior to the staff member leaving the employment of the Council, or otherwise ceasing to hold an imprest account

17.2 Reimbursement from Petty Cash

- 17.2.1 **Use of Petty Cash:** Petty cash will only be used as a method of procurement as a last resort and then only for low value expenditure.
- 17.2.2 **Receipts:** All claims from petty cash should be made on an official voucher form and supported by proof of expenditure such as a receipt.
- 17.2.3 **Authorisation:** Cash advances and reimbursements can only be authorised by council officers nominated to do so in accordance with [Financial Regulation 4](#).

Regulation 18: Payments to Employees and Members

18.1 Salaries and Allowances

18.1.1 **Overall Responsibility:** The payment of all salaries and other payments to employees shall be made by or under arrangements approved by the Statutory Chief Finance Officer.

18.1.2 **Changes to Establishment:** Responsible Officers must follow any corporate processes put in place to control changes made to their employee establishment or salary and allowance payments associated with a post, seeking guidance from finance and personnel as needed.

18.1.3 **Changes to Post-holders:** Responsible Officers must follow any corporate processes in place to manage appointments, resignations, dismissals, absences from duty and other such information required in connection with the calculation and payment of salaries and wages. These must be done promptly to avoid unnecessary salary corrections after payment is made.

18.1.4 **Budgetary Control:** Responsible Officers must ensure proper financial control of their employee budgets in accordance with their revenue expenditure responsibilities.

18.2 Employee Expenses and Deductions

18.2.1 **Making an expense claim:** Claims made must contain all necessary information, be made promptly, normally a month in arrears, and be authorised by an appropriate manager before being considered for payment. Corporate processes will be put in place to ensure these requirements are met.

18.2.2 **Proof of Expenditure:** VAT receipts as proof of expenditure must be obtained and submitted with the claim form before reimbursement is made. Car park tickets are acceptable for proof of parking expenditure.

18.2.3 **Authorisation Checks:** An authorising officer certifying a claim must be satisfied that:

- a) the time or expenditure claimed is reasonable and accurate;
- b) the duties or activities described have been performed;
- c) payment is in accordance with the employee's contract of employment or Local / National agreements on Pay and Conditions of Service.

18.2.4 **Deductions:** Deductions from salaries must be in accordance with the Wages Act 1986, which requires specific written employee authorisation before any deduction can be made, unless covered by statute or other legal order. These should then be appropriately accounted for and paid promptly to the receiving bodies.

- 18.2.5 **Travel Claims:** Individuals are responsible for establishing the most economical and feasible method of transport to make work related journeys.
- 18.2.6 Any use of personal cars for work related travel must be in accordance with the Council's **Transport Policy**.
- 18.2.7 When travelling from home, claims should only be made for expenditure above that which would normally be incurred by an employee travelling from home to the normal place of duty.
- 18.2.8 **Rail Warrant Books:** Rail warrants should only be used for authorised work related journeys. All books of rail warrants must be accounted for and records maintained of their use.

18.3 Payments to Councillors and Co-opted Members

- 18.3.1 **Policy formulation:** Allowances and expenses paid to councillors and coopted members should be in accordance with a Council approved scheme.
- 18.3.2 **Publication of Allowances:** The Monitoring Officer will ensure that the approved scheme is published as required by the Local Authorities (Members' Allowances) Regulations 2003 (as amended).
- 18.3.3 **Payment Procedure:** Payments to members will be paid in accordance with the procedure approved by the Council.
- 18.3.4 **Proofs of Expenditure:** VAT receipts as proof of expenditure for any expenses claims must be obtained and submitted with the claim form before reimbursement is made. Car park tickets are acceptable for proof of parking expenditure.

Regulation 19: Income Collection and Banking

19.1 General Principles

- 19.1.1 **Fees and Charges:** Except where the Council has no discretion, all fees and charges should be reviewed at least annually and approved by the Executive.
- 19.1.2 **Collection Methods:** The income collection methods employed should ensure the efficient and prompt collection of income due and comply with the Council's **Collection and Recovery Policy**.

