

FINANCIAL PROCEDURE RULES

STATUS

These Financial Procedure Rules provide a framework for managing the Council's financial affairs. They apply to every Officer and Member of the Council and anyone acting on its behalf.

The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Procedure Rules that Officers and Members of the Council and anyone acting on its behalf are required to follow.

Failure to comply with the requirements of the Financial Procedure Rules may, if appropriate, lead to action being taken against officers under the Council's Disciplinary Procedure and against Members by the Council's Standards Committee.

1. GENERAL

Statutory References

- 1.1 Under Section 151 of the Local Government Act 1972, the Chief Finance Officer is responsible for the financial affairs of the Council and is particularly responsible for:
- (a) Supervising arrangements for the receipt of income due to the Council and expenditure incurred by the Council.
 - (b) The preparation and presentation of final accounts.
 - (c) The maintenance of a continuous and effective internal audit of the Council's activities.
- 1.2 Under Section 114 of the Local Government Finance Act 1988 the Chief Finance Officer or in her/his absence a designated member of his staff has a duty to make a report if it appears to him that the Council, a Committee, a Member or Officer of the Council or joint committee on which the Council is represented:
- (a) has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful;
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful or likely to cause a loss or deficiency on the part of the Council; or
 - (c) is about to enter an item of account, the entry of which is unlawful.

The Chief Finance Officer must make a report under Section 114 if it appears to her/him that the Council's expenditure (including commitments) in a financial year is likely to exceed the resources (including sums borrowed) available to meet them.

Any Officer of the Council who is or should be aware of the circumstances specified at (a), (b) and (c) above or any expenditure which is likely to exceed the amounts allocated in the Council's Budgets shall notify the Chief Finance Officer to enable her/him to carry out their statutory duty.

General

- 1.3 Reference in these Rules to Portfolio Holders refer equally to Committees which manage budgets. References to Directors include the two Directors, the Chief Executive and the Assistant Directors. References to Departments refer to the accompanying administrative organisations.
- In the absence of the Chief Finance Officer, the Financial Services Manager, as Deputy S151 Officer, has delegated authority to carry out all actions within this part of the Constitution.
- 1.4 Each Director shall consult the Chief Finance Officer with respect to any matter within his control which is liable materially to affect the finances of the Council before any provisional or other commitment is incurred or before reporting thereon to Members.
- 1.5 In allocating the duties of officers within their Departments, each Director shall arrange for internal checks to ensure that:-

- (a) The duty of keeping records relating to income shall not be carried out by officers who are also responsible for the collection of income.
 - (b) The duties of issuing orders, certifying the receipt of goods or the completion of work, and approving accounts for payment shall be carried out by different officers.
- 1.6 It is the duty of all officers appointing consultants to carry out work on behalf of the Council to bring these Rules to the attention of those consultants and instruct them to follow such procedures as are relevant.

Authority to Incur Expenditure

- 1.7 The inclusion of items in approved budgets represents the authority to incur expenditure except where the Cabinet has a reservation on such items.
- 1.8 The Cabinet shall not approve a supplementary revenue budget request or amend a capital budget without Directors first having consulted with the Chief Finance Officer on the financial implications. A comment will be sought from the Chief Finance Officer to be incorporated to the Report on the proposal made to Council to approve a supplementary revenue budget request or capital budget.
- 1.9 Nothing in these regulations shall prevent a Director from incurring expenditure which is essential to meet any immediate needs created by an emergency subject to their action being reported forthwith to the Cabinet.

2. ACCOUNTING

- 2.1 All accounting procedures and records of the Council and its officers shall be in a form approved by the Chief Finance Officer. Where such procedures and records are maintained in an Assistant Directorate other than that of the Chief Finance Officer the Director or Assistant shall, before giving approval, gain the Chief Finance Officer's approval to any proposed changes.
- 2.2 No accounting procedure or financial records shall be amended or discontinued without the prior approval of the Chief Finance Officer.
- 2.3 All accounts and accounting records of the Council shall be compiled by the Chief Finance Officer or under her/his direction.
- 2.4 The Chief Finance Officer shall ensure that all accounts, accounting records, balance sheets, etc of the Council are properly completed, presented to the Members and submitted to external audit in accordance with statutory requirements.

