



Financial Regulations

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INTRODUCTION

These Regulations have been adopted by the Council and form an essential part of the control framework within which the Council operates. Each section includes general guidelines to staff on the practical application of the Regulations. Useful contacts are also included in each section of this document.

These Regulations are designed to ensure that financial decisions are taken in a considered and informed manner by assuring that consistent, high quality financial information is available to Members and Officers. In this way we can be confident that financial management ensures that the Council's objectives are met in an economical, effective and efficient way whilst still maintaining the highest levels of accountability.

The Regulations should be used in conjunction with Contract Standing Orders which document important rules concerning the conduct of council staff and the procedures they must follow. The general principals contained in the Regulations may be supplemented by detailed procedures specified by or agreed with the Strategic Director (Resources) Responsibility for approving and recommending changes to the financial control framework rests with the Strategic Director (Resources) who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Standing Orders.

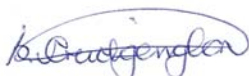
All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Standing Orders. Internal Audit section can provide ad-hoc guidance on specific areas of these documents.

Strategic Directors will be responsible for ensuring that appropriate officers/employees:

- (a.) receive a full copy of these Regulations, where appropriate
- (b.) Receive appropriate training in order that they understand and comply with the Regulations.

The Strategic Director (Resources) is the nominated Chief Finance Officer.

Every officer has a responsibility to read and be familiar with these Regulations.



Scott Crudgington
Strategic Director (Resources)

1. STATUS OF FINANCIAL REGULATIONS

- 1.1** Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf.
- 1.2** The Regulations identify the financial responsibilities of the **Full Council**, **Executive**, **Scrutiny Overview** and Scrutiny Members, the Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and other Officers.
- 1.3** All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.4** The Strategic Director (Resources) is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the **Full Council** for approval. The Strategic Director (Resources) is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or to the Executive Members.
- 1.5** The Authority's detailed financial procedures are contained in the relevant sections of these Financial Regulations.
- 1.6** Strategic Directors are responsible for ensuring that all staff in their Services Deliver Units are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their departments. Copies are also available on the intranet under 'F – Staff Information'.
- 1.7** The Strategic Director (Resources) is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, Officers and others acting on behalf of the Authority are required to follow.
- 1.8** Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.
- 1.9 Head of Paid Service (and Chief Executive)**

The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. He or she must report to and provide information for the **Executive**, the **Full Council**, the **Scrutiny Overview** and Audit committee and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with

the Monitoring Officer, for the system of record keeping in relation to all the **Full Council's** decisions (see below).

1.10 Monitoring Officer (Borough Solicitor)

- (a.) The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the **Standards Committee**. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the **Full Council** and/or to the **Executive**, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
- (b.) The Monitoring Officer must ensure that **Executive** decisions and the reasons for them are made public. He or she must also ensure that Members are aware of decisions made by the **Executive** and of those made by Officers who have delegated executive responsibility.
- (c.) The Monitoring Officer is responsible for advising all Councillors and Officers about who has authority to take a particular decision.
- (d.) The Monitoring Officer is responsible for advising the **Executive** or **Full Council** about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- (e.) The Monitoring Officer {together with the Strategic Director (Resources)} is responsible for advising the **Executive** or **Full Council** about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
 - initiating a new policy
 - committing expenditure in future years to above the budget level
 - causing the total expenditure financed from Council Tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.
- (f.) The Monitoring Officer is responsible for maintaining an up-to-date constitution.

1.11 Strategic Director (Resources)

(a.) The Strategic Director (Resources) has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government Finance Act 1989
- The appropriate Accounts and Audit Regulations
- The Local Government Act 2000
- The Local Government Act 2003

(b.) The Strategic Director (Resources) is responsible for:

- The proper administration of the Authority's financial affairs
- Setting and monitoring compliance with finance management standards
- Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- Providing financial information
- Preparing the revenue budget and capital programme
- Treasury management and banking.
- Providing an opinion on the 'Annual Governance Statement' in the Statement of Accounts.
- Measures to prevent/detect the laundering of illegally obtained money through the Council.

(c.) Section 114 of the Local Government Finance Act 1988 requires the Strategic Director (Resources) to report to **Full Council, Executive** and the District Auditor if the Council or one of its Officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the authority's accounts

Section 114 of the 1988 Act also requires:

- The Strategic Director (Resources) to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally. The Head of Finance is SBC's nominated deputy.

- The Authority to provide the Strategic Director (Resources) with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

1.13 Strategic Directors

- (a.) Strategic Directors are individually responsible for the proper financial management of resources allocated to their Service Delivery Units through the budget process and for the identification of and accounting for income which falls due within their area. This includes control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash stores or equipment.
- (b.) Strategic Directors shall ensure that their staff receive sufficient training to enable them to be aware of and comply with the requirements of Financial Regulations and Standing Orders.
- (c.) Strategic Directors are responsible for ensuring that **Executive** Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Strategic Director (Resources).
- (d.) It is the responsibility of Strategic Directors to consult with the Strategic Director (Resources) and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

2. BUDGET SETTING – CAPITAL

CONTACT: Head of Finance

- 2.1. The detailed form of the Capital Programme shall be determined by the Strategic Director (Resources).
- 2.2. The Strategic Director (Resources), in conjunction with Strategic Directors, shall submit to **The Executive** the estimates of capital payments to be incurred in the ensuing financial years.
- 2.3. **The Executive** shall consider the overall capital programme and the resources available, make amendments as thought fit, and shall recommend an overall programme to **Council**.
- 2.4. All new schemes, prior to inclusion in the capital programme, must first have been considered as part of the forward plan process and the Corporate Capital Review Group. This must include details of the objectives of the scheme, the resources required, the timescale and the revenue implications.
- 2.5. Any proposal to amend a project beyond its current policy or include a new project in the capital programme must be considered by the Council in accordance with the Budget and Policy Framework. Amendments to an existing project solely involving budgetary change which is being met from the virement process can be approved in accordance with Section 6 of these Regulations. Supplementary capital estimates from the Capital Programme Contingency Sum must be sought from **The Executive** where sufficient budgetary provision is not available.
- 2.6. The inclusion of a scheme in the approved Capital Programme shall constitute authority to incur expenditure with the exception of schemes of a budgeted value exceeding £250,000 which shall be specifically reported to **The Executive** for approval to progress or schemes funded by capital receipts where the in year capital programme exceeds the resources available at the 1 April of that year.
- 2.7. The Corporate Capital Review Group monitor the delivery of capital schemes, capital expenditure and resources.