- 19.1.3 **Separation of Duties:** There should be more than one person involved in the process for raising accounts, receiving and banking the income and reconciling or verifying the reconciliation of income collected.
- 19.1.4 **Responsibility for Income Collection:** All arrangements for the collection of income are subject to the approval of the Statutory Chief Finance Officer. Directors are responsible for ensuring that all income due is collected in accordance with Council policy.
- 19.1.5 **Point of Collection:** Income should be collected in advance wherever possible and appropriate, or at the point of sale.
- 19.1.6 **Security:** Appropriate arrangements must be made for all income collected to safeguard against loss or theft.
- 19.1.7 **Cash in Transit:** Where income is being collected away from the main Council buildings, appropriate consideration should be given to the security arrangements for both the cash and the personnel involved, in accordance with [Financial Regulation Support Document 35 - Cash in Transit](#).
- 19.1.8 **Timeliness:** All income received should be banked in full as soon as practical and within 5 working days. All income received should be processed promptly into the Council's financial accounting systems.
- 19.1.9 **Completeness:** Appropriate arrangements should be used to confirm that all monies collected have been accounted for. Attempts should be made to resolve any variations found, in consultation with the line manager. Appropriate records should be kept.

19.2 Invoices for Income due to the Council

- 19.2.1 **Notification of Debts:** Services should supply the "Nominated Chief Officer with responsibility for Exchequer functions" with all the information necessary for him/her to secure promptly the complete and accurate recording, collection and recovery of sums due to the Council.
- 19.2.2 **Supporting Documentation:** Services should ensure that adequate documentation is kept to support accounts raised on their behalf.
- 19.2.3 **Form of Invoices:** Invoices for all sums payable to the Council should only be raised in a form approved by the Nominated Chief Officer with responsibility for Exchequer functions"
- 19.2.4 **Information on Accounts:** All accounts must detail:
- a) the full name and address of the legal entity responsible for the debt, including relevant contact details;

- b) a description of the goods or services supplied, what it is for, how and when it was incurred and any special conditions relating to the supply;
- c) the price to be paid for the goods or service, and where appropriate the rate and value of VAT and the total sum to be paid;
- d) the terms and conditions of payment including stage payments if appropriate.

19.2.5 Timing of Accounts: Invoices which cannot be raised in advance should be raised at the earliest opportunity after supply and within **30 days** of the value of the charge being known.

19.2.6 Credit Notes: No debt can be cancelled once raised except by payment or write off. A credit note should be issued to correct factual inaccuracy or administrative errors in the calculation or billing of debt.

19.3 Income Collection

19.3.1 Post Opening: At least two employees must be present when post, which is expected to contain income, is opened. A record of the total income and the number of items received in a post opening session must be maintained.

19.3.2 Records of Collection: Appropriate records must be maintained of any payments received in person at the time of collection.

19.3.3 Counterfeit Notes: Any bank notes received in person should be checked to ensure they are genuine, in accordance with [Support Doc 33 - Detection and Handling of Counterfeit Notes](#), before they are accepted.

19.3.4 Money Laundering: Any large payment received in cash must be handled in accordance with the Council's [Money Laundering Policy \(Financial Regulation Support Document 30\)](#).

19.3.5 Use of Official Receipts: Only official receipts or arrangements approved by the "Nominated Chief Officer with responsibility for Exchequer functions" should be used to acknowledge receipt of income received.

19.3.6 Records should be kept of any receipts issued and stored for the required retention period.

19.3.7 Payments received via electronic transfer, direct debit, BACS, cheque or some other non-cash method do not require a formal receipt unless requested by the payer.

19.3.8 Substitution: No means should be used to exchange cash collected on behalf of the Council for personal purposes.

19.3.9 **Unidentified Income:** Any unidentified income received should be accepted and banked and allocated to the correct account as soon as possible.

19.3.10 **Transfer of Income:** Every transfer of official money from one member of staff to another must be recorded and signed for by the receiving officer. On no account shall cash or cheques be transferred between sections using the internal post system.