3. BUDGETS - GENERAL

- 3.1 Budget Preparation – will cover the forthcoming five year period and be subject to a timetable prepared by the Chief Finance Officer and approved by Cabinet. The Chief Finance Officer will produce the Five Year Medium Term Financial Plan on an annual basis in consultation with Cabinet Members and Management Team for approval by the Council. Regular updates of the strategic financial position will be provided to the Cabinet and Council.
- 3.2 The detailed form of capital and revenue estimates shall be determined by the Chief Finance Officer in accordance with any general directions of the Cabinet and after consultation with the Management Team.
- 3.3 Revenue Budgets – Staffing budgets shall be prepared by the Chief Finance Officer in consultation with the relevant Director. All other estimates of revenue income and expenditure shall be prepared by appropriate Directors in consultation with the Chief Finance Officer and submitted to Members for approval. The Chief Finance Officer shall collate the estimates and submit them to the Cabinet with a report setting out how this compares to the Council's existing Medium Term Financial Plan.
- 3.4 Capital budgets shall be prepared in the form of a rolling five-year Capital Programme. The Chief Finance Officer shall review and estimate the capital resources available to the Council over the five year period. Bids for the use of capital resources shall be made in a form agreed by the Cabinet, to include an appropriate level of project appraisal and an assessment of the revenue consequences of the capital scheme. The Cabinet shall be responsible for the

allocation of resources within a viable Capital Programme for submission to the Council for approval.

4. BUDGETARY CONTROL

It is the duty of the Cabinet and/or every Committee to monitor and regulate the Council's performance against the targets set out in the Corporate and Service Plans and how resources have been utilised against the approved Budget during each budget period.

Financial sustainability of the Council is paramount and projected variations to approved budgets and service delivery must be properly managed within a robust control system. Directors and other Budget holders responsible for budgets shall maintain an effective system of budgetary control. Budgets are the reflection of service plans and variations in either must be matched to the other in performance and other reports.

All budgets will be assigned to a budget holder who is responsible and accountable for spending and generating income in accordance with the approved budget and associated service plan. Budget holders are responsible for the underlying reliability of the financial data and service performance. The responsibility of Officers for budgets will be clearly defined and determined by the Chief Executive and Directors, who shall determine relevant procedures to be followed by those officers. (See 4.2)

The Chief Finance Officer shall make available to all budget holders information on commitments, receipts and payments to enable them to carry out these duties and to allow them to monitor performance and make proposal/take decisions on changes. Budget holders will be provided with training to assist them (provided by the Chief Finance Officer). Each Director/budget holder shall utilise the Council's corporate financial management system to maintain records of orders raised and other commitments, recording their effect on budgeted expenditure.

The Chief Finance Officer has overall responsibility for the Budget Framework including the Budget Timetable, Budgetary Control reporting arrangements and preparation of the Year End Statement of Accounts. Each Budget will have a single named Manager, determined by Management Team. The Chief Finance Officer is responsible for ensuring that the Budget and Council Tax Setting is carried out in accordance with the statutory deadlines.

Finance Section responsibilities:

The Chief Finance Officer is responsible for the following areas of budget setting and budgetary control:

- Assisting Assistant Directors and budget holders in the preparation of draft budgets
- provision of timely, accurate, relevant financial information to budget holders to enable effective budgetary control to be carried out
- budgetary control reporting arrangements
- provision of financial advice and training to budget holders
- to actively use information from Directors on service trends that may have an impact on budgets.

Responsibilities of Directors:

- preparation of detailed revenue budgets, including the compilation of information produced centrally, to the standards and timescales set by the Chief Finance Officer.
- liaison with Accountancy and other staff in the provision of budgets
- identification of areas in which budget savings and/or efficiencies can be made
- assistance in the preparation of service reviews and the implementation of these and other approved changes to budgets.
- identification of development proposals and implementation if approved
- ensuring that budgets are consistent with approved service plans

- identification and subsequent review of meaningful profiles for budgets “signing off” detailed budgets and profiles to indicate that managers accept their content and accuracy and believe that they are sufficient to deliver the service
- monitoring budgets using monthly budgetary control reports and managing the service within budget
- Where overspends are identified, or projected, to alert Directors or Management Team as appropriate and to propose actions to correct the overspending
- notifying Directors and/or Management Team of potential underspendings/ increased income that could be of corporate benefit to the Council
- compliance with the Council’s Financial Procedure Rules
- provision of timely, relevant and accurate explanations for budget and service delivery variances as required by the Chief Finance Officer, Management Team and Members
- update Finance staff on service trends that may have an impact on budgets.
- developing performance information to complement budgetary control processes

Responsibilities of Members:

Members generally are responsible for taking an overview of the Council’s finances and its performance against budgets. In particular:

- Full Council is required to review periodically the adequacy of the Council’s overall budget.
- Portfolio holders are required, in conjunction with budget holders, to monitor and manage budgets for the services under their control.

