

FINANCIAL PROCEDURE RULES**1 General**

- 1.1 Financial Procedure Rules regulate the Council's financial affairs and maintain an acceptable standard of financial administration. Financial Procedure Rules are Council policy and must be complied with.
- 1.2 No exceptions from any of the provisions of these Financial Procedure Rules will be made other than by direction of the responsible Cabinet Member whose reasons will be recorded.
- 1.3 These Financial Procedure Rules should be read in conjunction with the Council's Contract Procedure Rules and Part 3 to the Constitution with respect to delegations to Officers.

2 Financial Administration – Relevant Legislation

- 2.1 Section 151 of the Local Government Act 1972 states "Every Local Authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of these affairs".
- 2.2 The Chief Finance Officer is, for the purposes of Section 151 of the Local Government Act 1972, responsible for the proper administration of the Council's financial affairs.
- 2.3 Section 114 of the Local Government Finance Act 1988 states the person (referred to as the Chief Finance Officer of the Authority) having responsibility for the administration of the financial affairs of a relevant authority under Section 151 of the Local Government Act 1972, shall:
 - a Make a report under this section if it appears to him that the Authority, the Cabinet, Cabinet Member, Committee or Officer of the Authority, or Joint Committee on which the Authority is represented:-
 - i. Has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful;
 - ii. Has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority; or
 - iii. Is about to enter an item of account, the entry of which is unlawful.

- b Make a report under this section if it appears to him that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

3 Estimates

Medium Term Financial Strategy

- 3.1 The Chief Finance Officer will prepare and maintain a medium term financial strategy giving a five year forward assessment (the next budget year and the following four years) of revenue and capital commitments based on present levels of service and efficiency, and reflecting decisions taken on new commitments.
- 3.2 Directors and their duly authorised Officers will, in consultation with the Chief Finance Officer, when giving consideration to significant individual proposals, also give consideration to resulting future commitments.
- 3.3 Reports to Cabinet Members will include the following information:
 - a The revenue consequences of the decision over a five year period;
 - b In the case of capital expenditure the results of a full options appraisal and the difference between any unique potential funding option and the option as agreed in the Treasury Management Strategy; and
 - c The implications of the new commitment for the medium term financial strategy.

Annual Estimates

- 3.4 In order to set a budget requirement as required by the Local Government Finance Act 1992, annual revenue and capital estimates will be submitted by the Chief Finance Officer to the Council for approval. Such estimates will be prepared in accordance with the requirements of the Chief Finance Officer.
- 3.5 The Chief Finance Officer will provide annual guidelines including a timetable relating to the production of the annual estimates. Directors and duly authorised Officers will produce all estimates that form part of their service responsibilities strictly in accordance with such guidelines.
- 3.6 Discretionary fees and charges will be reviewed and fixed each year by the Cabinet Member or Committee responsible for the function having considered a report from the Director or duly authorised Officer in conjunction with the Chief Finance Officer, as part of the estimate cycle.

- 3.7 In addition, any officer of the Council will provide any information the Chief Finance Officer requires for the preparation of the annual estimates.
- 3.8 Following consultation with Overview and Scrutiny Committee and members of the public, the relevant estimates will be confirmed by each Cabinet Member and in their entirety by Cabinet. Cabinet will then make recommendations to Council.
- 3.9 Following approval by the Council the estimates will be used by the Financial Management System for the control of the incurrence of expenditure and the recovery of income.

4 Authority for the Incurring of Expenditure

General Authority

- 4.1 Directors and their duly authorised Officers have authority to incur expenditure on items approved within the Council's Budget. Each Director will be responsible for the supervision of the expenditure of their Directorate and for reporting to the appropriate Cabinet Member any proposed expenditure not included, or in excess of, the amount included in their estimate.
- 4.2 A Cabinet Member will, before incurring any expenditure not included in an approved estimate, consider the use of virement up to the sum shown in the Financial Limits Appendix between budget heads or, if virement is not possible, submit to the Leader of the Council a request for a transfer from balances accompanied by a detailed statement in support of the expenditure, as long as the amount being taken from balances does not take balances below the minimum level set by Council. Any amount above these figures will require the approval of Council.
- 4.3 The Chief Finance Officer will keep the income and expenditure of the Council under review and throughout the year give the Cabinet, Cabinet Member, and appropriate Director or duly authorised Officer such information as is necessary.