19.4 Recovery and Write-Offs

19.4.1 **Recovery Procedures:** Services must establish appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly. Any recovery procedure utilised must conform to the Council's **Collection and Recovery Policy**.

19.4.2 **Write-Offs:** Debts due to the Council, or credits owing to customers, may only be written off in accordance with the following rules:-

Value of Debt or Credit	Authorised by	Other requirements
£100 or less	Officers of a service designated by a Lead Debt Manager	Proportionate steps have been taken to collect the debt (or trace the credit owner) such that it has been deemed irrecoverable
£100.01 - £1,000	Lead Debt Manager	Appropriate steps have been taken to collect the debt (or trace the credit owner) such that it has been deemed irrecoverable
£1,000.01 - £5,000	Statutory Chief Finance Officer or Nominated General Finance Manager	
£5,000.01 +	Executive, or other relevant committee	
£5,000 or less	Officers of a service designated by a Lead Debt Manager	The reason for the write off is for one of the following reasons: <ul style="list-style-type: none"> The debt was created in error
Value of Debt or Credit	Authorised by	Other requirements
		<ul style="list-style-type: none"> The debt has become out of date and cannot be pursued The debtor has declared themselves insolvent * and the Council has received official notification of this status, and cannot be named as a preferred creditor or unsecured creditor to the agreement <p><i>* Insolvent is defined as declared bankrupt (individual) or in liquidation (company), or has entered into a Debt Relief Order, Individual Voluntary Arrangement or Company Voluntary Arrangement.</i></p>
Penalty charge notices (cancelled or written off)	Nominated Chief Officer or Head of Service with responsibility for Enforcement	Cancelled in accordance with the Parking Enforcement Policy

Housing rent income which has been waived as rent-free weeks	Nominated Chief Officer or Head of Service with responsibility for Housing	
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- 19.4.3 Sufficient information about the debt and recovery action taken must be provided and documented before authorisation for write-off can be given.
- 19.4.4 A record must be kept of all write-offs authorised and actioned which must be circulated quarterly to the relevant Lead Debt Manager and the Statutory Chief Finance Officer or Nominate General Finance Manager.
- 19.4.5 Lead Debt Managers must undertake a quarterly sample check of a proportionate number of write-offs processed without authorisation.
- 19.4.6 The total value and number of write-offs carried out by officers, under the delegated powers outlined above, should be reported to the relevant committee each year.
- 19.4.7 A list of officers designated as Lead Debt Managers in accordance with this policy will be maintained as part of the “Posts assigned to the roles required by Financial Regulations” document.

Regulation 20: Taxation

- 20.1 **Providing Advice:** The Statutory Chief Finance Officer is responsible for advising Directors and Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority.
- 20.2 **Responsibility for Tax Management:** The Statutory Chief Finance Officer is responsible for tax planning, maintaining the Council’s tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date, as appropriate.
- 20.3 **Responsibilities for Tax Administration:** Specific responsibilities for the administration of taxes should be fulfilled in accordance with [Financial Regulation Support Document 23](#).
- 20.4 **Tax Consideration:** Managers should seek advice on the tax implications of delivering their service, including the engagement of individuals and businesses.
- 20.5 **Accuracy of Tax Transactions:** Anyone instigating or authorising an order, invoice, petty cash claim or the collection of income should ensure that tax transactions are:

- a) calculated in accordance with the relevant statutory regulations;
- b) assigned the correct tax code;
- c) recorded at the appropriate time;
- d) accounted for in the proper tax period;
- e) documented appropriately.

Regulation 21: Alternative Ways of Delivering Services

21.1 Alternative methods of service delivery will be considered where they:

- are legally permissible;
- have clear aims and objectives;
- make a positive contribution to the achievement of the Council's corporate objectives;
- do not put the Council at an inappropriate risk.

21.2 Before entering into an alternative method of service delivery appropriate legal and finance advice should be obtained and appropriate governance arrangements should have been considered.