Budget monitoring reports shall be produced by the Chief Finance Officer on the first working day of each month. The Service Accountants are responsible for checking the reports prior to their distribution. Each Director and Portfolio Holder will receive budget monitoring reports for their services. A summary report will be produced for publication electronically for Members and officers.

Reports will be submitted to the Management Team, Cabinet and Council quarterly on the Authority’s projected Income and Expenditure compared with the budget.

~~4.3 — The inclusion of items in approved budgets represents the authority to incur expenditure except where the Cabinet has a reservation on such items.~~

~~4.4 — The Cabinet shall not approve a supplementary revenue estimate or amend a capital budget without Directors first having consulted with the Chief Finance Officer on the financial implications. A comment will be sought from the Chief Finance Officer to be incorporated to the Report on the proposal made to Council to approve a supplementary revenue or capital estimate.~~

~~4.5 — Nothing in these regulations shall prevent a Director from incurring expenditure which is essential to meet any immediate needs created by an emergency subject to their action being reported forthwith to the Cabinet.~~

5. SUPPLEMENTARY REVENUE BUDGET REQUEST ESTIMATES

General

- 5.1 Prior to any request for a supplementary revenue budget request estimate being made Portfolio Holders and Directors should consider whether the expenditure can be accommodated within existing budgets by the use of virement. All requests for supplementary revenue budget requests estimates must be discussed with the Chief Finance Officer prior to being considered by Cabinet.
- 5.2 No supplementary revenue budget requests estimates below £25,000 should be granted; instead virement should be identified to accommodate the expenditure;

- 5.3 The Cabinet is able to grant supplementary revenue ~~budget requests estimates~~ up to a value of £100,000. Supplementary revenue ~~budget requests estimates~~ above that limit can only be approved by Full Council.

General Fund

- 5.4 Supplementary revenue ~~budget request estimates~~ shall only be granted where suitable virement cannot be identified. Such supplementary ~~revenue budget requests estimates~~ shall be restricted to the following genuinely exceptional and inescapable items of expenditure:
- (a) contractual claims, court and litigation costs;
 - (b) health and safety items constituting a risk to “life and limb”;
 - (c) additional expenditure arising from tenders following competitive tendering of services (conversely, savings on such tendering should be returned to contingencies);
 - (d) additional legislative responsibilities.
- 5.5 Supplementary revenue ~~budget requests estimates~~ may be allowed for income-generating schemes where expenditure in the year will result in increased net income in subsequent years which will, at least, cover the amount of the supplementary ~~revenue budget request estimate~~;
- 5.6 No supplementary revenue ~~budget request estimates~~ should be granted that have an ongoing financial implication for subsequent years.

Reporting

- 5.7 Regular reports to the Cabinet shall clearly state the ongoing implications of proposed expenditure, identify the source of finance being used for supplementary ~~revenue budget requests estimates~~ and the balance available within the Working Balance.

6. UNSPENT BUDGETS AND GRANTS

Unspent Grants

- 6.1 Where
- (a) a grant or contribution has been received in a financial year for which there are no conditions; and
 - (b) the grant is unspent at the end of the financial year, the relevant Assistant Director can request that the grant be carried forward to the following financial year.
- 6.2. The mechanism for the carry forward is the granting of a supplementary revenue estimate for the income. Items up to a value of £100,000 can be approved by Cabinet with larger requests to be considered by Full Council.
- 6.3. All requests for the carry forward of unspent grants should be discussed with the Chief Finance Officer prior to submission to Cabinet for approval.

~~UNDERSPENT BUDGETS~~ Unspent Budgets

General

- 6.4 All requests for the carry forward of unspent budgets should be discussed with the Chief Finance Officer and the relevant Portfolio Holder should be consulted.
- 6.5 The mechanism, for the carry forward is the granting of a supplementary revenue ~~budget estimate~~, on the strength of an underspending in the previous year. Items up to a value of £100,000 can be approved by Cabinet with larger requests to be considered by full Council.
- 6.6 Requests for carry forwards must be submitted to the Chief Finance Officer by the deadline set annually by the Chief Finance Officer and be accompanied by an explanation of the service need and implications. Carry forwards must be for use on specific items of expenditure which have no on-going cost implications for subsequent years.
- 6.7 In many cases, requests for carry forward of budgets will be made before the final expenditure for the financial year is known. Approvals can be made in these instances but will be subject

to possible withdrawal if the Assistant Directorate, Department or Council budget is subsequently found to be overspent.

