

Financial Regulation 4 - Authorisation Limits

(with the proposed changes highlighted)

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

Exemptions from the need for budget holder confirmation are:

- Internal recharges
- Employee related costs
- Energy costs
- Vehicle costs
- Insurance premiums and excesses
- Leasing costs
- Capital financing costs
- Bank charges
- Bad debt provisions
- ICT software and hardware costs
- Non-negotiable expenditure e.g. external audit fees
- Accounting transactions and corrections
- Anything else procured centrally or expenditure on a consolidated invoice.

4.5 **Authorisers:** Orders and payments which involve the spending of council funds must be authorised by an employee of the Council, whose powers to incur expenditure are in accordance with the limits set out in Appendix 1, and who has been nominated as an authoriser by their Head of Service.

4.6 **Authorisation rule exceptions:**

- Directors, Heads of Service and Strategic Lead Officers will automatically be set up with level 3 and 2 authorisation rights based on their post.
- Any request for an officer to be set up with an authorisation limit above that which is usually given for their grade will require second approval from an approved Finance Team Authoriser.
- Purchase Desk Officers requested by their Head of Service to be set up on the finance system to input orders and invoices for their department are able to self-approve orders and invoices up to £500 (net of VAT).

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4.7 Procurement Cards: ~~The exception to this are OP~~ 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.

4.54.7 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.

4.64.8 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](#).

4.74.9 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.

Financial Regulation 4 – Appendix 1: Current Authorisation Limits

			Level 3 ₁	Level 2	Level 1 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><u>Written approval must be obtained from the Statutory Chief Finance Officer for a</u>Any payment over £1,000,000 must have been approved by the Statutory Chief Finance Officer</p>	No Limit	£100,000	<p>£10,000</p> <p><u>£20,000</u></p>	Not applicable
Petty Cash	<p>Cash Advances</p> <p>Reimbursement</p> <p>Float Top Up</p>	Any payment over £200 must be counter signed by the Statutory Chief Finance Officer who cannot also be the first signatory.	£200	£100	£50	Not applicable
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

			Level 31	Level 2	Level 13	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	<p><u>Payment run approval or high level payment to suppliers in the finance system or online banking system.</u></p> <p>Payroll administration and pension payments</p> <p>Precepts to other precepting authorities</p> <p>Routine transfers to Government Departments (e.g. Inland Revenue. NNDR)</p> <p>Pension payments</p> <p>Authorisation of sundry debtor refunds</p> <p>Tax Adjustments</p> <p>Inter-account transactions</p> <p>Treasury management transactions</p>	<p>Any cheque over £50,000 must be countersigned by an officer with Financial Management authorisation.</p> <p>Any non-cheque payment <u>run or individual payment</u> over £50,000 must be additionally approved by an officer with Financial Management authorisation, who is different from the first authoriser.</p> <p>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.</p>	Not applicable	Not applicable	Not applicable	£3,000,000

			Level 31	Level 2	Level 13	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
Employee Expenses	<p>Payments to employees made through the electronic expenses system:</p> <p>Mileage, Overtime, Hourly Salary, Standby, Eye care, Subsistence, Parking, Public transport.</p>	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 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

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

