



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 Assistant Chief Executive (Finance) [ACE (F)]. Responsibility for approving and recommending changes to the financial control framework rests with the Assistant Chief Executive (Finance) who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Standing Orders.

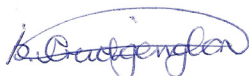
All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Standing Orders. Internal Audit section can provide ad-hoc guidance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

Chief Officers will be responsible for ensuring that appropriate officers/employees:

- (a.) receive a full copy of these Regulations
- (b.) acknowledge receipt by signing to confirm that they have read, understood and will comply with the Regulations

Within these Regulations the term "Chief Officer" includes the Assistant Chief Executives. In addition the Assistant Chief Executive (Finance) is the nominated Chief Finance Officer.

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



Scott Crudgington
Acting Assistant Chief Executive (Finance)

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 Chief 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 Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) 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** Chief Officers are responsible for ensuring that all staff in their departments 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 Assistant Chief Executive (Finance) 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 The Council**
- (a.)** The **Full Council** is responsible for adopting the Authority's Constitution and Members' Code of Conduct and for approving the policy framework and budget within which **the Executive** operates. It is also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and control. The framework is set out in its constitution. The **Full Council** is also responsible for monitoring

compliance with the agreed policy and related **Executive** decisions.

- (b.) The **Full Council** is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the constitution.

1.10 The Executive

- (a.) The **Executive** is responsible for proposing the policy framework and budget to the **Full Council**, and for discharging executive functions in accordance with the policy framework and budget.
- (b.) Executive decisions can be delegated to a committee of the **Executive**, an individual Executive Member, an Officer or a joint committee.
- (c.) The **Executive** is responsible for establishing protocols to ensure that individual Executive Members consult with relevant Officers before taking a decision within their delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

1.11 Committees

- (a.) **Scrutiny Overview Committee**

The **Scrutiny Overview Committee** is responsible for scrutinising executive decisions before or after they have been implemented and for holding the **Executive** to account. The **Scrutiny Overview Committee** is also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Authority.

- (b.) **Standards Committee**

The **Standards Committee** is established by the **Full Council** and is responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Members' Code of Conduct, and for monitoring the operation of the code.

- (c.) **Other Regulatory Committees**

Planning and Licensing are not an **Executive** function but are exercised through the **Planning & Development and Licensing**

& General Purposes Committees under powers delegated by the **Full Council**. The **Planning & Development and Licensing & General Purposes Committees** report to the **Full Council**.

1.12 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 **Scrutiny** committees 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).

1.13 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 Assistant Chief Executive (Finance)} 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.

1.14 Assistant Chief Executive (Finance)

- (a.) The Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) 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 'Statements of Internal Control' in the Annual Accounts.

- (c.) Section 114 of the Local Government Finance Act 1988 requires the Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

1.15 Chief Officers (including Assistant Chief Executives)

- (a.) Chief Officers are individually responsible for the proper financial management of resources allocated to their departments 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.) Chief Officers 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.) Chief Officers 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 Assistant Chief Executive (Finance).
- (d.) It is the responsibility of Chief Officers to consult with the Assistant Chief Executive (Finance) and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

2. BUDGET SETTING – CAPITAL

CONTACT: Accountancy Services Manager

- 2.1.** The detailed form of the Capital Programme shall be determined by the Assistant Chief Executive (Finance).
- 2.2.** The Assistant Chief Executive (Finance), in conjunction with the relevant Chief Officers, 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.
- 2.7.** Programme Management Board and 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 Assistant Chief Executive (Finance).
- 3.2.** Revenue budgets include the General Fund Revenue Account, Housing Revenue Account and Trading Accounts.
- 3.3** The Assistant Chief Executive (Finance), in consultation with the relevant Chief Officer, shall prepare revenue estimates. These estimates shall be submitted by the ACE(F) 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.)** Estimated and probable results for the current financial year.
 - (c.)** Estimates for the following financial year.
- In relation to (b.) and (c.) above, the Assistant Chief Executive (Finance) or the appropriate Chief Officer 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. Chief Officers will implement changes to fees and charges in accordance with this strategy and the scheme of delegation. **The Executive** should approve Chief Officers 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 Assistant Chief Executive (Finance) to advise the **Executive** and/or the **Full Council** on prudent levels of reserves for the Authority.

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. Departments 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, and if sought must follow the principals of the 'Invest to Save' initiative launched during the 2004/05 budget.
- 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**.

5. BUDGETARY CONTROL

CONTACT: Head of Finance

- 5.1** The Assistant Chief Executive (Finance) shall make available to each Chief Officer 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 Chief Officer 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 Chief Officer is responsible for ensuring that all expenditure committed by their department is within a revenue or capital budget. Any expenditure or income likely to vary significantly from an approved budget shall be reported to the Assistant Chief Executive (Finance). If appropriate a virement or supplementary estimate will be obtained.
- 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 Chief Officer and the Assistant Chief Executive (Finance), in conjunction with the Chair of **The Executive**, shall have authority to sanction such expenditure. The Assistant Chief Executive (Finance) 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 Chief Officer, in consultation if possible with the Chief Executive and the Assistant Chief Executive (Finance), the urgency of the situation will not permit delay, nothing in the Financial Regulations or Standing Orders shall prevent the relevant Chief Officer 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. Departments 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 Assistant Chief Executive (Finance) in a form approved by the Assistant Chief Executive (Finance).
- (b.)** All approved virements will be reflected in the Council's Financial Information System (FIS) by the Assistant Chief Executive (Finance).
- (c.)** The Assistant Chief Executive (Finance) 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 charges, and capital financing charges.
 - between the Revenue and Capital accounts of the Council
 - that create an ongoing expenditure commitment for the Council
- (f.)** 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
 - Trading Accounts
- (g.)** 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	Chief Officer	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 or Chief Officer will not require reporting to Committee. Virements under 6.3 (b) & (c) authorised by Heads of Service or Chief Officer shall be reported to **The Executive** on a schedule.

6.4 All virements that relate to substantial changes in the method of service provision must be approved by Chief Officer irrespective of amount.