21.3 The Statutory Officers are responsible for promoting and maintaining the same high standards of conduct and stewardship, in alternative methods of service delivery, as apply for the Council.

*Examples of what the **Statutory Chief Finance Officer** should consider are:*

- *Who is the accountable party for the funds and other assets of the enterprise?*
- *What set of Financial Regulations and Contract Procedure Rules are to be followed by the enterprise?*
- *Budget forecasting and funding mechanisms.*
- *Expenditure approval processes and limits.*
- *The financial accounting, monitoring, reporting and record keeping arrangements.*

- *Taxation implications*
- *Ownership and audit accessibility to records.*
- *Risk Management and Business Continuity Arrangements.*

Examples of what the **Monitoring Officer** should consider are:

- *Format and content of agreement between the parties involved.*
- *Membership, roles and responsibility and powers of each party.*
- *Management, meeting and reporting structures, including reporting arrangements to FBC members.*
- *Appropriate codes of conduct to be followed by members of the enterprise's "Board".*
- *Decision Making Processes.*
- *Processes to allow rules and agreements to be modified.*
- *Exit Strategy.*

- 21.4 **Approval:** All significant alternative methods of service delivery must be approved by the Executive or other appropriate Committee on receipt of a written report.

The Council's definition of a significant partnership is a partnership that:

- a. is a legal requirement or based on statutory guidance; or*
- b. it commissions or delivers activities at a borough wide or local level that contribute substantially towards the Corporate Strategy outcomes; and*
- c. there is a significant risk to the Council if there is under-performance in this area.*

The responsible director will determine whether a proposal meets these criteria in consultation with the Statutory Officers.

Regulation 22: External Funding

- 22.1 **Funding Implications:** Directors must confirm with the Statutory Chief Finance Officer that the Council will be able to fulfil any significant financial obligations arising from external funding agreements before entering into them.
- 22.2 **Use of Funds:** The lead applicant must ensure that any external funds are claimed within the required timescale and are properly spent and recorded in accordance with the scheme.

APPENDIX A

GLOSSARY

Accruals

Accruals relate to goods or services received for which an invoice has not yet been paid.

Accounting Policies and Procedures

These relate to the policies, procedures and records needed to ensure that all financial transactions are recorded completely and accurately in a form that allows the annual accounts to be a *true and fair* representation of the authority's affairs.

Accounting Practices

These relate to the practices used to produce the Annual Statement of Accounts. They primarily comprise the Code of Practice of Local Authority Accounting in the United Kingdom and the Service Reporting Code of practice, supported by International Financial Reporting Standards (IFRS)

Agents

An agent is any external contractor, consultant or agent working on the Council's behalf.

Asset Management Plan

This is a medium-term document laying out the strategic objectives and priorities for capital expenditure and asset utilisation.

Budgetary Control

Budgetary control relates to the monitoring and control of actual income and expenditure against the budgets set. The main responsibility for budgetary control lies with the nominated 'budget holder' for that budget.

Budgetary monitoring should include details of commitments (orders raised), accruals (goods received) as well as payments actually made and income received.

Generally control should be exercised at the lowest level of detail shown in the budget. However, more significance is given in these regulations to control at the 'Net Budget Book' levels (i.e. services listed as a line in the Council's estimates book).

The Capital Programme

The Capital Programme covers expenditure of a high value which usually results in a Council asset with a life expectancy of more than 1 year. Such expenditure is termed as being 'capitalised' in that it will be incurred over more than one financial year. The programme therefore consists of construction schemes, improvement schemes and purchases of high value or high volume assets.

Commitments

Commitments relate to orders raised but where the goods or services have yet to be received.

Employee

An employee under these regulations is any paid or unpaid permanent, casual or temporary member of staff employed by Fareham Borough Council.

Employee Expenses and Deductions

These relate to expense claims and deductions which are added to or subtracted from the regular salary and allowance payments. Examples of claims would be overtime, or travel and subsistence. Examples of deductions would be union subscriptions.