3. BUDGET SETTING – REVENUE

CONTACT: Head of Finance

- 3.1. The detailed form of the Revenue Budget shall be determined by the Strategic Director (Resources).
- 3.2. Revenue budgets include the General Fund Revenue Account, Housing Revenue Account and Trading Accounts.
- 3.3 The Strategic Director (Resources), in consultation with the relevant Strategic Directors, shall prepare revenue estimates. These estimates shall be submitted by the Strategic Director (Resources) and shall detail estimates of expenditure and income for the ensuing financial year and current year. The estimates shall show in respect of each item of expenditure and income:

- (a.) Actual results for the last financial year.
- (b.) Original and working budgets for the current financial year.
- (c.) Original estimate for the following financial year.

In relation to (b.) and (c.) above, the Strategic Director (Resources) or the appropriate Strategic Directors shall report on the reasons for material variations.

- 3.4 **The Executive** shall approve a strategy for fees and charges in line with the Council's overall policies for the coming year. The detailed fee increases will be recommended by the Fees and Charges Officer Group. Strategic Directors will implement changes to fees and charges in accordance with this strategy and the scheme of delegation. **The Executive** should approve Strategic Directors proposals in respect of fees and charges where these are not in accordance with the approved strategy.
- 3.5 **The Executive** shall consider the overall revenue budget and the resources available, make amendments as thought fit, shall consult with the **Scrutiny Overview Committee**, and shall recommend an overall budget to the **Full Council**.
- 3.6 It is the responsibility of the Strategic Director (Resources) to advise the **Executive** and/or the **Full Council** on prudent levels of reserves for the Authority. This will be based on a risk assessment of General Fund and Earmarked reserves.

4. SUPPLEMENTARY ESTIMATES

CONTACT: Head of Finance

- 4.1 Supplementary estimates reduce the Council's reserves, and therefore must be used sparingly so as to not jeopardise the Council's Financial Strategy. Service Delivery Units should endeavour to find the resources from their own budgets, financing the project or variance through budget virement (see Section 6 of these Regulations). Supplementary estimates should represent a last option for financing a project or variance.
- 4.2 **The Executive** can approve Supplementary Estimates within the contingency sum approved by the **Full Council** within each Budget Head (as referred to in the Budget and Policy Framework). Supplementary Estimates above these levels, either individually or cumulatively, require the approval of **Full Council**.
- 4.3 A Supplementary Estimate shall only be requested from **The Executive** where expenditure will be incurred that cannot be accounted within a budget head by way of virement. In this context, any reduction to income shall be deemed to be expenditure, except where it relates to seasonal or periodic variations which are not anticipated to affect the annual budgeted figure.
- 4.4 **Executive** Members with portfolio responsibility can approve supplementary estimates within the approved contingency sum for non-key decisions. A copy of the 'non-key decision notice' and '**Executive** Member with Portfolio Responsibility Report' must be forwarded to the Constitutional Services Manager and reported at the next available **Executive**, or as part of the quarterly revenue budget monitoring report to **Executive**.

5. BUDGETARY CONTROL

CONTACT: Head of Finance

- 5.1** The Strategic Director (Resources) shall make available to each Strategic Director, information concerning all income and expenditure falling within their respective responsibilities and such other information that may be relevant. This information shall allow comparison between actual expenditure, including committed expenditure, against the current budget.
- 5.2.** Each Strategic Director is responsible for ensuring that all expenditure and income is processed in a timely manner and charged to an appropriate account code to enable budgetary control information to be produced as per 5.1 above.
- 5.3.** Each Strategic Director is responsible for ensuring that all expenditure committed by their Service Delivery Unit is within a revenue or capital budget. Any expenditure or income likely to vary significantly from an approved budget shall be reported to the Strategic Director (Resources). If appropriate a virement or supplementary estimate will be obtained and reported to Executive as part of the quarterly revenue and capital budget monitoring process.
- 5.4.** The inclusion of items in approved revenue or capital estimates shall constitute authority to incur such expenditure subject to compliance with any requirements mentioned elsewhere in these Regulations and Contract Standing Orders.
- 5.5** Any proposal outside the budget and policy framework that involves:
- (a.)** Capital expenditure not specifically included in the capital budget.
 - (b.)** Revenue expenditure on a new service or project that has not been specifically provided for in any of the revenue budgets.
 - (c.)** A new source of income or significant variation in an existing source of income.
 - (d.)** The sale or disposal of land, buildings or other property of the Council, (other than those for which delegated authority has been given)

shall be subject to the specific approval of the Council on the recommendation of **The Executive**. Should, at any time during the project, the likely cost exceed the amount specifically approved or the scope of the project altered, then further specific approval will be sought unless the financial implications can be accommodated by Virement. The initial or any subsequent submission of such proposals to the Council shall be subject to the procedures in Section 4.

- 5.6** In a situation that necessitates expenditure or the acceptance of quotes/tenders in contravention of these Regulations, the relevant Strategic Director and the Strategic Director (Resources), in conjunction with the Chair of **The Executive**, shall have authority to sanction such expenditure. The Strategic Director (Resources) shall report such approvals in the schedule prepared under Regulation 4.4.
- 5.7** Nothing in these Financial Regulations shall prevent expenditure being incurred where an emergency or disaster involving destruction of or danger to life or property occurs or is imminent. Where in the opinion of the relevant Strategic Director, in consultation if possible with the Chief Executive and the Strategic Director (Resources), the urgency of the situation will not permit delay, nothing in the Financial Regulations or Standing Orders shall prevent the relevant Strategic Director from incurring expenditure. Action under this Financial Regulation shall be reported to the next meetings of **The Executive** and the **Full Council**.

6. TRANSFER OF BUDGETS (VIREMENT)

CONTACT: Head of Finance

6.1 Virement is a transfer between approved budgets. Services Delivery Units should endeavour to finance projects or variances by way of virement before a supplementary estimate is considered.

6.2 Virements shall only be made in accordance with the authorisation limits and criteria shown in 6.3 and 6.4 and the general conditions shown below:

- (a.)** All virements will be submitted to the Strategic Director (Resources) in a form approved by the Strategic Director (Resources) , where the appropriate authorisation is required.
- (b.)** All approved virements will be reflected in the Council's Financial Information System (FIS) by the Strategic Director (Resources).
- (c.)** The Strategic Director (Resources) reserves the right to refer any virement request to **The Executive** for approval.
- (d.)** The destination of the proposed virement must be a project, scheme or budget that has previously been approved for funding.
- (e.)** No virements shall be made:
 - from budgets held for support service, central and departmental recharges, and capital financing charges.
 - between the Revenue and Capital accounts of the Council
 - that create an ongoing expenditure commitment for the Council.
- (f.)** No virements shall be made from salary budgets unless approved by the Strategic Director, so that the annual transitional vacancy target is met each year.
- (g.)** Virements shall only be made within and not between the budget heads of the Council as defined in the Council's Budget and Policy Framework i.e.
 - General Fund Revenue Account
 - Housing Revenue Account
 - General Fund Capital Programme
 - Housing Capital Programme
- (h)** There must be sufficient budget provision remaining in the source of the virement to meet all expenditure for the rest of the year.