Acceptance of Tenders

- 4.4 The Chief Finance Officer has authority to accept tenders and quotations in excess of the sum shown in the Financial Limits Appendix on the recommendation of the appropriate Director or duly authorised Officer:
- a If the tender or quotation figure is within the financial provision; or
 - b Subject to prior consultation with the Cabinet Member including proposals for funding, where:

- i. The tender or quotation figure is within the financial provision but the lowest tender is not to be accepted; or
 - ii. In the case of construction contracts, although the tender figure exceeds the financial provision it does not exceed such provision by more than 10%.
- 4.5 Directors are authorised to accept tenders and quotations not exceeding the relevant sums shown in the Financial Limits Appendix, subject to the criteria detailed in paragraph 4.4 (a) or (b) above.
- 4.6 Directors are authorised to accept quotations in excess of the limit for quotations shown in the Financial Limits Appendix, referred to in paragraph 4.4 above, where:
 - a The quotation is below the limit set for the Chief Finance Officer;
 - b The relevant Director is satisfied that, on seeking quotes, it was reasonable to expect a quote would be returned that was within the specified limit for quotations; and
 - c The quote meets the criteria detailed in paragraph 4.4 (a) or (b) above.
- 4.7 All Cabinet Members have authority to incur expenditure, including the acceptance of tenders in excess of the sums shown in the Financial Limits Appendix when the delegation to the Chief Finance Officer has not been exercised.

Revenue Overspending & Virement

- 4.8 When a Director or duly authorised Officer proposes to consider an overspend or under-recovery, the following will apply:
 - a If a saving cannot be made from the same objective (service) budget an overspend or under-recovery may only occur if the appropriate Director or duly authorised Officer can produce a compensating saving from other objective (service) budgets under their control, subject to the Chief Finance Officer's approval to virement. The limit of the Chief Finance Officer's approval is shown in the attached Financial Limits Appendix;
 - b Cabinet Members have the power of deferred virement, which is to spend immediately on projects while accepting the requirement to specifically identify the funding budget at some later time during the financial year. The overall limit for the deferred virement is given in the Financial Limits Appendix;

- c Where the authority of the Chief Finance Officer has been exceeded, all Cabinet Members have authority to approve virement up to the sum shown in the Financial Limits Appendix;
 - d The Chief Finance Officer may approve revenue supplementary estimates up to the sum shown in the Financial Limits Appendix;
 - e Where the Borough Emergency Coordinator has determined that an emergency exists or an incident has created the need to implement to Council's Business Continuity Plan, the Chief Finance Officer, in consultation with the either the Chief executive or the Leader of the Council, may approve revenue supplementary estimates specific to expenditure on that situation, up to the sum shown in the Financial Limits Appendix.
 - f Any proposal outside of 4.8 (a) to (c) above, or not approved by the Chief Finance Officer, will be submitted for the prior approval of the appropriate Cabinet Members and the agreement of the Leader of the Council, accompanied by a financial comment from the Chief Finance Officer on the effects of the proposal;
- 4.9 After consideration of paragraph 4.8 above, if virement is not possible or is insufficient, a Cabinet Member may submit to the Cabinet a request for a transfer from balances. The request will be accompanied by a detailed statement in support of the expenditure as long as the amount being requested from balances does not reduce the level of balances below the minimum level set by Council. Any amount above these figures will require the approval of Council.
- 4.10 The Chief Finance Officer will report periodically to the Cabinet the total amount of virement and transfer from balances already approved during the financial year.

Carry Forward of Resources

- 4.11 The Chief Finance Officer is authorised to carry forward to the next financial year resources allocated to specific projects which cannot be spent in the existing financial year subject to the following conditions:
- a The minimum carry forward is the sum set out in the Financial Limits Appendix;
 - b The resources carried forward must be capable of being and must be spent within the next financial year; and

- c The resources should be allocated to specific projects only and should not be available as unallocated resources or for normal running costs.
- 4.12 The ability to carry forward resources will not be available if, in overall terms, it has been identified that the cash allocation is overspent.
- 4.13 The results of the exercise must be reported to the Cabinet when the provisional revenue outturn for the previous financial year is reported.
- 4.14 When the Chief Finance Officer is unwilling to exercise the delegation the matter will be put to the Cabinet for authority to incur the expenditure.