Expenditure

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.

Financial Strategy

This is a medium term document laying out the Councils' projected resources and commitments over a 3-year period, and any actions needed to meet corporate aims and objectives.

Financing Arrangements

These set the limits and controls on methods by which expenditure of the Council can be met.

Financial Statements

These comprise of annual reports that relate to the Council's financial position.

The Annual Statement of Accounts is a public document that includes:

- Outturn actual revenue income and expenditure for the Council in the previous year (Comprehensive Income and Expenditure Statement)
- The Authority's Assets and Liabilities (Balance Sheet)
- Movements in Reserves Statement
- Cash flow for the year (Cash Flow statement).
- Notes to the Accounts
- Housing Revenue Account
- Income Collection in relation to Council Tax and NNDR (Collection Fund),

In addition an Annual Governance Statement must accompany the Annual Statement of Accounts.

Floats

Floats are small amounts of cash maintained on site for the purpose of giving change to customers.

Journal Transfers

Journal transfers relate to the permanent transfer of actual income and expenditure from one part of the Council's accounts to another. These are usually a one-off transaction or involve the management of a temporary holding account.

Non-Tangible Assets

Assets which are less tangible or easy to value such as staff, council information and documents and ICT data.

Outturn

Outturn relates to the Authority's final income and expenditure position at the yearend, in relation to the budgets set.

Overspend

Overspending rules relate to overspends against expenditure budgets or the underachievement of income budgets.

Payments to Councillors and Co-opted Members

These relate to allowances approved by the Council for Councillors conducting their official business. Allowances may also be paid to non-councillors who are appointed to sit on any Council Committee, Board or Panel.

The latest scheme of allowances for the Council is available on the Internet. Any queries on allowances should be referred to Democratic Services.

Petty Cash

Petty cash accounts (sometimes known as imprest accounts) are small amounts of cash maintained on site to allow employees to make small purchases where the formal ordering process would be considered inefficient in relation to the purchase being made.

Use of petty cash may be by cash advancement or as a reimbursement for expenditure incurred from personal monies, on receipt of an approved claim voucher.

Physical Assets

Physical assets are things such as land, buildings, equipment or stock, which would be expected to feature as fixed assets on a balance sheet. They differ from Nontangible assets.

Provisions and Reserves

These cover balances and earmarked reserves put aside to cover future revenue and capital expenditure.

The Prudential Code

This code sets out a framework for capital finance, borrowing and managing investment decisions within the principles of prudence, affordability and sustainability.

Revenue Budgets

Revenue budgets cover expenditure and income 'estimates' which will be incurred within one financial year. The budget cycle should be aligned to the policy planning process and budgets set should support the delivery of the Council's aims and objectives.

The Statutory Chief Finance Officer

The post-holder designated to hold the statutory post which is responsible for the administration of the local authority's financial affairs under Section 151 of the Local Government Act 1972. Appendix B gives the current post-holder allocated.

Supplementary Estimates

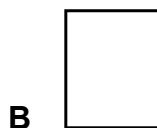
A Supplementary estimate is a temporary or permanent addition to a net budget provision.

Treasury Management

Treasury Management covers all activities associated with any monies borrowed (Loans) or invested (Investments) on behalf of the Council irrespective of the time period covered by the transactions. It also covers the management and control of the Council's banking arrangements which include Giro and procurement cards.

Virements

Virements are the temporary transfer of surplus budget provision between 'estimate' headings which do not impact on the delivery of a service. These do not affect the base budgets for future years.



Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
STATUTORY OFFICERS				
Head of Paid Service	Chief Executive Officer	Peter Grimwood	2	Overall corporate management and operational activity Provision of professional advice to all parties and committees in the decision-making process. Maintain records of Council decisions (with Monitoring Officer)
Statutory Chief Finance Officer	Deputy Chief Executive Officer	Andrew Wannell	Status, 2, 4, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 19, 20, 21	Numerous - including maintaining Financial Regulations

Monitoring Officer	Director of Support Services	Sarah Robinson	2, 18.3, 21.1	Contribute to the promotion and maintenance of high standards of conduct through provision of support to the Audit and Governance Committee.
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Posts Assigned to the Roles Required by Financial Regulations

April 2019

The following posts within the Council's establishment have been appointed by the Chief Executive Officer to fulfil the roles required by the Councils' Financial Regulations:

Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
				<p>Maintain the constitution and make it available for consultation.</p> <p>Maintain records of Council decisions (with Head of Paid Service)</p> <p>Advise the Executive if their decisions are not within the budget and policy framework.</p> <p>Ensure that the approved scheme for Payments to Councillors and Co-opted Members is published as required by the Local Authorities (Members' Allowances) Regulations 2003 (as amended).</p> <p>Produce a Section 5 report to the Council or the Executive, as appropriate, after consultation with the Head of Paid Service and Statutory Chief Finance Officer, if any proposal, decision or omission will give rise to unlawfulness or maladministration.</p> <p>Approve exemptions from Contract Standing Orders</p> <p>Approval of use of POPs form of contract for procurement of goods over £50,000.</p> <p>Agree format of partnership agreements.</p>
OTHER CHIEF OFFICER ROLES				
Nominated Chief Officer with responsibility for Risk Management	Deputy Chief Executive Officer	Andrew Wannell	10.1	Maintain the Council's Risk Management Policy and Business Continuity Policy

Nominated Chief Officer with responsibility for Insurance	Deputy Chief Executive Officer	Andrew Wannell	10.3	<p>Establish appropriate insurance cover and review it annually in consultation with relevant managers.</p> <p>Negotiate all claims made on the Council's policies, in consultation with other officers as necessary</p> <p>Receive reports of any loss, liability, damage or event likely to give rise to a claim by or against the Council</p>
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Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
Nominated Chief Officer with responsibility for Treasury Management	Deputy Chief Executive Officer	Andrew Wannell	12	<p>Execution and administration of treasury management decisions in accordance with the Treasury Management Policy Statement and Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.</p> <p>Negotiate arrangements with the Councils Bankers Order, issue and control all forms of cheques and make proper arrangements for their safe custody.</p> <p>Report to the Executive at least four times a year on the activities of the treasury management operation and on the exercise of the delegated treasury management powers, including any breaches of the Treasury Management Policy</p> <p>Approve the procedures necessary to safeguard the authority against potential losses where payments are to be transmitted electronically.</p>
Nominated Chief Officer with responsibility for Exchequer functions	Deputy Chief Executive Officer	Andrew Wannell	12, 16, 17, 19	<p><u>Various in relation to:</u></p> <p>Treasury Management</p> <p>Ordering and Paying for Goods and Services</p> <p>Petty Cash</p> <p>Income Collection</p> <p>Maintain list of Authorised signatories for signing agreements</p>

Nominated Chief Officer with responsibility for Procurement	Director of Support Services	Sarah Robinson	13	Can endorse method of disposal.
Nominated Chief Officer with responsibility for Counter fraud	Deputy Chief Executive Officer	Andrew Wannell	10.4	Maintaining the Anti-Fraud and Corruption Policy

Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
Nominated Chief Officer with responsibility for Estates	Director of Planning and Regeneration	Richard Jolley	13	Carry out an on-going review of the Council's land and buildings portfolio, to ensure it continues to meet the corporate objectives Maintain a record of all land and buildings owned, mortgaged or leased by the Council Ensuring that the Council's arrangements for managing land and buildings owned, mortgaged or leased by the Council, are formally documented Disposal of Land buildings in conjunction with Disposal Strategy. Endorse method of disposal (land and Buildings)
Nominated Chief Officer with responsibility for Housing	Deputy Chief Executive Officer	Andrew Wannell	19.4	Approval of rent free weeks.
Nominated Chief officer with responsibility for Enforcement	Director of Leisure and Community	Lindsey Ansell	19.4	Approve waiving of penalty charge notices