6.3 Virement Authorisation Limits

Virement Type	Authorisation Level			
	Head of Service	Strategic Director)	Executive	Council
(a.) Within a Service	Less than £25,000	£25,000 - £49,999*	£50,000 – £250,000*	More than £250,000*
(b.) Between Services	Less than £25,000	£25,000 – £49,999*	£50,000 – £250,000*	More than £250,000*
(c.) Between Capital Projects	-	Less than £50,000*	£50,000 – £250,000*	More than £250,000*
(d.) Between Portfolio Areas	-	-	Less than £250,000*	More than £250,000*

For the purposes of virement a service is defined as:-

General Fund – cost centre(s) comprising a portfolio summary line in the budget book

Housing Revenue Account – the whole account

Virements under 6.3(a) authorised by Heads of Service, First Report or Strategic Director will not require reporting to Committee. Virements under 6.3 (b) & (c) authorised by Heads of Service, First Report or Strategic Director shall be reported to **The Executive** on a schedule.

When the virement is as a result of a rationalisation of the Council's financial system codes, the authorisation level will up to £250,000 Accountancy Manager and over £250,000, the Head of Finance. This would include setting up new cost centres as a result of restructures and changes to staff reports.

- 6.4** All virements that relate to substantial changes in the method of service provision must be approved by a Strategic Director irrespective of amount.

7. ACCOUNTING

CONTACT: Head of Finance

- 7.1 All accounting procedures and records of the Council shall be determined by the Strategic Director (Resources) in so far as they are not prescribed by law.
- 7.2 All accounts and accounting records of the Council shall comply with the relevant accounting standards and shall be in a form determined by the Strategic Director (Resources).
- 7.3 All Strategic Directors shall ensure that the principles of Separation of Duties and good control procedures are observed in the allocation of accounting duties:
- (a.) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them.
 - (b.) Officers responsible for examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of these transactions.
- 7.4 As soon as possible after the end of each financial year, and not later than 30th June the Strategic Director (Resources) shall report to **Full Council** on the accounts for that year.

8. TREASURY MANAGEMENT

CONTACT: Head of Finance

- 8.1 All external investments in the name of the Council shall be made by the in accordance with the Council's policy for Treasury Management.
- 8.2 Stevenage Borough Council adopts the key recommendations of CIPFA's Treasury Management Code of Practice (the Code), updated in 2009.
- 8.3 Accordingly, Stevenage Borough Council will create and maintain, as the cornerstones for effective treasury management:
- (a.) a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities
 - (b.) suitable treasury management practices (TMP), setting out the manner in which Stevenage Borough Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 8.4 Stevenage Borough Council's **Executive** will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, an annual report after its close and an in year monitoring report as part of the quarterly monitoring reports (revenue expenditure). The Strategy will be updated and reported more frequently if the Council financial circumstances change e.g. need to borrow or best practice recommends.
- 8.5 Stevenage Borough Council delegates responsibility for the implementation and monitoring of its Treasury Management Policies and practices to the **Executive** and for the execution and administration of treasury management decisions to the Strategic Director (Resources) who will act in accordance with the Council's Policy Statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management. The **Audit Committee** is responsible for advising Council on its Treasury Management Statement for the year, prior to approval by **Council**.
- 8.6 The Strategic Director (Resources) shall report to the **Scrutiny Overview Committee or Scrutiny Topic Group**, on an exception basis, on investment and borrowing transactions.

9. VALUE ADDED TAX (VAT)

CONTACT: Head of Finance

- 9.1** It shall be the responsibility of the Strategic Director (Resources) to secure arrangements for the administration and accounting of VAT to ensure compliance with all statutory requirements including such returns as are required within laid down timescales.
- 9.2** Each Strategic Director shall keep records, as determined by the Strategic Director (Resources), for the prescribed statutory period, of all matters pertaining to the administration and accounting of VAT, and in particular:
- (a.)** All supplier invoices, including any relevant back-up and authorisation documents;
 - (b.)** Documentation supporting all income raised by invoice;
 - (c.)** Documentation supporting all non-invoiced income, including amounts lodged directly with the bank and cash collected directly by departments.
- 9.3** The Strategic Director (Resources) will nominate one of his Officers as the contact point for enquiries regarding any VAT matter. Each Strategic Director shall fully observe any direction and advice as may be issued by the office of the Strategic Director (Resources).

10. COMMITTEE REPORTS

CONTACT: Head of Finance

- 10.1** The Strategic Director (Resources) shall ensure that Committee Reports contain a section outlining the financial implications of the matter being reported upon. Additionally, he shall be entitled to report upon the financial implications of any matter coming before the **Council, Executive** or other Committees, and shall further report to the **Scrutiny Overview Committee**, if necessary, in the interests of the financial affairs of the Council. To allow the Strategic Director (Resources) to fulfil his obligations all Strategic Directors are obliged to consult with the Strategic Director (Resources) on all matters with a potential financial implication which are likely to result in a report to Committee.
- 10.2** With regard to reports prepared for consideration by Committee, Strategic Directors shall follow the expected format and latest detailed guidance notes, as issued by the Chief Executive and the Strategic Director (Resources), for ensuring all financial implications are identified and recognised. Further, Strategic Directors shall ensure that the Strategic Director (Resources) or Head of Finance is fully consulted on the financial implications of reports with the inclusion of appendices within reports for ease of reference.
- 10.3** The following principles should be adhered to in the preparation of all Committee reports:-
- The report should clearly distinguish capital and revenue financial implications.
 - Implications for the capital budget should identify where provision exists within the Council's capital programme.
 - Implications for the revenue budget should identify where provision exists within the Council's revenue budget. It is not considered sufficient to indicate that any increase in expenditure will be contained within a Service Delivery Unit budget.
 - Implications for the revenue budget should distinguish ordinary running costs from capital financing costs.
 - Accountants within Financial Services should be involved in the calculation of such figures, as appropriate.
 - No additional budgetary implications will be allowed unless specifically approved by the **Executive** or **Full Council** (where appropriate).
 - Reports should make clear how additional or unbudgeted running

costs are to be funded in both the current year and future years revenue budgets i.e. via ongoing compensating savings, virement, external funding etc.