7. ACCOUNTING

CONTACT: Head of Finance

- 7.1** All accounting procedures and records of the Council shall be determined by the Assistant Chief Executive (Finance).
- 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 Assistant Chief Executive (Finance).
- 7.3** All Chief Officers 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 31st August (03/04 accounts), 31st July (04/05 accounts) and 30th June (05/06 accounts onwards), the Assistant Chief Executive (Finance) 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 in the Public Services: Code of Practice (the Code) 2001 as described in Section 4 of that Code.
- 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, and an annual report after its close, in the form prescribed in its TMPs.
- 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 Assistant Chief Executive (Finance) 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.
- 8.6** The Assistant Chief Executive (Finance) shall report to the **Resources & Corporate Management Scrutiny Panel**, 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 Assistant Chief Executive (Finance) 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.
- 9.3** Each Chief Officer shall keep records, as determined by the Assistant Chief Executive (Finance), 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.
- 9.4** The Assistant Chief Executive (Finance) will nominate one of his Officers as the contact point for enquiries regarding any VAT matter. Each Chief Officer shall fully observe any direction and advice as may be issued by the office of the Assistant Chief Executive (Finance).

10. COMMITTEE REPORTS

CONTACT: Head of Finance

- 10.1** The Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) to fulfil his obligations all Chief Officers are obliged to consult with the Assistant Chief Executive (Finance) 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, Chief Officers shall follow the expected format and latest detailed guidance notes, as issued by the Chief Executive and the Assistant Chief Executive (Finance), for ensuring all financial implications are identified and recognised. Further, Chief Officers shall ensure that the Assistant Chief Executive (Finance) is fully consulted on the financial implications of reports with the inclusion of appendices within reports for ease of reference where it is considered appropriate.
- 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 the departmental budget.
 - Implications for the revenue budget should distinguish ordinary running costs from capital financing costs.
 - Departmental Accountants within the Chief Executive's Department should be involved in the calculation of such figures.
 - 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 Departmental 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 hundred pounds using current year prices.

11. AUDIT REQUIREMENTS

CONTACT: Audit Manager

- 11.1** The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit.
- 11.2** The Assistant Chief Executive (Finance) 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 soundness, adequacy and application of internal controls in managing risks.
 - (b.) The safeguards for Council assets and interests from losses of all kinds arising from theft, fraud, waste, extravagance, inefficient management, poor value for money or any other cause.
 - (c.) The suitability and reliability of financial and other management data.
 - (d.) Compliance with rules, regulations, legislation, policy and procedures.
- 11.3** The Internal Audit Manager in consultation with the Assistant Chief Executive (Finance) shall prepare an annual report outlining the work of the Internal Audit Section. This report shall be presented to the **Resources and Corporate Management Scrutiny Panel**.
- 11.4** The Internal Audit Manager in consultation with the Assistant Chief Executive (Finance) shall maintain a 5 year Strategic Plan from which an Annual Audit plan will be prepared detailing the areas of audit coverage for the following year. This plan shall be presented to the **Resources and Corporate Management Scrutiny Panel**.
- 11.5** Internal Audit staff 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) Require and receive such explanations as are 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 and the **Scrutiny Overview Committee**.

12. FRAUD AND IRREGULARITY

CONTACT: Anti-Fraud & Investigations Manager

- 12.1** The Assistant Chief Executive (Finance) and the Audit Manager shall be notified immediately by the Chief Officer of the department 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 Assistant Chief Executive (Finance) shall take such steps as he or she considers necessary by way of investigation and report. Departments shall not undertake any investigation unless the Audit Manager has given express permission. The Audit Manager will then liaise directly with the Anti-Fraud & Investigations Manager as appropriate.
- 12.2** Should it be found that any major irregularity has occurred or is occurring, the Assistant Chief Executive (Finance) shall immediately inform the Chief Executive and the Chairs of **The Executive** and the **Scrutiny Overview Committee**.
- 12.3** The Assistant Chief Executive (Finance) and the Chief Executive will be responsible for deciding whether any irregularity shall be referred or reported to the Police.
- 12.4** All employees and Members of the Council have a responsibility to bring to the attention of the Audit Manager/Assistant Chief Executive (Finance) any suspected irregularity. It is NOT Officers / Members responsibility to investigate suspicions as this could prejudice any investigation or case by Internal Audit. The policy statement on fraud, corruption and theft provides clear guidance to staff on the reporting arrangements on potential fraud and corruption.
- 12.5** Managers should be aware of the Regulation of Investigatory Powers Act 2000 (RIPA), which came into force in September 2000 following the introduction of Human Rights legislation. From that date all surveillance activity must be in accordance with RIPA as follows;

(a.) Surveillance

The RIPA Act basically means that any surveillance operation must be properly administered, that proper effective controls must be in place and it is the duty of senior management to authorise surveillance operations. Without this level of authorisation the Council could be in breach of the Act. This would mean any investigation involving surveillance could be inadmissible in Court.

Surveillance is usually the last resort that an investigator will

utilise to prove or disprove an allegation of fraud. In order to use covert surveillance the activity (fraud) being committed must be proportionate to the objective (evident gathering). Covert surveillance will only be undertaken where there is not reasonable and effective alternative means of achieving the desired objective. No activity shall be undertaken within the definition of intrusive surveillance.

All requests for surveillance must be completed on Council forms prescribed for this purpose. This includes authorisations, cancellations, and re-authorisations. All documents must be treated as strictly confidential and sections must make appropriate arrangements for their retention, security and destruction in accordance with the Data Protection Act 1998.

(b.) Authorisations

In order for authorisations to be granted specific criteria have to be satisfied, namely, that the person granted the authorisation believes that:

- The authorisation is necessary on specific grounds; and
- The authorised activity is proportionate to what is sought to be achieved by it.

Before any surveillance operation is commenced the Investigation Officer will discuss with the Investigation Manager all intelligence gathered to that point on the case and from this discussion a plan of Surveillance will be formulated. Initially the planning and preparation stage will be carried out that is working out vantage points and possible entrance and exit routes before the formal request is made. If anything significant occurs during this stage then urgent oral authorisation will be sought.