- 6.8 A minimum limit of £10,000 per item will usually apply to the gross value of savings considered for carry forward.

The Assistant Director will be required to identify and explain the reasons for his opinion that underspendings have arisen from savings.

In the context of this policy, underspends are defined as underspending of expenditure budgets or additional income against income budgets provided that those savings have not been anticipated for corporate use.

Limitations

- 6.9 An Assistant Director will not be allowed to carry forward any unspent budget where the overall net expenditure for the year exceeds the Assistant Director's revenue budget.

In these circumstances the Assistant Director may be required to deduct the overspending from its budget for the following year. Individual cases will be considered on their merits, taking into account the degree to which external factors are responsible for the overspending.

The amount of any unspent estimates to be carried forward will be limited to the Assistant Director's overall net underspending for the year, where this is a smaller amount.

- 6.10 Where a budget is approved for a Council year, rather than a financial year (for example the Chairman's Allowance) any underspend will be automatically carried forward if requested.

- 6.11 Subject to these limitations, approval for the carry forward of qualifying unspent budgets will not normally be withheld. However, corporate considerations, particularly budgetary constraints, may cause individual provisions to be over-ridden or the whole policy to be suspended in the overall interests of the Council.

7. TRANSFER OF BUDGETS (VIREMENT)

- 7.1 Virement is intended to enable the Cabinet, Directors and their staff to manage budgets with a degree of flexibility within the overall Budget and Policy Framework to optimise the use of resources. However, it may be appropriate to suspend these provisions and apply more restrictive procedures if required by the Council's financial position.

Virements are administered by the Chief Finance Officer.

- 7.2 The overall Revenue and Capital Budget is approved by Council and published in the Annual Budget book. Assistant Directors are authorised to spend in accordance with the estimates that make up the Budget and in accordance with the Contract Procedure Rules. Virement will be required if resources are to be moved between the lines set out in the Budget Book.

Virement must not create additional overall budget Commitment. Assistant Directors are expected to exercise discretion in managing their budgets responsibly and prudently, for example by avoiding future commitments for which they have not identified resources.

- 7.3 Virement can only be applied to direct expenditure. It cannot be applied to the budget headings such as Capital Charges, Recharged Employees, Central Support Recharges, Departmental Recharges or Indirect Income. In general, virement will not be allowed from employee budgets.

Following consultation with the Chief Finance Officer, the responsible Assistant Director(s) shall be entitled to transfer budgets from within and between any one service to another up to a maximum limit of £60,000 per transfer.

The Cabinet shall be entitled to transfer budgets from within and between any one service to another up to a limit of £100,000 per transfer.

Beyond these limits, approval to transfers can only be given by full Council.

The Monitoring Officer shall be entitled to transfer budgets within the Elections Service without any financial limit.

The Corporate Financial Monitoring process should be used for approval where appropriate.

Virement requests must include details of the reason for the transfer and details of the impact on service delivery.

- 7.4 Virements will only be allowed where they are within these rules and generally in accordance with the policies of the Council and there will be no overall effect on the Budgets of the General Fund.
- 7.5 These virement rules must also be applied where additional income is received above levels included in the approved budget.
- 7.6 Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that the amount is used in accordance with the purposes for which it has been established and there is an approved basis and terms, including financial limits, on which it will be allocated.
- 7.7 The Chief Finance Officer is able to transfer budgets to correct allocations, to reflect restructures and in the case of 'housekeeping' where budgets could be held under more appropriate headings.

8. CAPITAL EXPENDITURE

- 8.1 Capital expenditure shall not be incurred unless it forms part of the approved Capital Programme and has been allocated an expenditure account by the Chief Finance Officer.
- 8.2 The Cabinet may adjust the phasing of expenditure, by deferment or advancement, of existing approved schemes in the Capital Programme.
- 8.3 Following consultation with the Chief Finance Officer, the responsible Assistant Director(s) shall be entitled to transfer budgets from within and between any one capital scheme to another, or from revenue to any capital scheme up to a maximum limit of £60,000 per transfer.

_____ The Cabinet may transfer Capital Programme provisions from one ~~capital approved~~ scheme to another ~~capital approved~~ scheme or from revenue to any capital scheme, subject to a limit of £100,000 per individual transfer.