- Where virement is proposed, in order to fund overspends or unbudgeted expenditure, reports should indicate whether such virement is to be considered as a permanent adjustment or as a one-off.
- Government grant funding availability / arrangements should be clearly highlighted as should the percentage of expenditure covered by grant and any residual costs to be borne by the Council. If the grant is to be available for only a limited period then this should also be identified in the financial implications.
- Staffing changes / additions should clearly state whether such adjustments are of a permanent, temporary or fixed term nature.
- All financial implications narrative and supporting appendices should be agreed with the relevant Accountant at draft / consultation stage.
- Reports with significant financial implications, should, as a matter of course have a financial appendix which should provide a financial analysis broken down into appropriate cost and income headings (e.g. employee costs, property costs, supplies and services etc.) and should identify current year costs (which in the main will have a part year effect only) and costs for a full financial year.
- Costings for the purpose of financial implications should be to the nearest ten pounds using current year prices.

11. AUDIT REQUIREMENTS

CONTACT: Chief Internal Auditor

- 11.1** The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit function.
- 11.2** The Strategic Director (Resources) shall maintain an adequate and effective system of internal audit to all accounting, financial and other operations of the Council and in particular shall arrange for the examination, review and appraisal of:
- (a) the adequacy and effectiveness of the systems of financial, operational and management control, and their operation in practice in relation to the business risks to be addressed;
 - (b) the extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by the Board or Members and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;
 - (c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;
 - (d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
 - (e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;
 - (f) the follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely; and
 - (g) the operation of the Council's corporate governance and risk management arrangements.
- 11.3** The Chief Internal Auditor in consultation with the Head of Finance and Strategic Director (Resources) shall prepare annual audit plans detailing the areas of audit coverage for the following year. These plans shall be presented to the **Audit Committee**.
- 11.4** Internal Auditors have authority to:
- (a) Enter at any time Council premises or land subject to any statutory or contractual restrictions that may apply.
 - (b) Have access to all records, documents and correspondence relating to any financial or other business of the Council and to remove any such records as is necessary for the purpose of their work.

- (c) Receive any information and explanations considered necessary concerning any matter under examination.
- (d) Require any employee, agent or contractor of the Council to produce cash, stores or any other Council property under his or her control.
- (e) Have direct access to the Chief Executive, Audit Committee and **Scrutiny Overview Committee**.

12. FRAUD AND IRREGULARITY

CONTACT: Chief Internal Auditor

- 12.1** The Council will not tolerate internal or external fraud and corruption in the administration of its responsibilities.
- 12.2** The Strategic Director (Resources) and the Chief Internal Auditor shall be notified immediately by the Strategic Director of the Service Delivery Unit concerned of any suspected irregularity concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council. The Strategic Director (Resources) shall take such steps as he or she considers necessary by way of investigation and report.
- 12.3** Should it be found that any major irregularity has occurred or is occurring, the Strategic Director (Resources) shall immediately inform the Chief Executive and the Chairs of **The Executive, Scrutiny Overview Committee and Audit Committee**.
- 12.4** The Strategic Director (Resources) and the Chief Executive will be responsible for deciding whether any irregularity shall be referred or reported to the Police.
- 12.5** All employees and Members of the Council have a responsibility to bring to the attention of the Chief Internal Auditor/Strategic Director (Resources) suspected irregularity. It is NOT Officers / Members responsibility to investigate suspicions as this could prejudice any investigation
- 12.6** Requests for surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) must be approved in accordance with the Council's "Use of Surveillance Powers" policy. The use of Surveillance Powers Policy is available on the Council's intranet, under Staff Information>RIPA
- 12.7** The Strategic Director (Resources) has overall responsibility for:
- (a)** Developing and maintaining an anti-fraud and corruption policy
 - (b)** Developing and maintaining a whistle blowing policy
 - (c)** Maintenance of a register of interests and a register for recording gifts or hospitality
- 12.8** Strategic Directors will instigate the Council's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

13. INSURANCES & RISK MANAGEMENT

CONTACT: Insurance - Head of Finance
Risk Management-Head of ICT and Transformation

- 13.1 Risk Management** – all organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an intricate part of good business practice. Risk Management is concerned with evaluating the measures an organisation already has in place to managed identified risks and then recommending the action the organisation needs to take to control these risks effectively.
- 13.2 The Executive** is responsible for approving the Council's Risk Management Strategy and for reviewing the overall effectiveness of the strategy.
- 13.3** The Strategic Director (Resources) in conjunction with the Corporate Risk Group, is responsible for preparing the authority's risk management policy statement and Corporate Risk Register and for promoting it throughout the Council and updating it.
- 13.4 Internal Control** – Internal Control refers to the systems of control devised by management to reduce risks to an acceptable level and to help ensure that the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- 13.5** The Strategic Director (Resources) is responsible for advising on effective systems of Internal Control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other provisions that govern their use.
- 13.6** It is the responsibility of Strategic Directors to establish sound arrangements, consistent with guidance given by the Strategic Director (Resources), for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and achieving their financial performance targets.
- 13.7 Business Continuity** – Strategic Directors should ensure that adequate

plans are in place for ensuring continuity of service in the event of a disaster or system failure.

- 13.8 Intellectual Property** - Intellectual Property is a generic terms that includes inventions and writing. If these are created by the employee in the course of employment, then, as a general rule, they belong to the employer, not the employee. Various Acts of Parliament cover different types of Intellectual Property. Certain activities within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as Intellectual Property.
- 13.9** The Strategic Director (Resources) is responsible for developing and disseminating good practice through Intellectual Property procedures. Strategic Directors must ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employers right with regard to Intellectual Property.
- 13.10 Insurances** - Arrangements for insurances shall only be made through the Strategic Director (Resources) who shall arrange such insurances as considered necessary to protect the Council's interests.
- 13.11** The Strategic Director (Resources) shall maintain details of all policies, claims or other transactions relating to the Council's insurance and details of all items or risks insured.
- 13.12** Strategic Directors are responsible for ensuring that the Strategic Director (Resources) is notified of all new risks which require to be insured and any alterations affecting existing insurances.
- 13.13** Strategic Directors shall be responsible for notifying the Strategic Director (Resources), in a form prescribed by the Strategic Director (Resources), as soon as possible of any loss, liability or damage or any event likely to lead to a claim.
- 13.14** The Strategic Director (Resources) shall negotiate all claims made by the Council against its insurers.
- 13.15** Employees of the Council shall be included in a fidelity guarantee policy suitable to the roles they perform.