Authorisations are governed by a time limit.

When the surveillance has been completed the authorisation must be cancelled.

Authorisation control matrices are included in **Appendix B**.

(c.) Monitoring of Authorisations

A copy of each authorisation will be forward under confidential cover to the Head of Legal Services for maintenance of a central record of all current and past authorisations and for monitoring purposes. These records must be retained in strict confidence.

All authorisations are open to being independently vetted and verified by the Office of Surveillance Commissioners.

Complaints concerning breaches of the code may be made to the Head of Legal Services at Stevenage Borough Council.

12.6 The Assistant Chief Executive (Finance) will make arrangements to ensure that up to date policies exist for:-

- (a.)** Whistleblowing
- (b.)** Internal Investigations
- (c.)** Anti-Fraud and Corruption

13. INSURANCES & RISK MANAGEMENT

CONTACT: Revenues Projects Manager

- 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 Assistant Chief Executive (Finance), in conjunction with Chief Officers, 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 Assistant Chief Executive (Finance) 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 Chief Officers to establish sound arrangements, consistent with guidance given by the Assistant Chief Executive (Finance), 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** – Chief Officers 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 Assistant Chief Executive (Finance) is responsible for developing and disseminating good practice through Intellectual Property procedures. Chief Officers 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 Assistant Chief Executive (Finance) who shall arrange such insurances as considered necessary to protect the Council's interests.
- 13.11** The Assistant Chief Executive (Finance) 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** Chief Officers are responsible for ensuring that the Assistant Chief Executive (Finance) is notified of all new risks which require to be insured and any alterations affecting existing insurances.
- 13.13** Chief Officers shall be responsible for notifying the Assistant Chief Executive (Finance), in a form prescribed by the Assistant Chief Executive (Finance), as soon as possible of any loss, liability or damage or any event likely to lead to a claim.
- 13.14** The Assistant Chief Executive (Finance) 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 Director of Environmental 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 Assistant Chief Executive (Finance).

15. SALARIES, WAGES AND OTHER EMOLUMENTS

CONTACT: Exchequer Manager

- 15.1** The calculation and payment of all salaries, wages, pensions, compensation and other emoluments to all employees, former employees or Members of the Council shall be made by the Assistant Chief Executive (Finance) under arrangements approved and controlled by him.
- 15.2** Chief Officers are responsible for ensuring that the Assistant Chief Executive (Finance) / 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 Assistant Chief Executive (Finance).
- 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. Chief Officers shall notify the Assistant Chief Executive (Finance) / 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 and wage payments will be made on the due date. No advances of pay will be made without the consent of the Assistant Chief Executive (Finance), 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 Assistant Chief Executive (Finance) for the purposes of minor disbursements. Subsidiary imprests or floats in other departments may be provided at the discretion of the Assistant Chief Executive (Finance). 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 Assistant Chief Executive (Finance)). 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 Assistant Chief Executive (Finance) for examination.
- 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** Chief Officers 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 Assistant Chief Executive (Finance) 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 Chief Officers and any other nominated Officer whose duties require one. The Assistant Chief Executive (Finance) shall ultimately decide to whom credit cards will be issued and withdrawn.

- 16.9** The Assistant Chief Executive (Finance) shall issue guidelines on the acceptable use of corporate credit cards, including types of expenditure permitted and proper accounting for expenditure incurred.

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 the Personnel.
- 17.2** The Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) and shall be submitted within 3 months of journeys claimed. Periods in excess of 3 months shall be paid at the discretion of the Assistant Chief Executive (Finance). 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. Chief Officers shall supply a list of names and specimen signatures of all those Officers in their department, with limits if applicable, to the Assistant Chief Executive (Finance). 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 Chief Officer in consultation with the Assistant Chief Executive (Finance).
- 17.7** Officers using rail travel shall obtain a travel warrant from the Assistant Chief Executive (Finance) prior to their journey.
- 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. Chief Officers will make such necessary checks to ensure that this regulation is adhered to.

18. ASSETS & INVENTORIES

CONTACT: Audit Manager

- 18.1 Assets** – It is the responsibility of the Assistant Chief Executive (Finance) that an Asset Register is maintained in accordance with good practice for all fixed assets with a value in excess of £10,000. 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 Assistant Chief Executive (Finance) 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** Chief Officers shall be responsible for the care and custody of all Council assets within their department and shall maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment and cash.
- 18.3 Inventories** - Inventories shall be maintained by all departments for all establishments and shall contain an adequate description of furniture, fixtures and fittings, equipment, plant, machinery and tools.
- 18.4** Each department will compile and maintain an inventory of items specified within 18.1 above 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 I.T. will be responsible for the maintenance of a comprehensive Hardware and Software Inventory for all Council IT equipment in all Departments 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 departmental inventory shall record items specified within 18.1 above shall be in a form determined by the Assistant Chief Executive (Finance).
- 18.7** Departmental Management Teams shall consider the disposal of Council property as appropriate.
- 18.8** Chief Officers are responsible for ensuring that items from their department are disposed of in the most economically advantageous way to the Council. Items that have been leased to the Council should not be disposed of unless full written consent has been obtained from the lessor.
- 18.9** 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 Assistant Chief Executive (Finance), in conjunction with any other Chief Officer concerned, 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 department.
- 19.2** Each Chief Officer shall ensure that there are adequate arrangements for the calculation, collection and banking of all income due to their department 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 Assistant Chief Executive (Finance).
- 19.4** All receipts, tickets, voucher or other document prescribed by the Assistant Chief Executive (Finance) shall be sequentially pre-numbered.
- 19.5** Chief Officers 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 Assistant Chief Executive (Finance), and a register shall be maintained for this purpose. The Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance), 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 Assistant Chief Executive (Finance) once the account has been checked and balances agreed.