Capital Overspending

- 4.15 It is the responsibility of the appropriate Director or duly authorised Officer to find compensating savings on schemes within the Capital Programme. The scheme identified must be underspent at completion and the savings identified must be achievable in the financial year in which the virement is proposed.
- 4.16 Cabinet Members have authority to approve any virement proposed by the appropriate Director or duly authorised officer where compensating savings are found from within the same cabinet portfolio.
- 4.17 When a request or proposal for additional finance cannot be met by compensating savings within the same portfolio, a report by the Director or duly authorised Officer, accompanied by a comment from the Chief Finance Officer on the financial effects of the proposal, will be submitted for approval to the appropriate Cabinet Members and the Leader of the Council.
- 4.18 If, after consideration of paragraphs 4.15 to 4.17, virement cannot be found or is insufficient, a report on alternative funding proposals by the Director or duly authorised Officer, accompanied by a comment from the Chief Finance Officer on the financial effects of the proposal, will be submitted to the Cabinet for approval.

5 Treasury Management

General Management

- 5.1 The Council has adopted CIPFA's Code of Practice on Treasury Management in Local Authorities.
- 5.2 All money in the hands of the Council will be aggregated for the purpose of Treasury Management and will be under the control of the Chief Finance Officer.

- 5.3 All executive decisions on borrowing, investing, or financing are delegated to the Chief Finance Officer who is required to act in accordance with the adopted code of practice as detailed in paragraph 5.1 and the Council's Treasury Management Strategy as detailed below.

Treasury Management Strategy

- 5.4 The Chief Finance Officer will prepare and maintain a Treasury Management Strategy for the forthcoming three years. This strategy will be reported annually to cabinet and approved by Council.
- 5.5 The strategy will follow the recommendations of the code of practice mentioned in paragraph 5.1 but allowing for the specific circumstances of the Council where these affect treasury management. In addition the strategy will set the "prudential indicators" as required to be set by the Local Government Act 2003.
- 5.6 The Chief Finance Officer will also report to the Cabinet not less than once each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him. At least one report will be an Annual Report on Treasury Management for presentation by 30th June the succeeding financial year.

6 Accounting Procedures

- 6.1 All accounting records and procedures of the Council will be subject to the approval and overall control of the Chief Finance Officer.
- 6.2 The Chief Finance Officer will be responsible for keeping the Council's accounts having regard to statutory requirements, regulations and codes of practice in force at any one time.
- 6.3 The Chief Finance Officer will have sole responsibility for claiming Government grants and subsidies. All Officers of the Council will provide any information required by the Chief Finance Officer to submit or substantiate such claims.

7 Audit

- 7.1 Internal Audit is an assurance function that primarily provides as independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisations objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. *[Definition: CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006]*

- 7.2 Internal Audit is a statutory requirement for all local authorities as set out specifically in the Accounts and Audit Regulations 2003 (as amended in 2006) which state that:

A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control, and any officer or member of that body shall, if the body requires -

- (a) Make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit; and*
- (b) Supply the body with such information and explanation as that body considers necessary for that purpose.*

The relevant body shall at least once in each year conduct a review of the effectiveness of its systems of internal audit. The findings of the review shall be considered as part of the consideration of the system of internal control by the audit committee.

- 7.3 The Chief Executive, on behalf of the Council, is responsible for ensuring that an adequate and effective internal audit exists and has appointed a Head of Internal Audit and Risk Strategy to achieve this. The Head of Internal Audit and Risk Strategy reports directly to the Chief Executive, but also has unrestricted access to the Leader of the Council, the Chairman of the Audit Committee and the Chief Finance Officer.
- 7.4 The Head of Internal Audit and Risk Strategy will produce a strategic internal audit plan covering a three year period and an annual programme. The plan will be reported to Cabinet and Audit Committee for approval.
- 7.5 The Head of Internal Audit and Risk Strategy has authority to:
- a Enter at all reasonable times any premises or land under the control of the Council;
 - b Access all records, documents and correspondence relating to any financial and other transactions of the Council;
 - c Require and receive such explanations as are necessary concerning any matter under examination; and
 - d Require any officer of the Council to produce cash or any other Council assets under their control.

- 7.6 When any matter involves, or is thought to involve, irregularities concerning cash, property or other assets and interests of the Council or there is any suspected irregularity in the exercise of the functions of the Council, the Director or duly authorised Officer concerned will immediately notify the Head of Internal Audit and Risk Strategy who will take the steps that he considers necessary to investigate and report in accordance with the Council's Anti-Fraud and Corruption Policy.
- 7.7 A report which provides a summary of the work of Internal Audit will be submitted to the Cabinet and Audit Committee on a six monthly basis. Progress against the Audit plan will be shown.
- 7.8 If any severe control weakness is identified by Internal Audit and not immediately rectified, a report will be submitted to the next meeting of the Cabinet and Audit Committee. If the matter is considered by the Chief Finance Officer or the Chief Executive to be of such importance and materiality that it should be brought to the more immediate attention of Members, a special meeting will be convened.