14. ESTATES

CONTACT: Estates Manager

- 14.1** The Strategic Director with responsibility for Estates Services shall be responsible for maintaining a terrier of all land and buildings owned by the Council, recording the holding committee, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.
- 14.2** The Borough Solicitor shall be responsible for the safe custody of all title deeds, formal contracts and agreements under secure arrangements agreed with the Strategic Director (Resources).

15. SALARIES AND OTHER EMOLUMENTS

CONTACT: Exchequer Manager

- 15.1** The calculation and payment of all salaries, pensions, compensation and other emoluments to all employees, former employees or Members of the Council shall be made by the Strategic Director (Resources) under arrangements approved and controlled by him.
- 15.2** Strategic Directors are responsible for ensuring that the Strategic Director (Resources) / Exchequer Section are notified as soon as possible of all matters affecting the payment of such sums and in particular:
- (a.)** Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - (b.)** Absences from duty for sickness or other reason, apart from approved leave.
 - (c.)** Changes in remuneration, pay awards and agreements of general application.
 - (d.)** Information necessary to maintain records of service for pension, income tax, National Insurance and the like.
 - (e.)** Untaken or excessive leave when officers leave the employment of the Council.
- 15.3** Appointments of all employees shall be made within the approved establishment of the appropriate department, grades and rates of pay agreed by the Council, either specifically or generally by reference to the decisions of the appropriate negotiating body, and in accordance with any regulations of the Council.
- 15.4** All time keeping, or other records affecting the pay of an employee, shall be in a form approved by the Strategic Director (Resources).
- 15.5** All time keeping or other records relating to hours worked or leave taken shall be completed by the employee that they relate to, except in the case of illiteracy where they can be completed by a supervisor and certified to that effect.
- 15.6** An authorised officer shall certify all timesheets, or other records affecting the pay of an employee. Strategic Directors shall notify the Strategic Director (Resources) / Exchequer Section of those officers authorised to sign such documents, detailing the limits of their authority and including a specimen of their signature. Initials may not be used to certify such documents.

- 15.7** All salary payments will be made on the due date. No advances of pay will be made without the consent of the Strategic Director (Resources), and will only be allowed in exceptional circumstances.

16. PETTY CASH, CHANGE FLOATS AND POSTAGES

CONTACT: Exchequer Manager

- 16.1** A central Petty Cash Account on an imprest basis shall be maintained by the Strategic Director (Resources) for the purposes of minor disbursements. Subsidiary imprests or floats in other departments may be provided at the discretion of the Strategic Director (Resources). Vouchers submitted through this account shall be examined and certified in compliance with Regulation 16.3. In all cases, where applicable, receipts supporting the claim shall be attached to the voucher.
- 16.2** No income, except imprest reimbursements, shall be paid into petty cash accounts or cash floats.
- 16.3** Cash reimbursement shall be limited to minor items of expenditure not exceeding £30 (or any other limit specified by the Strategic Director (Resources)). Payments and claims shall not be divided to avoid this limit. All individual claims over the £30 limit must not be reimbursed through the Petty Cash account, but should be reimbursed on a monthly basis through the Payroll / Members Expenses system.
- 16.4** Officers responsible for change or petty cash floats shall produce on request any record and balance to the Strategic Director (Resources) for examination. In addition, as part of the closure of accounts a signed petty cash declaration is required for each subsidiary imprest or float as requested by the Strategic Director (Resources).
- 16.5** Officers responsible for change or petty cash floats shall perform, in conjunction with another Officer, regular checks to verify the balance of the float. As a minimum this should be done weekly and a record of the checks, signed by both Officers, shall be maintained.
- 16.6** Strategic Directors shall ensure that any floats held by Officers leaving the employ of the Council are checked prior to the leaving date. These floats should then either be paid back to the Strategic Director (Resources) or transferred to another employee.
- 16.7** All postages for outgoing mail shall be made through centralised franking machinery unless otherwise approved. Packages containing documents or articles of value shall be registered or insured, according to the arrangements in force.
- 16.8** Corporate Credit Cards shall be issued to all Strategic Directors and any other nominated Officer whose duties require one. The Strategic Director (Resources) shall ultimately decide to whom credit cards will be issued and withdrawn.

- 16.9** The Strategic Director (Resources) shall issue guidelines on the acceptable use of corporate credit cards, including types of expenditure permitted and proper accounting for expenditure incurred. All corporate credit card holders will be required to sign that they will only charge payments that are within the guideline rules. Random checks will be made on credit card payments by the Exchequer Manager.

17. TRAVELLING AND SUBSISTENCE ALLOWANCES

CONTACT: Exchequer Manager

- 17.1** Payment of Travelling and Subsistence allowances shall be made in accordance with current Stevenage Borough Council policy. Details of the current policy are available from Personnel.
- 17.2** The Strategic Director (Resources) shall be responsible for paying any travelling and subsistence allowances and reimbursement shall be made through the payroll.
- 17.3** Claims from Officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made on a form specified by the Strategic Director (Resources) and shall be submitted within 3 months of journeys claimed. Periods in excess of 3 months shall be paid at the discretion of the Strategic Director (Resources). Managers must ensure that all claims are complete before authorising e.g. mileometer readings.
- 17.4** All claims for travelling expenses, car allowances and subsistence will be made through the payroll system. Exchequer Services will advise on the last day for submission of claims for each pay period.
- 17.5** All claims for car allowances, subsistence, travelling and incidental expenses shall be certified by an officer so authorised. Strategic Directors shall supply a list of names and specimen signatures of all those Officers in their department, with limits if applicable, to the Strategic Director (Resources). Authorisation shall be in the form of a signature and not initials.
- 17.6** Subsistence allowances will only be paid against actual expenditure incurred up to the maximum allowed under the current regulations. Receipts should be obtained and submitted to support the claim. Claims may be rejected if receipts are not attached. Where it is impossible to obtain receipts, the claimant shall list the items purchased, where purchased from and the cost, and payment will be made at the discretion of the Strategic Director in consultation with the Strategic Director (Resources). Subsistence allowances will not be reimbursed for alcoholic drinks.
- 17.7** Officers using rail travel shall obtain a travel warrant from the Strategic Director (Resources) prior to their journey. The Council will only provide rail warrants and reimburse rail travel from Stevenage or from the nearest town to the employees place of work if different. Exception will be made if travel is made on a different rail route other than Stevenage and the station used is of equal cost or less than travelling from Stevenage. Any additional cost should be paid by the officer.