- 19.9** The Assistant Chief Executive (Finance) shall be responsible for the operation and running of a computerised sundry debtor system and shall furnish each Chief Officer with details of outstanding debts for which their department is 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 Chief Officer shall be responsible for ensuring that a sundry debtors invoice is promptly raised.
- 19.11** The Assistant Chief Executive (Finance), in conjunction with the relevant Chief Officer, shall determine those goods or services where sundry debtors may be raised. Unless agreed by the Assistant Chief Executive (Finance), private individuals shall not be able to pay by debtor invoice.
- 19.12** Chief Officers shall be responsible for ensuring that all debts raised by their department are collected promptly.
- 19.13** The Assistant Chief Executive (Finance) shall fix a limit (currently £50) 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 Assistant Chief Executive (Finance) and **The Executive**.
- 20.2** Chief Officers are responsible for ensuring that all debts are collected in accordance with the laid down policy.
- 20.3** The Assistant Chief Executive (Finance) 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 £20,000 with the approval of the Assistant Chief Executive (Finance) or his appointed nominee.
 - (b.)** Debts of £20,000 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 £20,000 the approval of **The Executive** shall be obtained.
 - (c.)** Debts for Business Rates for any amount can be written off with the approval of the Assistant Chief Executive (Finance).
- 20.5** Chief Officers 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 Chief Officer. The Assistant Chief Executive (Finance) shall make such checks as he considers necessary on the procedures used.
- 20.6** Chief Officers, in consultation with the Assistant Chief Executive (Finance), 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 Assistant Chief Executive (Finance). 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 Assistant Chief Executive (Finance). **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 Assistant Chief Executive (Finance) with a proviso that cheques for £10,000 shall be countersigned by an officer(s) approved by the Assistant Chief Executive (Finance). The Assistant Chief Executive (Finance) shall make sufficient arrangements to ensure that the use of the cheque-signing machine is properly controlled.
- 21.3** The Assistant Chief Executive (Finance) shall be responsible of the ordering and control of all cheques. The Assistant Chief Executive (Finance) shall make sufficient arrangements for the safe custody of blank cheques and the control and reconciliation of those issued.
- 21.4** The Assistant Chief Executive (Finance) shall be responsible for ensuring that a monthly reconciliation between the Council's Bank account and its income and expenditure records is performed.
- 21.5** Opening or closing any bank account shall require the written approval by the Assistant Chief Executive (Finance) and one other authorised signatory.

22. SECURITY & SAFES

CONTACT: Local Taxation Manager

- 22.1** Each Chief Officer 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 Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance).
- 22.4** Each Chief Officer 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 Chief Officer and the Assistant Chief Executive (Finance) immediately.
- 22.5** All safes shall be specified by the Assistant Chief Executive (Finance) after consultation with the Council's insurers.
- 22.6** The Assistant Chief Executive (Policy and Communication) 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** Chief Officers 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: Assistant Chief Executive (Finance)

- 23.1** Documentation created / maintained for transactions covered by these Financial Regulations or SBC's Contract Standing Orders shall be retained in accordance with **Appendix A** 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

24.1 General Guidance

- 24.1.1** Any Member or 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.
- 24.1.2** Members and 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.
- 24.1.3** The proper course of action for Members and employees is to only accept gifts or hospitality where they regard the acceptance as normal and reasonable.
- 24.1.4** Members and 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.
- 24.1.5** In the event that doubt should exist over the appropriateness of any gift, hospitality, or fee or commission, employees shall seek advice from their Chief Officer or, if appropriate, the Assistant Chief Executive (Finance).

24.2 Acceptance of Gifts

- 24.2.1** Members and employees should not accept personal gifts, but acceptance of promotional gifts such as calendars, diaries, pens, etc., which are not of a significant value is permissible and need not be disclosed. It should be noted, however, that the number of gifts offered should also be taken into consideration. Whilst the receipt of a small gift on an annual basis is permissible, acceptance on a more regular basis would not be.
- 24.2.2** There may be exceptional circumstances where more significant gifts (which for indicative purposes should be considered to be gifts with a value of more than £25), could be accepted on behalf of the Council (or donated to the Mayors Charity). In these circumstances, the decision to accept the gift would require prior approval by the relevant Chief Officer or, if appropriate, the Assistant Chief Executive (Finance). In addition, acceptance should be recorded in the Register kept for that purpose by the Constitutional Services Manager.

24.2.3 Where an employee is the beneficiary of a gift or legacy from a service user, the details must be referred to the Assistant Chief Executive (Finance). The Assistant Chief Executive (Finance) shall decide if committee approval is required for the employee to retain the gift.

24.3 Acceptance of Hospitality

24.3.1 Any reasonable hospitality received directly in connection with any meeting or conference at which an officer is representing the Council with the agreement of their Head of Service, Chief Officer or, if appropriate, the Chief Executive, shall be considered acceptable.

24.3.2 Also any reasonable hospitality (which for indicative purposes should be considered up to a value of £25 per person) extended solely to Stevenage Borough Council employees, but directly linked to a specific service, e.g. a presentation delivered by a manufacturer which includes the provision of lunch, is acceptable. Attendance at the event, and the value of hospitality received, should be recorded in the register kept for that purpose by the Constitutional Services Manager.

24.3.3 The attendance at any sporting or social event is not permitted unless prior written approval has been received from the Assistant Chief Executive (Finance) or Chief Executive. If attendance is approved the value of hospitality received, should be recorded in the register kept for that purpose by the Constitutional Services Manager.

24.4 Excluded Hospitality

24.4.1 There are specific circumstances where acceptance of hospitality is not permitted, i.e. hospitality of an extravagant nature from businesses or organisations irrespective of whether the Council does or does not do business with them.

24.4.2 Where an employee is required to inspect equipment etc, all costs of any visit must be met by the Council.

24.4.3 Where hospitality has been received by the same person from the same third party more than twice within a twelve month period.

24.4.4 Where a third party is in a current tendering situation with the Council, or is being considered for inclusion on a tendering list

24.4.5 Where hospitality is accepted in these circumstances, it shall be viewed as unacceptable and could leave the employee open to disciplinary action.

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 Assistant Chief Executive (Finance) may specifically approve.

25.2 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.