8 Risk Management

- 8.1 The Head of Internal Audit and Risk Strategy will maintain a strategic risk register. This register will be subject to annual review by senior management team and annual approval by Cabinet.
- 8.2 Directors or duly authorised Officers must conform to the Council's policies on risk management and are responsible for ensuring that:
- a Strategic risks are identified and reported to the Head of Internal Audit and Risk Management for inclusion in the strategic risk register;
 - b Service specific operational risk registers are maintained for all services. Such registers should be maintained and updated on an annual basis; and
 - c All employees follow guidance and policies on risk management, understand the nature of risk and accept responsibility for risk associated with their area of authority.
- 8.3 The Head of Audit and Risk Strategy will maintain and publish guidance and policies on risk management.
- 8.4 Where appropriate risk management issues should form a key part of all planning processes including strategic plans, service plans and project plans.

9 Placing of Contracts (Including Official Orders)

9.1 When addressing this financial procedure rule and before placing a contract, regard will be had to Contract Procedure Rules with respect to contracts and to the various financial limits shown in the Financial Limits Appendix which determine and affect:

- a The form of contract to be used;
- b The need for a competitive approach;
- c The need for financial vetting;
- d Bonding arrangements;
- e Contract period; and
- f Liquidated damages.

(Note: The form of contract document to be used is prescribed in Contract Procedure Rule 1(5). Official Orders or a contract in a form approved by the Head of Corporate Law and Legal Services must be used where that form of contract document does not apply.)

9.2 Contracts, including official orders, will not be issued for work, goods or services unless the cost is covered by an approved annual or supplementary estimate and the arrangement represents good value for money for the Council.

9.3 Except where the Contract Procedure Rules apply, periodical or petty cash payments are made, or in instances complying with paragraph 9.4 below, official orders will be raised in the Financial Management System and issued in all instances for works, goods and services.

9.4 For items of an obligatory and continuous nature, such as electricity or telephone charges, other than for the initial commitment, it is not necessary to raise an official order. However a register detailing the location, usage, and amount of any charges must be maintained and regularly reconciled to the Financial Management System by the administrator of the register.

9.5 Official orders will describe, where applicable:

- a The nature and quantity of the work, goods or services required;
- b The quality of the work, goods and services where this can be quantified and is a factor in the placing of the order;
- c Any contract or agreement or agreed prices relating thereto;
- d The estimated total cost;

- e Any defects period;
 - f Any retention of monies;
 - g The rate of any liquidated damages to be applied; and
 - h The dates for commencement and completion of the work or services, or the date for the delivery of goods.
- 9.6 Official orders will be authorised in the Financial Management System by the Director or duly authorised Officer, whose names will be notified in writing for the agreement of the Chief Finance Officer specifying any financial limits to that authority.
- 9.7 It will not be possible to issue a verbal order except in cases of genuine emergency or other special circumstances that has been specifically approved by the Director or duly authorised Officer. Such approval will be subject to the completion of an advisory purchase order within the Financial Management System as soon as possible. Such purchase orders will clearly state that a verbal order has already been given.

10 Fixed Term Supply Contracts

- 10.1 The Council operates certain fixed term supply contracts with specified suppliers who are chosen as a result of competitive tendering. The purpose is to obtain the supply of goods and materials at prices most advantageous to the Council.
- 10.2 Individual purchases of goods supplied under these contracts are subject to the requirements to raise official orders as detailed in paragraph 8 above regardless of the fact that a fixed term contract exists.