- 17.8** Private vehicles can only be used for Council business, and the subsequent mileage allowance claimed, if the vehicle and driver has been specifically insured for this use. Strategic Directors will make such necessary checks to ensure that this regulation is adhered to.

18. ASSETS & INVENTORIES

CONTACT: Chief Internal Auditor

- 18.1 Assets** – It is the responsibility of the Strategic Director (Resources) that an Asset Register is maintained in accordance with good practice. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained. It is also the Strategic Director (Resources) responsibility to ensure that assets are valued in accordance with the Code of Practice on local authority accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA / LASAAC).
- 18.2** Strategic Directors shall be responsible for the care and custody of all Council assets within their Service Delivery Units and shall maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment and cash.
- 18.3 Inventories** - Inventories shall be maintained by Service Delivery Units for all establishments as follows:
- 18.4** The Head of E-Government & Business Systems will be responsible for the maintenance of a comprehensive Hardware and Software Inventory for all Council IT equipment in all Service Delivery Units and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.
- 18.5** The Head of Property & Estates will be responsible for the maintenance of a Inventory for all Council furniture in all Service Delivery Units and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.
- 18.6** The extent to which the inventory shall record items specified within 18.1 above shall be in a form determined by the Strategic Director (Resources).
- 18.7 Disposal of Assets-** Items which are obsolete or surplus to requirements can be sold or disposed of on the authorisation of Strategic Directors if the estimated loss on disposal is no more than £10,000. Where the loss is estimated to exceed the £10,000 threshold, approval of Executive or following consultation with the relevant Portfolio holder must be obtained. Items that have been leased to the Council should not be disposed of unless full written consent has been obtained from the lessor.

- 18.8** Surplus or obsolete stock with an estimated sale value of less than £10,000 can be sold subject to the Head of Service demonstrating that the interests of the Council have been considered. Surplus or obsolete stock with an estimated sale value of £10,000 or more must be sold through public auction or competitive tender if anticipated to exceed £10,000. Other methods may be used if the Strategic Director and the Strategic Director (Resources) believe another method would be in the best interest of the Council. All disposals should be notified to the Strategic Director (Resources) so that the Capital Asset register can be probably maintained.
- 18.8** The property of the Council specified within 18.1 above shall not be used other than for legitimate Council business.

19. INCOME

CONTACT: Local Taxation Manager

- 19.1** The Strategic Director (Resources), in conjunction with any other Strategic Director, shall make and maintain adequate arrangements for :
- (a.)** the organisation and accounting necessary to ensure the proper recording of all sums due to the Council.
 - (b.)** the custody, control, disposal and proper accounting of all cash received by the Council through any Service Delivery Units.
- 19.2** Each Strategic Director shall ensure that there are adequate arrangements for the calculation, collection and banking of all income due to their Service Delivery Units and that it is done in such a way to prevent losses arising from any source.
- 19.3** Every sum received by an officer or agent of the Council shall be acknowledged immediately by the issue of an official receipt, ticket, voucher or other document prescribed by the Strategic Director (Resources).
- 19.4** All receipts, tickets, voucher or other document prescribed by the Strategic Director (Resources) shall be sequentially pre-numbered.
- 19.5** Strategic Directors shall be responsible for ensuring that all receipts issued to officers in their department are accounted for, have been used in accordance with any relevant guidelines and that income collected on those receipts has been collected and paid over to the Council.
- 19.6** All official receipts forms, books, tickets and other documents of a similar nature shall be ordered, controlled and issued by the Strategic Director (Resources), and a register shall be maintained for this purpose. The Strategic Director (Resources) shall also make any necessary checks to ensure that all receipts issued have been accounted for.
- 19.7** Every Officer who receives monies on behalf of the Council shall pay the monies to the Strategic Director (Resources), who shall then arrange for it to be banked. All income collected shall be paid over promptly, intact and without deduction, and shall not be used for expenditure, floats or petty cash. Cash collected shall, under no circumstances, be replaced with a personal cheque.
- 19.8** All income collected by Council Officers on behalf of a third party, whether for a commission or not, shall be receipted and banked in the same way as if it was the Council's own money. Any amount due to the third party will be paid by a cheque issued by the Strategic Director

(Resources) once the account has been checked and balances agreed.

- 19.9** The Strategic Director (Resources) shall be responsible for the operation and running of a computerised sundry debtor system and shall furnish each Strategic Director with details of outstanding debts for which their Service Delivery Units are responsible and in all instances for amounts below £50.
- 19.10** Whenever possible payment in advance shall be obtained for the supply of goods and services. Where payment in advance has not been obtained, each Strategic Director shall be responsible for ensuring that a sundry debtors invoice is promptly raised.
- 19.11** The Strategic Director (Resources), in conjunction with the relevant Strategic Director, shall determine those goods or services where sundry debtors may be raised. Unless agreed by the Strategic Director (Resources), private individuals shall not be able to pay by debtor invoice.
- 19.12** Strategic Directors shall be responsible for ensuring that all debts raised by their Service Delivery Units are collected promptly.
- 19.13** The Strategic Director (Resources) shall fix a limit (currently £10) below which sundry debtor accounts will not be raised, and in such cases alternative collection methods shall be employed.
- 19.14** A record should be kept of every transfer of money between employees of the Authority. The Receiving Officer must sign for the money received and both the Receiving Officer and transferor should keep a record of the transaction.

20. RECOVERY AND WRITE OFF OF DEBTS

CONTACT: Local Taxation Manager

- 20.1** The Council shall have a policy for recovery approved by the Strategic Director (Resources) and **The Executive**.
- 20.2** Strategic Directors are responsible for ensuring that all debts are collected in accordance with the laid down policy.
- 20.3** The Strategic Director (Resources) shall be responsible for providing departments with details of all debts outstanding.
- 20.4** A debt, which is properly due to the Council and deemed irrecoverable, shall only be written off as follows:
- (a.)** Debts of less than £5,000 with the approval of the Strategic Director (Resources) or his appointed nominee.
 - (b)** Debts of £5,001 and less than £10,001 more with the approval of the Strategic Director (Resources) or his appointed nominee and the Resources Portfolio Holder
 - (b.)** Debts of £10,001 or more with the approval of **The Executive**. For the purposes of these Regulations the value of debts shall be determined by reference to the debtor as opposed to individual debts. Where the value of several debts for one individual or organisation exceeds £10,001 the approval of **The Executive** shall be obtained.
 - (c.)** These regulations apply to all debts including those for Business Rates, Council Tax and Housing Benefit
- 20.5** Strategic Directors are responsible for ensuring that every available means of recovering a debt has been taken before a debt is reduced or recommended for write off. No debt will be reduced or written off without the receipt of a signed instruction issued by the relevant Strategic Director. The Strategic Director (Resources) shall make such checks as he considers necessary on the procedures used.
- 20.6** Strategic Directors, in consultation with the Strategic Director (Resources), shall be responsible for ensuring that sufficient budgetary provision is made for bad debts.
- 20.7** Distress proceedings for recovery of Council Tax, business rates and warrants for committal to prison shall be instituted by the Strategic Director (Resources). The Borough Solicitor shall institute Court proceedings for the recovery of other monies due to the Council.