25.3 Apart from petty cash, the normal method of payment shall be by cheque or other instrument drawn on the Council's bank account.

25.4 All payments drawn on the Council's bank account shall be authorised by the Assistant Chief Executive (Finance) or a person nominated by him.

25.5. Any payment by cheque for £10,000 or more shall be countersigned by another Officer authorised to do so by the Assistant Chief Executive (Finance).

25.6 The Assistant Chief Executive (Finance) 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.

- 25.7** The Assistant Chief Executive (Finance) 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.
- 25.8** The Chief Officer 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 department. Such certification shall be in a form required by the Assistant Chief Executive (Finance).
- 25.9** Chief Officers 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 Assistant Chief Executive (Finance). They are also responsible for ensuring that the Assistant Chief Executive (Finance) 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.
- 25.10** Accounts for payment shall only be processed and paid on receipt of a properly certified invoice or other approved document.
- 25.11** Authorised Officers shall use their signature for certification purposes and not their initials.
- 25.12** 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.
- 25.13** 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 Assistant Chief Executive (Finance). In all cases the certifying officer shall document the reason for urgency on, or attached to, the invoice.
- 25.14** 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.
- 25.15** Chief Officers 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.

- 25.16** Chief Officers shall, by a date specified by the Assistant Chief Executive (Finance) each year, supply details of all outstanding expenditure and income relating to the previous financial year to the Assistant Chief Executive (Finance).
- 25.17** The Assistant Chief Executive (Finance) 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 Chief Officer.
- 25.18** The Assistant Chief Executive (Finance) 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.
- 25.19** 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 Assistant Chief Executive (Finance).

26. STOCKS AND STORES

CONTACT: Corporate Procurement Manager

- 26.1** Each Chief Officer shall be responsible for the care and custody of the stocks and stores in his department.
- 26.2** Chief Officers shall furnish the Assistant Chief Executive (Finance) 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 Assistant Chief Executive (Finance).
- 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** Chief Officers 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** Chief Officers 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** To request a new stock item, please complete the [New Item Request Form](#) in consultation with the Purchasing Officer.
- 26.8** Should there be little or no movement of a requested stock item over the first 6 months, the department responsible for raising the request will be advised as such and, if applicable, asked to review stock and buying quantities.
- 26.9** If the stock remains unused for a further 6 months, then the Corporate Procurement Manager reserves the right to bill unused goods to the department responsible for raising the request and may ask for the goods to be removed from the warehouse or charge for the continued storage of the goods.
- 26.10** Chief Officers 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 Assistant Chief Executive (Finance) shall carry out such independent checks as he considers necessary.

- 26.11** Individual deficiencies that exceed £500 shall be reported to the Assistant Chief Executive (Finance) 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.

For the interim period between the approval of the Financial Regulations and the Contract Standing Orders the Financial Regulations outlined in Appendix C must be followed for the Ordering of Works, Goods and Services plus the Engagement of Consultants.

28. EXTERNAL ARRANGEMENTS / FUNDING / PARTNERSHIPS

CONTACT: Head of Finance

28.1 Partnerships and Consortium – Each Chief Officer shall ensure that the prior approval of the **Executive** for the proposed partnership or consortium arrangement is obtained and that the Report includes details of:

- (a.) the option appraisal / feasibility study
- (b.) justification for choosing the partnership route
- (c.) the partnership structure

28.2 The financial implications should be assessed by the Assistant Chief Executive (Finance) and all partnership agreements should be agreed with the Borough Solicitor.

28.3 All partnership or consortium agreements shall include *where relevant*:

- (a.) The principles of the partnership or consortium
- (b.) Output specification
- (c.) Targets for continuous improvement
- (d.) Service improvement / development plans
- (e.) Partnership or consortium board
- (f.) Open book accounting
- (g.) Any profit sharing arrangement
- (h.) Payment mechanism
- (i.) Hierarchy of dispute resolutions mechanisms
- (j.) Quality management systems
- (k.) Environment management systems
- (l.) Asset transfer
- (m.) Withdrawal arrangements.

28.4 Partnerships with the Private Sector

- (a.) Partnership agreements which involve a joint venture / contractual arrangement with private sector bodies are subject to the provisions of these Contract Standing Orders.
- (b.) A competitive exercise shall be undertaken in accordance with the provisions of these Contract Standing Orders to select the partner and award the work.
- (c.) The Contracting Officer shall ensure that the criteria for evaluating partners resulting from a competitive exercise are stated in the report seeking the prior **Executive** approval for the partnership arrangement.

28.5 Partnerships with other Public Sector Bodies – In any cases where the proposed partnership would mean that Contract Standing Orders of the other public sector body would take precedence over those of Stevenage Borough Council, the written approval of the **Executive** must first be obtained before any partnership is formalised.

28.6 Partnerships with the Voluntary Sector – Partnerships with the Voluntary Sector shall be in accordance with the grants policy of this Council.

29. AMENDMENTS AND WAIVERS TO FINANCIAL REGULATIONS

CONTACT: Assistant Chief Executive (Finance)

- 29.1** 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.
- 29.2** The waiving of Financial Regulations must be approved by the Assistant Chief Executive (Finance) 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.
- 29.3** The Assistant Chief Executive (Finance) shall formally review these Regulations at three-yearly intervals.

APPENDIX A

DOCUMENT RETENTION ARRANGEMENTS

CONTACT: Corporate Procurement Manager

Where 6 years is stated, it refers to the previous 6 full financial years and the current year records.