_____ Beyond these limits, approval to transfers can only be given by full Council

- 8.4 The Cabinet may allocate available capital resources within the Capital Programme to new schemes which are urgent, necessary and generally in accordance with Council priorities, subject to a limit of £100,000 per individual allocation, provided in all cases the Chief Finance Officer is consulted and is satisfied with the affordability and advisability of the proposed use of resources.

_____ Beyond these limits, amendments to the Capital Programme can only be made by Council.

9. FINANCING OF CAPITAL EXPENDITURE

The Chief Finance Officer may adjust the planned method of financing capital expenditure within the aggregate resources available to the Council, provided that such 'switching' of financing is in the Council's interest and in accordance with the Prudential Framework and Treasury Management Policy and Statement. Factors to be taken into account in such adjustments shall include prudence, affordability, financial advantage, flexibility and risk considerations.

10. RESERVES AND WORKING BALANCES

- 10.1 Three types of Reserves are maintained by the Council:

- a) Unusable reserves are established and managed under various statutes and the Accounting Code of Practice
- b) A Working Balance and a General Reserve are established by Council in accordance with an appropriate risk assessment undertaken by the Chief Finance Officer
- a) Usable earmarked reserves are established and managed in accordance with criteria approved by Council.

~~The power to establish financial reserves is restricted to full Council except that Cabinet is able to set aside amounts (up to £100,000 in aggregate) where this would assist in the efficient operation of the Council's activities. The Chief Finance Officer must be consulted and be satisfied with the proposed setting aside of resources.~~

~~10.2 The purpose and limits on the operation of each significant reserve should be set out in the annual Medium Term Financial Plan.~~

~~10.3 Unless determined otherwise by Council, the use of resources held in reserves and the Council's working balances shall be determined by full Council (as agreed in the annual Revenue Budget, Capital Programme or otherwise) except that Cabinet is able to make or adjust transfers from reserves not exceeding £100,000 after consultation with the Chief Finance Officer where these would assist in the financial management of the Council.~~

~~10.210.4~~ The Chief Finance Officer is required, as part of the annual budget process, to carry out a formal review of balances and reserves and to advise the Council on their adequacy. In particular she/he is responsible for:

- (a) preparing a statement for Council showing the estimated opening working balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance, including reference to the extent to which such reserves are to be used to finance recurrent expenditure.
- (b) reporting on the annual review of earmarked reserves, listing the various earmarked reserves, the purposes for which they are held, showing the estimated opening balances for the year, planned addition/withdrawals and the estimated closing balances, and advising on their appropriate levels.
- (c) making a statement on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the Council's Medium Term Financial Plan, taking into account the strategic, operational and financial risks facing the authority.

The advice given by the Chief Finance Officer should be recorded formally in the minutes of the Council meeting, including whether or not that advice has been accepted.

UNUSABLE RESERVES

~~10.3 The establishment and maintenance of these reserves are the responsibility of the Chief Finance Officer as part of the closure of the Council's accounts each year.~~

WORKING BALANCE/GENERAL RESERVE

~~10.4 The Chief Finance Officer must make an assessment of the minimum level of balances required in these reserves as part of the annual budget process using an appropriate risk matrix.~~

~~10.5 Contributions to and from these reserves will be managed by the Chief Finance Officer and be in accordance with the criteria established as part of the annual budget process and approval.~~

~~10.6 Any overall surplus or deficit on the Council's accounts for the year will be reflected in the General Reserve and should the resultant balance be less than the minimum established then a separate report must be made to Council on the implications.~~

USABLE EARMARKED RESERVES

~~10.7 The following criteria will be used to authorise Officers to establish and maintain usable Earmarked Reserves:~~

- ~~a) The reserve can only be established if it supports the Council's objectives, Council Plan and MTFP and complies with at least one of the following:~~
 - ~~i. Where expenditure is planned in future years and it is prudent to build up resources in advance~~
 - ~~ii. The reserve is a statutory requirement of the service or on the Council~~
 - ~~iii. It relates to the carry forward of budgets identified in budget monitoring and in accordance with the carry forward rules~~

- b) The reserve can only be used for the purpose for which it was established and in line with any timescales identified when established or following annual review as part of the annual budget process
- c) The timescales involved and the amounts to be transferred in and out of a reserve must be clearly set out when the reserve is established. Amounts can take the form of wording if figures are not available.
- d) Budget monitoring should identify the need for a reserve during the year and subject to meeting the criteria can be set up with the action being reported to the Portfolio Holder and ultimately Cabinet and Council through quarterly monitoring and the Statement of Accounts. Only exceptionally should the need for a reserve be identified in the Closure of Accounts process.
- e) One named member of staff should be responsible for a reserve and who can authorise any transactions.