21. BANKING ARRANGEMENTS AND CHEQUES

CONTACT: Local Taxation Manager

- 21.1** All arrangements for banking services shall be made through the Strategic Director (Resources). **The Executive** shall approve the bankers and the accounts to be used.
- 21.2** All cheques or other instructions issued on behalf of the Council shall bear the impression or manuscript signature of the Strategic Director (Resources) with a proviso that cheques for £10,000 shall also bear the impression or manuscript signature of an officer(s) approved by the Strategic Director (Resources). The Strategic Director (Resources) shall make sufficient arrangements to ensure that the use of the cheque-signing machine is properly controlled.
- 21.3** The Strategic Director (Resources) shall be responsible of the ordering and control of all cheques. The Strategic Director (Resources) shall make sufficient arrangements for the safe custody of blank cheques and the control and reconciliation of those issued.
- 21.4** The Strategic Director (Resources) shall be responsible for ensuring that a monthly reconciliation between the Council's Bank account and its income and expenditure records is performed and that the reconciliation is reviewed by the Systems and Reconciliation Manager and signed off on a timely based.
- 21.5** Opening or closing any bank account shall require the written approval by the Strategic Director (Resources) and one other authorised signatory.

22. SECURITY & SAFES

CONTACT: Local Taxation Manager

- 22.1** Each Strategic Director shall be responsible for maintaining adequate and proper security at all times for all buildings, stocks, stores, IT, furniture, equipment, vehicles, plant, cash and any other assets of the Council under their control. These arrangements shall be subject to the agreement of the Strategic Director (Resources) and shall be sufficient enough to prevent loss arising from any cause.
- 22.2** Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Strategic Director (Resources) and shall not be exceeded without express permission and with regard to the appropriate insurance limit.
- 22.3** Officers, who in the course of their duties collect money on behalf of the Council, shall take all reasonable precautions for its safe custody and shall observe any instructions as may be issued by the Strategic Director (Resources).
- 22.4** Each Strategic Director shall maintain a Register of Keys for external doors, safes, cash boxes and others of similar importance. This Register shall list the key holders and out of hours contact numbers. This Register must be kept in a secure environment and not available for general inspection by unauthorised officers. All keys issued to staff are to be carried on the person, or held in a secure place, by those responsible at all times. Safe keys must not be left on the premises where the safe is situated. The loss of any keys must be reported to the relevant Strategic Director and the Strategic Director (Resources) immediately.
- 22.5** All safes shall be specified by the Strategic Director (Resources) after consultation with the Council's insurers.
- 22.6** The Strategic Director with responsibility for E-Government & Business Systems shall be responsible for maintaining proper security and privacy in respect of information held on the Council's computer installations and for ensuring that its use is in accordance with any relevant legislation.
- 22.7** Strategic Director are responsible for ensuring that all visitors to any Council office or establishment, except in public areas, are signed in and are wearing an appropriate visitors pass. They shall also ensure that any visitor working in the above stated areas are adequately supervised to ensure confidentiality of Council information and security of Council assets is maintained at all times.
- 22.8** Every Officer shall comply with any instructions issued from time to time on building security.

23. DOCUMENT RETENTION

CONTACT: Strategic Director (Resources)

- 23.1** Documentation created / maintained for transactions covered by these Financial Regulations or SBC's Contract Standing Orders shall be retained in accordance with the document retention schedule which can be found on the INTRANET under the section marked Freedom of Information or for a period not less than 6 years after the transaction / project etc ceases to be current.

24. RECEIPT OF GIFTS, GRATUITIES AND HOSPITALITY

CONTACT: Head of Finance

General Guidance

- 24.1** Any Council employee shall treat with caution any offer of gift, favour or hospitality that is made to them personally. The person or organisation making the offer may be doing, or seeking to do business with the Council, or may be applying to the Council for planning permission or some other kind of decision.
- 24.2** Employees are personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding the risk of damage to public confidence in the Council.
- 24.3** The proper course of action for employees is to only accept gifts or hospitality where they regard the acceptance as normal and reasonable.
- 24.4** Employees shall ensure that any gift or hospitality is not of a level or amount which would lead any reasonable person to believe that the employee might be influenced by such gift or hospitality.
- 24.5** In the event that doubt should exist over the appropriateness of any gift, hospitality, or fee or commission, employees shall seek advice from their Strategic Director or, if appropriate, the Strategic Director (Resources).
- 24.6** The rules and guidance for officers relating to gifts, gratuities and hospitality can be found in the Officer Code of Conduct which can be found on the Council's INTRANET .

25. PAYMENT OF ACCOUNTS

CONTACT: Exchequer Manager

- 25.1** Payments by the Council shall only be made on an official invoice submitted by a supplier except for periodic recurring payments, contract payments and other exceptions as the Strategic Director (Resources) may specifically approve.
- 25.2** Before an order is raised an internal requisition must be completed and approved by an authorised Officer with the relevant financial delegation. For stationery items ordered online from the Council's official stationery supplier, a printed copy of the order must be signed by the authorised officer in place of the internal requisition.
- 25.3** An official purchase/works order form must be raised for all orders.
- 25.4** The purchase/works order shall specify the goods, services, or works to be provided and set out the price and terms of payment. The only exception to this is if a signed agreement or contract exists between the Council and the supplier and that contract and agreement specifies in detail the exact works, goods or services to be supplied, in which case a brief description of the project and the total contracted price can be specified.
- 25.5** Officers certifying purchase/ works orders must be authorised to do so under the scheme of delegation. Strategic Directors will provide Exchequer Services with details of Officers within the Department who are authorised to sign orders, including the maximum order value and sample signature of that Officer.
- 25.6** Officers certifying purchase/works orders shall have due regard to the availability of sufficient budgetary provision. No order shall be authorised where the anticipated expenditure will cause the budget to be overspent, unless covered by paragraph of these Contract Standing Orders.
- 25.7** Certifying officers shall, before certifying an account for payment, be satisfied that:
- (a.)** The official ordering procedure, as detailed in Regulation 25, has been observed and that Standing Orders have been complied with.
 - (b.)** The work, goods or services, to which the account relates have been received, carried out, examined and approved and are in accordance with the official order.
 - (c.)** The prices, extensions, calculations, trade discount, other allowances, credits and tax are correct.