TYPE OF DOCUMENT	RECOMMENDED MINIMUM PERIOD OF RETENTION
Accounting Records	
Abstract of Accounts	6 years
Audit Till Rolls	6 years
BACS amendments and output	6 years
BACS details (electronic data transfer)	Archive to disk
Budget Working papers	3 years
Budgetary Control Records	6 years
Complying with Companies Acts 1948, 1967 and 1976	6 years
Capital Registers	Indefinitely
Cash Book Ledgers	6 years
Deduction Tabs	6 years
Final Accounts Working Papers	6 years from completion of contract
Final Accounts of contracts executed under hand	6 years
Final Accounts of contracts executed under seal	12 years
Finance Ledgers	Indefinitely
Overs and unders records	6 years
Replacement Cheque Records	3 years
Returned Cheque Records	6 years
Stop Cheque Lists	6 years
Tax Returns and Records	Indefinitely
Temporary Variations	3 years
Unpresented Cheque Listings	6 years
VAT Claims	6 years
VAT deferrals	6 years
VAT Returns and Records	6 years
Virement Forms	3 years
Write off Schedules	Indefinitely
Year End Financial Tabulations	Indefinitely

TYPE OF DOCUMENT

**RECOMMENDED MINIMUM
PERIOD OF RETENTION**

Agreements and Related Correspondence

Agendas – other than Member meetings	6 years
Background Papers	Up to 4 years
Council Minutes	6 years from date of meeting
Indemnities and Guarantees	6 years after expiry
Licensing Agreements	6 years after expiry
Other Agreements/Contracts	6 years after expiry
Rental and Hire Purchase Agreements	6 years after expiry
Recycling Agreements	Length of agreement + 2 years

Banking Records

Bank Paying In books	6 years
Bank Reconciliation's	6 years
Bank Statements and Advices	6 years
Bond Certificates – copy	6 years after redemption
Bonds/mortgages register	Indefinitely
Cancelled Cheques	2 years + current year
Cheque Issue Records	2 years + current year
Cheques and other negotiable instruments	6 years
Collection and Deposit Books	6 years
Daily Cash Books	6 years
Half Yearly Interest Schedules	Indefinitely
Instructions to Banks	6 years
Main Cash Book	Indefinitely
Manual Cheque Payment Records except Revenues	6 years
Manual Cheque Payment Records Revenues	6 years
Petty Cash Imprest Book	Ongoing
Petty Cash Receipts/Claim for Reimbursement	6 years
Unpresented Cheque Lists	6 years

Employee Records

Accident Reports	12 years
Annual Earnings Summary	12 years
Annual Leave Record – Central Record	3 years
Annual Superannuation	Indefinitely
Application Forms – successful	Indefinitely
Application Forms – unsuccessful	6 months from appointee start date, 12 months maximum

TYPE OF DOCUMENT

**RECOMMENDED MINIMUM
PERIOD OF RETENTION**

Employee Records (..Cont.)

Car Allowance Claim Forms	3 years
Car Allowance Records	6 years
Car Lease Records	2 years from end of lease
Car Leasing Records	6 years from end of lease
Car Loan Records	6 years from end of loan period
Correspondence – Payroll matters	6 years
Cumulative Superannuation	6 years
Details of Benefits in cash or kind	6 years
Expense Claims/Accounts	6 years
Flexitime Records	3 years
Income Tax details	6 years
Labour Agreements	Indefinitely
Leaver Forms	Indefinitely as appropriate
Maternity Pay Records	6 years
Medical Records	30 years after end of employment
Monthly Superannuation	10 years
National Insurance Contributions	6 years
New Starter Forms	Indefinitely, as appropriate
Overtime Claims	3 years
Overtime Records	6 years
Pay Advice	1 year
Payslips – copy	7 years
Payroll tabulations	6 years
Payroll tabulations – year end	12 years
Payroll Cheque Listings	6 years
Payroll Control Account Reconciliation Records	6 years + current year
Performance & Development Meeting Records	6 years
Permanent Amendments	6 years
P45, P58, P48, P6, P60	6 years
Redundancy/Long Service Awards	7 years after expiry
Returned Tax	6 years
Schedule of Deductions	6 years
Sickness Records	3 years
Staff Patent Agreements	16 years after end of employment
Staff Personal Records	6 years after end of employment
Superannuation correspondence/records	Indefinitely
Tax Returns	Indefinitely
Timesheets	6 years
Training Records	6 years
Works Council Minutes	Indefinitely

TYPE OF DOCUMENT

RECOMMENDED MINIMUM PERIOD OF RETENTION

Income Records

Cash Income Returns	6 years
Collecting Officer Income Returns	6 years
Collection and Deposit Books	6 years
Council Tax/NNDR Records	6 years
Creditor Cheque Lists	6 years + current year
Customer Orders	6 years
Customers Files	6 years
Credit Notes	6 years
Folder Inserter Invoices - copies	3 years
Internal Ledger Transfers	6 years
Internal Paying In Books	6 years
Invoices – Capital	10 years
Invoices - Revenue	6 years
Outstanding Accounting Schedules	6 years
Overdue Account letters	Until settled
Paying In Books	6 years
Postal Remittance Receipt Books	6 years
Receipt Books	6 years
Receipt Books issued record	2 years + current year
Remittance Advice Notes	6 years

Insurance Records

Accident/Claims Correspondence	3 years after settlement
Expired Insurance Contracts	Indefinitely
Insurance Certificates	7 years
Insurance Policies	3 years after discontinuation
Insurance Registers	Indefinitely
Insurance Schedules	10 years
Insurance Valuations	Until revaluation
Other Insurance Policy documentation	Indefinitely
Public, Product and Employers Liability Policies	Indefinitely

Property Records

Deeds of Title	Indefinitely or until delivered to a purchaser on disposal
Leases	12 years after termination of lease
Agreements with Builders and Architects	6 years after completion of contract (12 years if under seal)
Housing – current tenancy files	Period of tenancy + 2 years
Housing Inspection Ticket	1 year
Housing Management Contract Records	Contract period + 2 years after final payment
Housing Property Attributes History	Indefinitely
Leased assets schedule/register (SBC lessor)	Indefinitely
Legal conveyancing files acting for buyer	Indefinitely

TYPE OF DOCUMENT

RECOMMENDED MINIMUM PERIOD OF RETENTION

Property Records (..cont)

Legal conveyancing files acting for seller	6 years
Mortgage deeds and bond certificates - repaid	6 years from cancellation
Planned Maintenance Repairs Records	3 years
Planned Maintenance Contract Records	3 years
Rent – Tenants Records	6 years + current year
Right to Buy conveyance Plans	Indefinitely
Tenant Files – Area Offices	Length of tenancy + 2 years
Title of Land and Buildings documentation	Indefinitely