11 Payment of Invoices

- 11.1 Invoices for the purpose of this Financial Procedure Rule include invoices from suppliers raised against purchase orders along with other items such as certificates, utility bills, reimbursements and payment requisitions.
- 11.2 Authorisation of the purchase order and the receipt of goods will be accepted by the Chief Finance Officer as authorisation for payment of an invoice where the following are true:
- a The invoice relates to a valid purchase order raised and authorised in the Financial Management System;
 - b Goods received transaction[s] have been created in the Financial Management System to match the invoice; and

- c The invoice has a value no greater than 110% of the goods received value, as per the unit price approved on the purchase order.
- 11.3 An invoice that does not meet the requirements of paragraph 10.2 above must be specifically authorised by the Director or duly authorised Officer. Invoices will not be authorised for payment unless:
- a The goods or services have been received, examined and approved for quality and quantity, or the work has been done satisfactorily;
 - b For items of an obligatory and continuous nature not requiring the raising of a purchase order, details of the payments have been recorded in the appropriate register (see paragraph 8.4);
 - c The expenditure is:
 - i. Within the Budget; or
 - ii. Approved in accordance with Financial Procedure Rule 4, or in accordance with Financial Procedure Rule 12.2; and
 - iii. In accordance with the Council's Contract Procedure Rules.
 - d The prices, arithmetic, coding and treatment of VAT are correct, and any discount, credit or other allowances to which the Council is entitled have been deducted correctly;
 - e The invoice has not been certified for payment previously, and is a proper liability of the Council; and
 - f The appropriate and proper entries have been made in a stores' stock record or inventory.
- 11.4 Where paragraph 10.3 applies, confirmation that the requirements for payment have been met will be by the authorisation of the invoice concerned either in the Financial Management System, if requested electronically, or by signature on the original invoice in other cases. Such invoices will be authorised and passed to the Chief Finance Officer in time to enable payment 30 days from receipt of the invoice by the Council, unless alternative terms are required and explicitly agreed.
- 11.5 The Chief Finance Officer will examine, in so far as he considers necessary, invoices passed to him for payment and be entitled to have access at all times to such documents as appear to him to be necessary for the purpose of the examination and be entitled to such information and explanation as he thinks necessary.

- 11.6 Each Director or duly authorised Officer will, after 31 March of each year and by such date as is necessary, give the Chief Finance Officer schedules of all invoices outstanding relating to that Directorate, and when such invoices are subsequently certified for payment, shall identify them accordingly.

12 Payment by Certificate

- 12.1 When a contract (including official orders) provides for payments to be made on an interim or stage basis, the Director or designated duly authorised Officer will be responsible for the maintenance of a contract register. The register will, for each contract, specify the name of the contractor, the works to be executed or the goods to be supplied, the contract period and value, bonds, liquidated damages and all payments made in accordance with the contract.
- 12.2 Interim or stage payments will be authorised only on a certificate signed by:-
- a The appropriate Director or duly authorised Officer concerned; and
 - b The named Supervising Officer or Engineer or Contract Administrator, whichever is appropriate, showing the total amount of the contract, the value of work executed to date, retention money, amount paid to date, the amount now certified and any deduction of liquidated damages.
- 12.3 The appropriate Director or duly authorised Officer will issue the final certificate for a contract or accepted estimate, provided the regulations relating to any overspending have been complied with. The appropriate Director or duly authorised Officer will be fully responsible for the accuracy of the final account supporting such final certificate. The Chief Finance Officer will inspect selected contracts during the currency of the work both on and off site and the appropriate Director or duly authorised Officer will provide the Chief Finance Officer with such vouchers/documents or other assistance as required.

13 Variations to Contracts

- 13.1 Every variation on a contract (including official orders) will be authorised in writing by the appropriate person (referred to in 11.2) for that purpose.
- 13.2 If variations to a contract seems likely to result in the original contract sum (including any contingency sum) being exceeded, the main items will be reported, on each occasion, by the Director or designated duly authorised Officer to the appropriate Cabinet Member as soon as possible, and no variation will be certified in respect of additional costs to the original contract sum unless:

- a Such additional costs have been approved by the appropriate Cabinet Member; or
 - b The effect of any additional costs do not result in the final value of completed work exceeding 5% of the original contract sum, and the Chief Finance Officer is satisfied the Director or duly authorised Officer is able:
 - i. In the case of any scheme funded from capital, to find compensatory savings from other schemes within the approved Capital Programme which will be underspent on completion; and
 - ii. In the case of any scheme funded from revenue, to find specific savings equivalent to the excess within the approved Revenue Budget.
- 13.3 Financial Procedure Rule 12.2 will not restrict the action of the appropriate person (referred to in 11.2) to issue a variation for additional costs exceeding the original contract sum if this would result in a stoppage of the contractual works or a breach of the contractual conditions or such other circumstances, which in the opinion of the Director or duly authorised Officer concerned, would prejudice the Council's financial interests. The Chief Finance Officer will be notified immediately wherever variations are issued in such circumstances.
- 13.4 The circumstances for issuing such a variation will be reported to the appropriate Cabinet Member by the Director or duly authorised Officer concerned, with comment, concerning the financial implications, from the Chief Finance Officer.