10.8 Management and maintenance of usable earmarked reserves must include any variations to the annual budget approved movements being approved through the budget monitoring process. Budget amendments in the Carry Forward Reserve will be automatically implemented in the new financial year.

40-410.9 Following consultation with the Chief Finance Officer, the responsible Assistant Director(s) shall be entitled to transfer budgets from any one service to a reserve or from a reserve to a service up to a maximum limit of £60,000 per transfer providing the use or contribution is for the purpose for which the reserve was established. The Cabinet shall be entitled to transfer budgets to and from any reserve another up to a limit of £100,000 per transfer providing the use or contribution is for the purpose for which the reserve was established. Beyond these limits, approval to transfers can only be given by full Council.

~~10.1040.5~~ Following the closure of the accounts for a financial year, the Chief Finance Officer will report to Cabinet and Audit Committee on the transfers to and the use of reserves and working balances for that year and seek approval of those transactions by full Council.

11. MEDIUM TERM FINANCIAL PLAN

11.1 The Chief Finance Officer is required to produce and seek approval from Council for a Medium Term Financial Plan, detailing the Council's projected financial position for a period of five years ahead. The Plan should be drawn up by reference to the Council's Corporate Plan and include the financial implications of that Plan. As a minimum the Medium Term Financial Plan should contain

- current and projected revenue budgets, including the revenue effects of capital and other investments;
- projections of council tax levels to finance those budgets;
- an indication of identifiable budgetary pressures and an action plan to deal with those pressures;
- capital expenditure plans and resource projections;
- projections of reserves and working balances; and
- an assessment of the adequacy of reserves and the risks attaching to the assumptions in the Plan.

11.2 The Plan should be updated at regular intervals during the year and form part of the Annual Budget Process. All significant proposals with financial implications should be assessed against the Medium Term Financial Plan and the effects of those proposals reported at the time of making a decision.

12. EXTERNAL AUDIT

12.1 The Council's activities will be audited by the External Auditor appointed in accordance with the requirements of the Local Audit and Accountability Act 2014.

13. INTERNAL AUDIT

- 13.1 Regulation 65 of the Accounts and Audit Regulations 2015~~4~~ requires the Council to maintain an adequate and effective Internal Audit. Arrangements for that audit will be approved by the Audit Committee.
- 13.2 The Internal Audit Annual Plan will be submitted for approval by the Audit Committee. An Annual Report of the activities of Internal Audit and the completion of the Audit Plan are to be submitted to the Chief Finance Officer within three months of the end of each financial year and subsequently reported to the Committee.
- 13.3 A continuous risk based internal audit, under the independent control and direction of the Chief Finance Officer, shall be arranged to carry out an examination of accounting, financial and other operations of the Council.
- 13.4 For the purpose of Internal Audit, the Chief Finance Officer or her/his authorised representative shall have authority to:
- (a) enter at all reasonable times on any Council premises or land
 - (b) have access to all records, documents and correspondence relating to any financial or other transaction of the Council
 - (c) require and receive such explanations as are necessary concerning any matter under examination, and
 - (d) require any employee of the Council to produce cash, stores or any other Council property under his control.
- 13.5 The Internal Auditor shall have the right to report any concerns directly to the Chief Executive, appropriate Councillors and the External District Auditor.

14. BANKING ARRANGEMENTS, CHEQUES AND BACS

- 14.1 All arrangements with the Council's bankers shall be made or approved by the Chief Finance Officer, who shall be authorised to operate such banking accounts as they may consider necessary including the designation of authorised signatories.
- 14.2 All cheques, or other payment instruments/stationery excluding those drawn on authorised imprest accounts, shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.
- 14.3 Cheques on the Council's main banking accounts shall be signed in accordance with the bank mandate (i.e. single signature under £10,000, two signatures over £10,000).
- 14.4 Payments made by BACS shall be authorised by the Chief Finance Officer or his/her representative in accordance with the Council's banking arrangements.