OTHER OFFICER ROLES

Nominated General Finance Manager	Head of Finance and Audit	Elaine Hammell	2, 4, 19	<p>Perform the Section 114 duties if the Statutory Chief Finance Officer is unable to perform these duties.</p> <p>Approve higher limits to be given to individual procurement car holders</p> <p>Write off debts where the amount for any one debtor is less than £5,000.</p>
Nominated Operational Finance Manager	Finance Manager	Neil Wood	2, 8.4, 16.4	<p>Perform the Section 114 duties if the Statutory Chief Finance Officer is unable to perform these duties.</p> <p>Authorise virements on 'non-controllable' budgets</p>

Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
				Approve payments made on Proforma invoices or Statements of Account
Nominated Strategic Finance Manager	Finance Manager	Caroline Hancock	2, 10.3	<p>Perform the Section 114 duties if the Statutory Chief Finance Officer is unable to perform these duties.</p> <p>Receive notification of insurance claims</p>

Nominated Audit Manager	Head of Finance and Audit	Elaine Hammell	10.4, 11, 13, 17	<p>Receive notification of suspicion of financial irregularity (with other managers and Statutory Chief Finance Officer)</p> <p>Maintain an Investigation Policy and supporting procedures.</p> <p>Maintain effective liaison between internal and external audit</p> <p>Convey internal audit powers to external audit contractors (also applies to Statutory Chief Finance Officer)</p> <p>Receive reports of any break-in, theft or attempt at such, and any loss otherwise suffered; with SCFO.</p> <p>Receive reports of any missing equipment or significant shortfalls in stock; with SCFO.</p> <p>Receive reports of any float discrepancies over £25</p>
Nominated Benefits Manager	Head of Housing, and Benefits	Caroline Newman	12.1	Authorise Housing Benefit cheques for encashment
Nominated Head of Service with responsibility for Enforcement	Head of Environmental Health	Ian Rickman	19.4	Approve waiving of penalty charge notices
Nominated Head of Service with responsibility for Housing	Head of Housing, and Benefits	Caroline Newman	19.4	Approval of rent free weeks.

Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
Nominated Estates Manager	Head of Property	Grant Hobday	13.5	Undertake valuations of land and buildings (along with any other suitably qualified person) when land and buildings are to be disposed of.

Nominated Head of Service for ICT	Director of Support Services	Sarah Robinson	13.3.2	Maintain appropriate records of the IT equipment held by the Council
AUTHORISATION ROLES				
Employee Expenses Super Users	Finance Manager Finance Manager Head of Finance and Audit <i>If above not available:</i> Deputy Chief Executive Officer Director of Support Services	Neil Wood Caroline Hancock Elaine Hammell Andrew Wannell Sarah Robinson	4	Authorise any employee expenses claim where the employee's manager is not available.
Finance Team Authorisers	Deputy Chief Executive Officer Finance Manager Finance Manager Head of Finance and Audit	Andrew Wannell Neil Wood Caroline Hancock Elaine Hammell	4	Manual signatures on financial instruments (e.g. CHAPS, BACS, Cheques) Life Assurance Claims Precepts to other precepting authorities Routine transfers to Government Departments (e.g. Inland Revenue. NNDR)

Roles	Current Post Fulfilling the Role	Officer Name	Regulations with this Role	Specific Requirements of Role
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	Finance Business Partner (Treasury Management)	Linda Jacobs		<p>Pension payments</p> <p>Authorisation of sundry debtor refunds</p> <p>Tax Adjustments</p> <p>Inter account bank transactions</p>
Lead Debt Manager	<p>Finance Manager</p> <p>Head of Housing, and Benefits</p> <p>Local Tax and Corporate Debt Manager</p>	<p>Neil Wood</p> <p>Caroline Newman</p> <p>Adrian Collier</p>	19.4	<p>Managers authorised to write off debts and credits under the threshold set in Financial Regulation 19.4, and nominate other officers to process low value, non-recoverable write offs.</p> <p>Undertake a quarterly sample check of a proportionate number of write-offs processed without authorisation.</p>