14 Collection & Receipt of Banking

- 14.1 The collection of all monies due to the Council, including the arrangements for dealing with postal remittances and monies collected by the Council on behalf of other parties will be under the overall control of the Chief Finance Officer.
- 14.2 All monies received by the Council, or its Officers, must be accounted for and receipted in a form and manner agreed by the Chief Finance Officer.
- 14.3 All receipts, tickets or other similar documents or stationery dealing with the receipt of monies will be subject to the approval of the Chief Finance Officer.
- 14.4 All monies received on behalf of the Council will be passed without delay (or in accordance with a frequency approved by the Chief Finance Officer), to the Chief Finance Officer or banked direct in the Council's name.

- 14.5 All monies received by the Council on behalf of a third party, will be accounted for and paid to the third party without delay, or in accordance with any agreement or instruction by the Chief Finance Officer, after deduction of any amounts due in respect of commission or other allowance due to the Council. Such commission or other allowance will be accounted for and paid in accordance with Financial Procedure Rule 13.4.
- 14.6 Each Director or duly authorised Officer will furnish such particulars, as the Chief Finance Officer may require, of charges to be raised on sundry debtor accounts for work done, goods supplied, services rendered by the Council or other monies due to the Council.

15 Writing Off Debts

- 15.1 Amounts due to the Council, including the local taxation levy and rents, may be written off by the Chief Finance Officer or an Officer authorised by him after submission for such purposes by the Director or duly authorised Officer concerned, provided both Officers are satisfied recovery is impracticable, and the amount for any one debtor does not exceed the sum shown in the Financial Limits Appendix.
- 15.2 Amounts due to the Council, including the local taxation levy, which exceed the sum shown in the Financial Limits Appendix for any one debtor require the approval of the Leader of the Council, prior to being written off.
- 15.3 Submissions for write-off will be signed by the Director, or duly authorised Officer, whose names will be notified in writing to the Chief Finance Officer.

16 Banking Arrangements & Control of Cheques

- 16.1 All financial arrangements with the Council's bankers and other financial institutions concerning the Council's bank accounts will be made under the direction of the Chief Finance Officer. [Financial arrangements include: *bank accounts, debit and credit card merchant accounts, electronic payment schemes and other transaction processing schemes.*]
- 16.2 The Chief Finance Officer will be authorised to operate such subsidiary bank accounts as he thinks necessary.
- 16.3 Stocks of cheques ordered from the Council's bankers or authorised printers will only be on the authority of the Chief Finance Officer who will make proper arrangements for the security of cheques.

- 16.4 All cheques drawn on behalf of the Council:
- a For amounts below the sum shown in the Financial Limits Appendix, may contain a printed facsimile signature of the Chief Finance Officer or may be signed by Officers specifically authorised by the Council; and
 - b For amounts exceeding the sum shown in the Financial Limits Appendix, shall be signed by the Chief Finance Officer or Officers specifically authorised by the Council.
- 16.5 Each payment in a BACS direct credit file, that exceeds the sum shown in the financial limits appendix, will require approval of the Chief Finance Officer or Officers specifically authorised by the Council prior to being processed to the BACS system.
- 16.6 The Chief Finance Officer will be responsible for the maintenance of proper records to account for all cheques received from the Council's bankers or authorised printers and all cheques issued, spoilt or cancelled.
- 16.7 The Chief Finance Officer will ensure that a reconciliation of cash books and bank accounts is made not less frequently than monthly, by a person other than those authorised to sign cheques in 15.4.

17 Petty Cash Imprest & Cash Floats

- 17.1 The issue and use of petty cash imprest and cash floats will be under the overall control of the Chief Finance Officer. Petty cash expenditure must be limited to minor items.
- 17.2 Vouchers must be obtained to support all items expended and must be presented, together with the standard summary of expenditure form, duly coded for reimbursement. Vouchers are to be supported by receipts in required VAT format and the total reimbursement certified by a duly authorised Officer.
- 17.3 Each Director or duly authorised Officer will, at the end of each financial year complete and provide to the Chief Finance Officer a certified statement confirming all imprest and cash floats and the names of the Officers directly responsible for/in possession of the amounts involved.