15. IMPREST ACCOUNTS

- 15.1 The Chief Finance Officer shall provide such petty cash and advance accounts as he/she considers appropriate for such officers of the Council as may need them for the purposes of defraying petty cash and other expenses. Such accounts shall be maintained on the imprest system.
- 15.2 Where he/she considers it appropriate, the Chief Finance Officer shall open an account with the Council's bankers for use by the imprest holder who shall not allow such account to be overdrawn. It shall be a standing instruction to the Council's bankers that the amount of any overdrawn balance on an imprest holder's banking account shall forthwith be reported to the Chief Finance Officer.
- 15.3 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the authority as provided elsewhere in these regulations.
- 15.4 Payments shall be limited to minor items of expenditure and to such other items as the Chief Finance Officer may approve and shall be supported by a receipted voucher to the extent that the Chief Finance Officer may require.
- 15.5 An officer responsible for an imprest account shall carry out periodic reconciliations of his/her account and give the Chief Finance Officer a certificate as to the state of his/her imprest advance.

On leaving the employment of the Council, or otherwise ceasing to be entitled to hold an imprest advance, an officer shall account to the Chief Finance Officer for the amount advanced to him/her.

- 15.7 All cash floats held are to be confirmed to the Chief Finance Officer in writing at the end of each financial year.
- 15.8 Every transfer of official money from one member of staff to another shall be evidenced in the records of the Departments concerned by the signature of the receiving officer, or by an official receipt.

16. CONTRACTS

- 16.1 The Contract Procedure Rules deal with the regulation and control of contracts for the execution of work and the supply of goods, materials and services awarded by the Council. These Rules should be followed in conjunction with those Rules.
- 16.2 In the paragraphs under this section reference to the "relevant person" shall mean the appropriate Director, an officer nominated by him/her in writing for that contract or a private architect, engineer or other consultant engaged by the Council for the purpose of that contract.
- The Chief Finance Officer shall be consulted as to any Performance Bonds to be obtained or given in respect of a proposed contract.
- 16.3 Each Director responsible for the awarding of contracts, which provide for payment to be made by instalments, shall arrange for the keeping of a register, to the satisfaction of the Chief Finance Officer, to show the state of account on each contract between the Council and a contractor, together with any other payments and related professional fees.
- 16.4 Payments to contractors on account of contracts shall be made only on a certificate issued by the relevant person.
- 16.5 Subject to the provisions of the contract in each case, every variation shall be authorised in writing by the relevant person. Each variation shall include an estimate of the increase or reduction in cost arising from that variation of the contract.
- 16.6 When the net effect of such variations exceeds the following limits, this shall be reported as soon as possible to the Cabinet or relevant Committee of the Council through the Corporate Financial Monitoring process where the overspend is greater than £10,000 or 10% of the contract sum, whichever is greater.
- Provided that it shall not be necessary to report such net effect in the case of contracts undertaken under agency or contractual arrangements on behalf of another local or public authority where that authority has approved the cost of the variation.
- 16.7 Where the relevant person issues a certificate and the amount to be paid on that certificate, when added to amounts previously certified for payment, would result in the contract sum or budgetary provision being exceeded, then the certificate shall be accompanied by a report fully explaining the position from the relevant person to the Chief Finance Officer.
- 16.8 The final certificate of completion of any contract shall not be issued until the relevant person has produced to the Chief Finance Officer a detailed final statement of account and all relevant documents, if required.
- 16.9 The Chief Finance Officer shall, to the extent that is considered necessary, examine final accounts for contracts and shall be entitled to make all such enquiries and receive such information and explanations as may be required in order to be satisfied as to the accuracy of the accounts.
- 16.10 Every works contract and every other contract which is estimated to exceed £60,000 in value or amount shall, where appropriate, include provision for liquidated damages, except where the contract is a partnering contract entered into under the Council's procurement policy. Where there has been a delay in the completion of a contract and an extension of time is not appropriate to be authorised, the relevant person shall impose the liquidated damages clause in all instances, unless, after consultation with the Monitoring Officer, it is decided it is inappropriate to do so.

- 16.11 A report as to final costs under each contract shall, after agreement of the final account, be incorporated into the Post Implementation Review submitted to the Senior Management Team, Cabinet or relevant Committee by the appropriate Director after consultation with the Chief Finance Officer.
- 16.12 Claims from contractors in respect of matters not clearly within the term of any existing contract shall be referred to the Monitoring Officer for consideration of the Council's legal liability and, where necessary, to the Chief Finance Officer for financial consideration, before a settlement is reached.
- 16.13 Where a contractor enters into liquidation or receivers are appointed or the contractor makes arrangement or composition with his/her creditors, the relevant person shall report the full circumstances in writing to the Cabinet or relevant Committee of the Council as soon as they are known to him/her.
- 16.14 Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and /or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with established Codes of Conduct.