Purchase Records

Contracts	Any prescribed period or a minimum of: 12 years (if under seal) 6 years (others)
Contract documentation for DETR schemes	25 years
Customs and Excise Returns	6 years
Invoices	6 years (revenue)
Orders – Capital (copy)	3 years after expiry
Orders – Revenue (copy)	Current year + 3 years
Purchase Requisitions	2 years
Purchase Orders	6 years
Quotations:	
Capital Expenditure (successful)	Indefinitely
Capital Expenditure (unsuccessful)	1 year (cover sheet for 6 years)
Revenue Expenditure (successful)	1 year plus current
Revenue Expenditure (unsuccessful)	1 year (cover sheet for 6 years)
Remittance Advice	6 years
Sundry Debtor Accounts/Records	6 years from date paid/write off

Stores and Accounts Documents

Costing Records	6 years
Delivery Notes	3 years
Goods Received Register	3 years
Goods In and Out Record Book	6 years
Invoices and Official Orders	6 years
Inward Invoice Register	3/6 years
Stock Adjustment Sheets	2 years
Stock Requisition Forms	2 years
Stock transfer/write off forms	6 years
Stores Requisitions	2 years
Stores Transfers, Inventories and Stock Sheets	6 years

TYPE OF DOCUMENT

RECOMMENDED MINIMUM PERIOD OF RETENTION

Sub-Contractor Documents

Contract Payment Certificates
Contract/Job File
Correspondence files – successful contractor

Housing Contractor Works Order Tickets
Other Income Tax
National Insurance
SC60 etc.
Timesheets

Contract period + 2 years
Length of contract + 2 years
Contract period + years after final payment
Period of Contract + 1 year
6 years + current year
6 years + current year
6 years + current year
1 years + current year

Technical & Research

All Reports and Data

Geological Reports
Product Specification
Building Maintenance Files (for each public building)
Building Regulation Submissions and Inspection Reports
Common Law Transactions
Construction, Design and Management Records
Dangerous Structure Records
Demolition Records
Engineering Drawings
Planning Applications
Land Changes Searches

12 years after requirements have ended
30 years
6 years
7 years
Indefinitely
6 years
Indefinitely
Indefinitely
Indefinitely
Indefinitely
Indefinitely
6 years

Transport Documents

Drivers Log Books
Other Records

5 years after completion
2 years after disposal of vehicle

Miscellaneous Documents

Abandoned Vehicle Records
Backup tapes/discs

Committee/Council Agendas
Committee/Council Minutes
Computer Input forms
Correspondence Files
Domestic heating contract records

Duty of care records
Fire, Emergency Light, Mechanical Services

2 years
As appropriate. All queries, please contact Audit
Indefinitely
Indefinitely
2 years
6 years as appropriate
Period of lease/contract + 2 years
2 years
7 years

TYPE OF DOCUMENT

**RECOMMENDED MINIMUM
PERIOD OF RETENTION**

Miscellaneous Documents (...Cont)

Government Grants – currently in receipt of	Permanently
Government Grants received	6 years
Grant claims/returns/files	6 years
Housing Benefit cheque lists	6 years
Housing Benefit Investigation files	Indefinitely
Housing Benefit Records	6 years
Internet Usage Log	2 years
Inventories of furniture/equipment	Ongoing update
Inventories of leased equipment	Ongoing update
Key register (keys for public buildings)	Indefinitely
Leased equipment schedules/register (SBC lessee)	6 years or maximum lease agreement period
Loan Records and Correspondence	2 years + current year
Loans Transfer registers	Indefinitely
Lost Property Register	Ongoing – one year after book full
Members Allowances – statutory registers	2 years + current year
Members Allowances – Claim Forms	6 years
Members Attendance Registers	Indefinitely
Microfiched records	Indefinitely
Minutes other than Member meetings	As appropriate – suggest 2 years + current year
Print Room Job Dockets	3 years
PWLB Year End Statements	6 years
Refuse Complaints	Length of contract/agreement
Renewal/Endorsement Memos	Indefinitely
Safety Certificates	Until recheck
Section 38 Coloured Adoption Plans	Indefinitely
Securicor Records	6 years
Tape Recordings of Calls to Control Centre	1 year
Taxable Benefit Details	6 years
Temporary Loans Records	3 years after repayment
Tenders/successful quotations – Capital	Indefinitely
Tenders/successful quotations – Revenue	2 years after final payment
Tenders/unsuccessful quotations	3 years

APPENDIX B

**REGULATION OF INVESTIGATORY POWERS ACT (RIPA)
AUTHORISATIONS - CONTROL MATRICES**

CONTACT: Anti Fraud & Investigations Manager

Benefit Investigation

Authorised Officers	Anti-Fraud & Investigation Manager	Head of Finance	AACE(F)
Oral	Yes	Yes	Yes
Max Duration	72 Hours	72 Hours	72 Hours
Written		Yes	Yes
Max Duration		3 Months	3 Months
Reviews	Yes		
Duration	Daily/Weekly/ Monthly		
Renewals		Yes	Yes
Duration		3 Months consecutive to previous investigation	3 Months consecutive to previous investigation
Cancellations	Yes (in absence of Anti-Fraud Mgr)	Yes	
When	3 Months or close of Investigation	3 Months or close of investigation	

Internal (Staff) Investigation

Authorised Officers	Chief Executive or Deputy	AACE(F) or HOF	
Oral	None allowed	None allowed	<i>No oral authorisations</i>
Written	Yes	Yes	<i>Has to be one officer from each column</i>
Max Duration	3 Months	3 Months	
Reviews	Yes	Yes	
Duration	Daily/Weekly/ Monthly	Daily/Weekly/ Monthly	
Renewals	Yes	Yes	
Duration	Stated on Form	Stated on Form	<i>Fixed duration only</i>
Cancellations	Yes	Yes	

Other Investigations

Authorised Officers	Head of Service	Chief Officer (for Service)	AACE(F)
Oral	Yes	Yes	Yes
Max Duration	72 Hours	72 Hours	72 Hours
Written		Yes	Yes
Max Duration		3 Months	3 Months
Reviews	Yes	Yes	
Duration	Daily/Weekly/ Monthly	Daily/Weekly/ Monthly	
Renewals		Yes	Yes
Duration		3 Months consecutive to previous investigation	3 Months consecutive to previous investigation
Cancellations	Yes	Yes	Yes
When	3 Months or close of investigation	3 Months or close of investigation	3 Months or close of investigation

APPENDIX C

For the interim period between the approval of the Financial Regulations and the Contract Standing Orders the Financial Regulations outlined in this Appendix and Attachment (i.) must be followed for the Ordering of Works, Goods and Services plus the Engagement of Consultants.