18 Credit & Purchasing Cards

- 18.1 The issue and use of credit cards and purchasing cards will be under the overall control of the Chief Finance Officer.
- 18.2 Card backed purchases should be limited to minor items where purchase by card affords reduced cost or increased value for money for the Council over and above that available by use of standard purchase order procedures as outlined in section 9 above.

- 18.3 In all cases receipts must be obtained, where relevant these must be VAT receipts. Card statements must be reconciled to receipts, coded and authorised by a Director or duly authorised Officer. All documentation must then be passed without delay to the Chief Finance Officer.
- 18.4 When cards are used to purchase goods and services on the internet or by other electronic means, transactions must occur through a Council Laptop or PC connected to the internet through the Council's network.

19 Establishment, Salaries & Wages

- 19.1 The Head of Human Resources will maintain an Establishment Record of the agreed employment levels for Officers within each Section. The record will show the post number, grade applicable, post holder and current pay point on the pay scale and any allowances and additional emolument attached to the post.
- 19.2 Each Director will maintain an Establishment Record of the employment levels for manual workers within their Directorate. The record will show the post title or number, pay rate applicable, post holder and any allowances and additional emolument attached to the post.
- 19.3 The payment of all salaries, wages, bonuses, pension, compensation or other emoluments to employees or former employees will be made under the control of the Head of Human Resources, subject to any specific directions of the Chief Finance Officer.
- 19.4 The Head of Human Resources will be responsible for the day to day administration of salaries and wages.
- 19.5 Directors or designated duly authorised Officers will notify the Head of Human Resources as early as possible of all appointments, dismissals, resignations, absences from duty (other than for usual or special leave), transfers and changes which may affect the remuneration of employees.
- 19.6 The Head of Human Resources will be provided with, for all new appointments, all information necessary to maintain records of service, superannuation, income tax and national insurance liability.
- 19.7 The Head of Human Resources will report proposals relating to pay and conditions of service to the Leader of the Council except where there are specific delegations as set out in Part 3 of the Constitution.
- 19.8 Timesheets (and other time-related records, controls and procedures) will be in a form approved by the Chief Finance Officer.

- 19.9 Starters and Leavers Forms, Overtime Claims and Subsistence/Allowance Claims will be signed by the Director or duly authorised Officer, notified in writing to the Head of Human Resources. Timesheets and other time related records shall be certified by a responsible person authorised by the appropriate Director or duly authorised Officer.
- 19.10 The Head of Human Resources will maintain a Staff Handbook which will contain items relating to conditions of service.

20 Travelling & Subsistence

- 20.1 All certified claims for payment of car allowances, subsistence allowances, travelling and incidental expenses will be in a form approved by the Chief Finance Officer.
- 20.2 The certification by or on behalf of the Director will mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, and the allowances are properly payable by the Council.

21 Insurances

- 21.1 The Chief Finance Officer shall affect all insurance cover and maintain necessary records.
- 21.2 Before taking any action which might represent an insurable risk to the Council, a Director or duly authorised Officer will consult the Chief Finance Officer.
- 21.3 Each Director or duly authorised Officer will give prompt notification to the Chief Finance Officer of the extent and nature of all new risks in respect of assets purchased by, loaned to or bequeathed to the Council where the Council has an insurable interest and provide such details of identification as the Chief Finance Officer deems necessary to record the item.
- 21.4 Each Director or duly authorised Officer will notify the Chief Finance Officer immediately in writing of any loss, claim, liability or damage covered by insurance in connection with the Directorate, or of any irregularity or other occurrence which might give rise to a claim against the Council. The Chief Finance Officer will process all claims to the Council's insurers.
- 21.5 When undertaking work for third parties, Directors must ensure that adequate indemnities are obtained from the third parties' insurers and that evidence of the indemnities is provided to the Chief Finance Officer.

22 Stock

- 22.1 Each Director and duly authorised Officer will be responsible for the care, custody and accountability of any stock under his area of control.
- 22.2 Stock will not be held in excess of reasonable requirements and will be reviewed periodically by each Director or duly authorised Officer concerned.
- 22.3 Stock records will be kept in a form approved by the Chief Finance Officer.
- 22.4 Stocktaking will be carried out at least once in each financial year by the Section concerned. The Director or duly authorised Officer involved will ensure that the stocktaking is undertaken by sufficient senior and impartial Officers to secure an independent and reliable result.
- 22.5 The Chief Finance Officer is entitled to check stock and be supplied with such relevant information required for the accounting, costing and financial records of the Council.
- 22.6 Write-offs and adjustments to deficiencies to stock balances will be subject to the approval of the Chief Finance Officer or an Officer authorised by him, provided the value of each item involved does not exceed the sum shown in the Financial Limits Appendix and the Chief Finance Officer or his authorised Officer is satisfied the reason(s) for the write-offs and adjustments are reasonable.
- 22.7 When the value of write-off or adjustment exceeds the sum shown in the Financial Limits Appendix for any one item, the item(s) will require the approval of the Leader of the Council.