- (d.) The expenditure has been properly incurred, has been charged to an appropriate account and is within the relevant estimate provision.
- (e.) Appropriate entries have been made in inventories, stores records or stock books as required.
- (f.) The account has not been previously passed for payment and is a proper liability of the Council.

Only invoices with an official order shall be paid unless an additional certification has been obtained from the relevant Head of Service

- 25.8** Apart from petty cash, the normal method of payment shall be by bacs. Where expenditure is non-recurring payment made be made by cheque,.or other instrument drawn on the Council's bank account.
- 25.9** All payments drawn on the Council's bank account shall be authorised by the Strategic Director (Resources) or a person nominated by him or her.
- 25.10.** Any payment by cheque for £10,000 or more shall also bear the impression or manuscript signature of an officer(s) approved by the Strategic Director (Resources).
- 25.11** The Strategic Director (Resources) shall be responsible for ensuring that the Council's bankers are kept informed of those Officers authorised to make payments from the Council's accounts and that they have up to date specimen signatures of those Officers.
- 25.12** The Strategic Director (Resources) shall be responsible for ensuring that sufficient fidelity guarantee insurance is in place for those Officers authorised to initiate or make payments from the Council's accounts.
- 25.13** The Strategic Director issuing an order is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment of accounts arising from sources in his / her Service Delivery Units. Such certification shall be in a form required by the Strategic Director (Resources).
- 25.14** Strategic Directors are responsible for ensuring that the names of Officers authorised to certify accounts for payment in their department, along with specimen signatures and limits of authority, are supplied to the Strategic Director (Resources). They are also responsible for ensuring that the Strategic Director (Resources) is advised of any amendments to the list of authorised Officers, or changes in signatures of those previously notified. On an annual basis a consolidated list of signatories and signatures shall be submitted.
- 25.15** Accounts for payment shall only be processed and paid on receipt of a properly certified invoice or other approved document.

- 25.16** Authorised Officers shall use their signature for certification purposes and not their initials.
- 25.17** Departments shall be responsible for ensuring that invoices are processed and passed for payment by Exchequer Services in sufficient time to meet the terms and conditions of the BVPI8 Payment of Invoices indicator, and so that payment can be made through the weekly pay runs.
- 25.18** Invoices are to be paid in accordance with the terms stated by the supplier and the appropriate performance indicator. The normal weekly payment system is to be used but in extreme cases invoices can be paid on an urgent basis (the same day). Examples of acceptable reasons for an urgent payment are where delay would cause hardship to individuals where the payment is in respect of a refund on a rent or benefit account, where essential services will be suspended if payment is delayed or any other reason agreed by the Strategic Director (Resources). In all cases the certifying officer shall document the reason for urgency on, or attached to, the invoice.
- 25.19** Any rounding amendment to an account up to the value of £1 shall be made in ink, initialled and dated by the Officer making it, stating briefly the reasons when they are not self-evident.
- 25.20** Strategic Directors shall be responsible for ensuring that the duties of ordering goods and certifying accounts for payment shall not all be performed by the same Officer and accounts shall not be certified for payment by an Officer who has personal control over the goods and services to which the accounts relate.
- 25.21** Strategic Directors shall, by a date specified by the Strategic Director (Resources) each year, supply details of all outstanding expenditure and income relating to the previous financial year to the Strategic Director (Resources).
- 25.22** The Strategic Director (Resources) shall make such checks and impose such further examination as he considers necessary to ensure that accounts for payment have been processed in accordance with these Regulations and Standing Orders and that the Council can legally make such a payment. He shall report any instances of non-compliance to the relevant Strategic Directors.
- 25.23** The Strategic Director (Resources) shall determine the frequency of pay schedules of all invoices or accounts for payment. Payments of an urgent nature will be made as they arise.
- 25.24** Officers certifying payment on behalf of the Council must have due regard to the VAT implications and comply with the instructions periodically issued by the Strategic Director (Resources).

26. STOCKS AND STORES

CONTACT: Accountancy Manager

- 26.1** Each Strategic Directors shall be responsible for the care and custody of the stocks and stores in his/her Service Delivery Units.
- 26.2** Strategic Directors shall furnish the Strategic Director (Resources) with details and a signed certificate of the value of stores held in their department at the end of each financial year.
- 26.3** Stores shall be valued in accordance with accounting policies adopted by the Strategic Director (Resources).
- 26.4** All goods must be checked at the time of delivery, with regards to quantity, quality and compliance with any specification as soon as practical after delivery.
- 26.5** Strategic Directors shall be responsible for ensuring that a comprehensive record of stock balances, stock issues and receipts are maintained, including records of quantities, values and the person issued to.
- 26.6** Strategic Directors shall be responsible for ensuring that stocks and stores are not held in excess of reasonable requirements and that maximum and minimum levels are set.
- 26.7** Strategic Directors shall be responsible for ensuring that a system of continuous stocktaking shall operate in all stores with an average value over £10,000. This system shall ensure that every commodity is checked at least once per annum, and fast moving, valuable and desirable items are checked more frequently. The Strategic Director (Resources) shall carry out such independent checks as he considers necessary. In addition, as part of the closure of accounts a signed stock certificate declaration is required for each stock account as requested by the Strategic Director (Resources).
- 26.8** Individual deficiencies that exceed £500 shall be reported to the Strategic Director (Resources) for write off. Stores in excess of £500 that are considered to be surplus or obsolete shall also be reported for consideration for disposal (including by sale) or write off.

27. ORDERING WORKS, GOODS AND SERVICES - CONTRACTS AND AGREEMENTS

CONTACT: Corporate Procurement Manager

- 27.1** All purchases for works, goods or services are subject to the provisions contained in the Council's Contract Standing Orders.

28. AMENDMENTS AND WAIVERS TO FINANCIAL REGULATIONS

CONTACT: Strategic Director (Resources)

- 28.1** These Financial Regulations outline the minimum required to safeguard the Council's assets and interests. Any amendments to these Regulations shall be approved by **The Executive** and shall not come into force until approval has been given.
- 28.2** The waiving of Financial Regulations must be approved by the Strategic Director (Resources) and where appropriate with the **Executive** Member (Resources). In all cases Best Value must be demonstrated for a waiver to be approved. Waivers must be fully documented.
- 28.3** The Strategic Director (Resources) shall formally review these Regulations at three-yearly intervals.