T1. ORDERS FOR WORKS, GOODS AND SERVICES & ENGAGEMENT OF CONSULTANTS

CONTACT: Corporate Procurement Manager

- T1.1** Before an order is raised an internal requisition must be completed and approved by an authorised Officer, who has no direct interest in the order being requested. 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.
- T1.2** An official purchase order form must be raised for all orders and a certified copy of each order retained by the department.
- T1.3** The order shall list all works, goods and services requested and the agreed price. 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.
- T1.4** All IT Hardware and Software orders must be purchased via the IT Division.
- T1.5** Chief Officers are responsible for obtaining the best terms available for the Council. Contract Standing Orders deals with the procurement of all goods, works or services. Depending on the estimated value of the goods, works or services the following arrangements will apply:-

Up to £3,000	at least one written quotation (this ensures a management trail and clarity of contract – with email systems and faxes getting a written quote is less of a practical problem)
£3,001 to £50,000	at least three written quotes or tenders based on our specification
Over £50,000 and up to EU threshold	the EU threshold could relate to either £153,376 for services and supplies, or £3,834,411 for work. See Contract Standing Orders for guidance.

- T1.6** Where preliminary estimates of the cost are within 10% of a higher category value, the appropriate provisions for the higher category of contract should be applied.
- T1.7** The following exceptions apply:-
- (a.) tenders or quotes for similar goods, works or services have been obtained in the last 12 months
 - (b.) goods or materials are of a specialist nature or are sold at a fixed price
 - (c.) Financial Regulation 5.7 applies
 - (d.) the order relates to the employment of Consultants below the financial limit stated within Attachment (i.).
- T1.8** The Assistant Chief Executive (Finance) shall be responsible for ensuring that sufficient fidelity guarantee insurance is in place for those Officers authorised to initiate or make payments. Chief Officers shall supply to the Assistant Chief Executive (Finance) a list of all those Officers in their department who are authorised to sign orders. The list shall determine the maximum order value each officer is authorised to sign for and a sample of that Officer's signature.
- T1.9** Variations on works or construction contracts shall be exempt from Regulations T1.2 and T1.3. Instead any variations shall be communicated to the contractor on an official Variation Order (VO) e.g. Architects Instructions (AI'S) in a form approved by the relevant professional association. VO's shall contain the details of the variation and the agreed price (wherever possible) and shall be signed by an approved Officer.
- T1.10** Officers certifying orders or AI's shall have due regard to the availability of sufficient budgetary provision. No order or AI shall be authorised where the anticipated expenditure will cause the budget to be overspent, unless an exception is provided for in these Regulations or where the financial implications cannot be immediately quantified. In such cases only the Chief Officer shall be authorised to sign AI's and must report this to the Assistant Chief Executive (Finance) immediately.

APPENDIX C
Attachment (i.)

EMPLOYMENT OF CONSULTANTS

CONTACT: Corporate Procurement Manager

Consultants shall be employed by the Council in accordance with the provisions outlined below and also the Contract Standing Orders (Section 12). These provisions are designed to provide Managers with a summary of good practice in engaging and managing consultants.

1. IDENTIFICATION OF NEED

1.1 Before consultants are invited to bid / tender, the Chief Officer shall :

- (a.) identify the project objectives
- (b.) document the benefits of employing consultants against the estimated costs
- (c.) document the in-house costs to support the consultant
- (d.) obtain approval from Committee where the use of consultants was not approved by Committee and the cost of consultants combined with project costs exceeds previous budget approvals.

2. PROJECT BRIEF

2.1 The Chief Officer is responsible for ensuring that a Project Brief is prepared including background, objectives, timetable, costs, monitoring arrangements, documentation standards, contact names and numbers for enquiries.

3. ORDERS / TENDERING

3.1 Contract Standing Orders must be observed where estimated costs exceed £50,000 and Financial Regulations must be observed in all other instances.

3.2 Orders may be placed without obtaining the number of quotes specified within Regulation T1.5 up to the value of £7,500 for consultants. Orders above this limit must be supported by 3 written quotes as specified in T1.5.

3.3 Quotes / Tenders shall be evaluated on the basis of cost and quality and should be supported by an up to date financial evaluation of the consultancy firm.

4. CONTRACT MONITORING

- 4.1** In relation to this area the term “Contract” refers equally to the employment of Consultants in accordance with Contract Standing Orders and Financial Regulations, even where no formal contract document exists.
- 4.2** The Chief Officer shall be responsible for ensuring that the Consultants work is properly monitored on an ongoing basis. This includes :
- (a.)** appointing a named Project Officer or Group
 - (b.)** specifying key tasks and dates for Consultants
 - (c.)** monitoring costs against budgets
 - (d.)** arranging regular progress meetings with Consultants
- 4.3** The Project Officer shall maintain the following documentation file :
- (a.)** Project Brief / Objectives
 - (b.)** Minuted authority from Members or Chief Officers (if delegated)
 - (c.)** Agreement with consultant and any variations to that
 - (d.)** A record of payments made to the Consultant and for the project
 - (e.)** A Project evaluation form
- 4.4** The Project Officer shall report immediately to the Chief Officer any material technical or financial deviation by the Consultant from the specified agreement. The Chief Officer shall consult with the Assistant Chief Executive (Finance) and they shall decide whether to report the issue to Members or Chief Officer Board.