23 Property

- 23.1 The Head of Business Improvement will maintain a register of all land and property owned or leased to or by the Council in a form approved by the Chief Finance Officer.
- 23.2 The Head of Corporate Law and Legal Services will have custody of all title deeds and keep them under secure arrangements as agreed with the Chief Finance Officer.
- 23.3 Assets purchased by the Council will, as far as practical, be marked effectively as Council property.
- 23.4 Directors and duly authorised Officers will have responsibility for introducing and maintaining adequate security for personnel, buildings, cash and confidential information. Full instructions on security matters will be given to appropriate staff.

- 23.5 The Chief Finance Officer will be consulted on the adequacy of security arrangements relating to cash and valuable items.
- 23.6 Inventories of the Council's property (other than stock) will be kept by each duly authorised Officer concerned and in a manner and form approved by the Chief Finance Officer.
- 23.7 Duly authorised Officers will be responsible for making sufficient arrangements for the safekeeping of any lost property.
- 23.8 Scrap, surplus or obsolete items which may have a value, will be disposed of at auction, normally via the appropriate Purchasing Officer. Where the auction of items is not considered to be the appropriate method of disposal, the manner of disposal will be determined by the appropriate Director or duly authorised Officer following consultation with the Chief Finance Officer.
- 23.9 Wherever possible, an independent valuation of the item will be obtained, which will form the basis of any disposal value.

24 Information Technology

- 24.1 All Directors and duly authorised Officers must conform to the Council's Information Technology Strategy and consult with the Assistant Director of Customer Services when appropriate.
- 24.2 Any developments of new systems that involve a financial operation or produce output that may influence the allocation of resources must be subject to the approval of the Chief Finance Officer regarding mutually acceptable minimum standards of control.
- 24.3 Standalone systems which contain financial information which details, supports or affects the accounts of the Council, must be reconciled to the Financial Management System on a monthly basis by the relevant Systems Administrator.
- 24.4 Directors and duly authorised Officers are responsible for the control of their own computer systems and the security and privacy of data contained therein, which must accord with the Data Protection Act 1998.
- 24.5 Directors and duly authorised Officers will make sound arrangements to ensure the continuation of service in the event of a disaster affecting their IT systems.
- 24.6 All Directors and duly authorised Officers must ensure that they and their staff conform to the Council's Computer Security Policy. This includes the need to adhere to the specified arrangements relating to the use of passwords.
- 24.7 Directors and duly Authorised Officers must ensure that they and their staff conform to the Council's Internet Acceptable Use Policy.

24.8 Directors and duly authorised Officers must ensure that their systems of data handling and security are in accordance with the Council's IT Strategy.

25 Partnerships

25.1 All partnerships must be developed as set out in the Council's Partnership Strategy.

25.2 Any partnership that involves a financial operation or includes consequences that may influence the Council's resources will be subject to the approval of the Chief Finance Officer.

25.3 Before entering into a partnership arrangement Directors or duly authorised Officers will ensure that there is a documented and sound business case for such a partnership. The business case must include:

- a Details of the need for the partnership;
- b An analysis of the options available and the reason for rejection of alternatives;
- c Details of any market testing of the service provision;
- d Details of the financial and performance benefits to the Council and its partners;
- e An exit strategy for all members of the partnership;
- f Insurance and indemnity arrangements that have been accepted by the Chief Finance Officer;
- g A risk assessment of the partnership, its activities, and the exit strategy; and
- h Details of monitoring processes, financial controls, and performance criteria that are at least similar in structure to those expected of the Council by the Council's Constitution.

25.4 All partnership arrangements must offer demonstrable financial and/or performance improvements to Council services.

26 Financial Limits relating to Contract and Financial Procedure Rules

26.1 Financial limits will be reviewed and agreed on an annual basis by the Chief Finance Officer after taking account of relevant inflation indices and following consultation with Directors. The current financial limits are attached as an appendix to these financial procedure rules.