17. ORDERS FOR WORK, GOODS AND SERVICES

- 17.1 The following procedures and those in Rule 18 relate primarily to the electronic entry and authorisation of purchase orders and certification of creditor invoices using the Integra financial information system. The same principles apply to non-purchase order invoices and to purchases using procurement (purchasing) cards.
- 17.2 Official orders shall be issued in advance for all work, goods or services to be supplied to the Council, except for:
- supplies of public utility services, or other services, where paid by direct debit;
 - petty cash purposes;
 - works on Council properties that fall within the planned maintenance contract administered by the Council's property services contractor;
 - such other exceptions as the Chief Finance Officer may approve.
- Orders for works arranged with the Council's property services contractor must follow the specific procedures so arranged for this purpose through the Corporate Asset Manager. Initially a work request form, appropriately authorised, should be submitted to the Council's property services contractor and once a suitable contractor has been arranged to carry out the work, an official order should be raised direct to that contractor. Full details of the procedure are available on SharePoint.
- In exceptional circumstances where an order cannot be dispatched at the time of making the commitment, the supplier should be given an order number and the Confirmation Order issued not later than the next working day.
- 17.3 Official orders shall be in the form approved by the Chief Finance Officer and are to be approved only by officers authorised by the appropriate Director who shall be responsible for official orders issued from his department. The Director shall ensure that:
- value for money is obtained in all cases, primarily by obtaining and recording alternative quotations for the supply;
 - the order is allocated to the correct accounting code and that the relevant budget is not exceeded
- 17.4 Each order should record the agreed price for the supply or the estimated cost of the supply, delivery and invoicing addresses.
- 17.5 Each order shall conform with the directions of the Council with respect to central purchasing and the standardisation of supplies and materials.
- 17.6 Orders must never be split to avoid authorisation limits.
- 17.7 When the work, goods or services to which the order relates has been received or carried out, appropriate confirmation of this must be obtained (normally in the form of a delivery note,

advice note or works schedule) – only then should the receipt be recorded by means of the entry of a Goods Received Note (GRN) in Integra.

- 17.8 Procurement cards will be issued to Officers based on an assessment of needs. Cardholders must follow procedures laid down by the Chief Finance Officer: cards will be withdrawn if the facility is misused.

18. PAYMENT OF ACCOUNTS

- 18.1 Apart from Credit Card, petty cash and other payments from imprest accounts, the payment of monies due from the Council shall be by BACS payment or other instrument drawn on the Council's banking account by the Chief Finance Officer.

All requests for payment submitted to the Chief Finance Officer must be in the form prescribed by him/her.

- 18.2 The Director issuing an order is responsible for ensuring that the work, goods or services to which an account relates has been carried out or supplied as requested to a satisfactory standard. Normally this is evidenced on Integra by entry of a Goods Received Note, or for a non-purchase order invoice by completion of the appropriate boxes on the certification voucher.
- 18.3 Any significant price variation between the purchase order and the resulting invoice will require certification by an appropriate officer. Non-purchase order invoices will require manual certification by signature. Before certifying an account, the certifying officer shall, save to the extent that the Chief Finance Officer may otherwise determine, satisfy himself that:
- (a) the work, goods or services to which the account relates have been received, carried out, examined and approved.
 - (b) the quantities, prices, extension, calculations, discounts, other allowances, credits and tax are correct
 - (c) the account has not been previously passed for payment and is a proper liability of the Council
- 18.4 Periodically a list of officers authorised to approve such records shall be circulated by the Chief Finance Officer to each Director together with specimen signatures for confirmation by that Director. The Director shall ensure that this list be amended on the occasion of any changes to signatories. The Director shall ensure that adequate separation of duties exists by arranging that the officer certifying an account for payment is a different person to the one who ordered the supply.
- 18.5 Properly certified accounts (either by electronic means, in terms of purchase order price variations, or by manual signature) shall be passed without delay to the Chief Finance Officer who shall examine them to the extent that he considers necessary, for which purpose he shall be entitled to make such enquiries and to receive such information and explanations as he/she may require.
- 18.6 Amendments should not normally be made to an invoice. Where an amendment is required or where an invoice is received that does not quote a purchase order number and that invoice falls within the ordering criteria, the invoice shall be returned to the supplier for replacement.
- 18.7 Accrual of expenditure is normally dealt with by entry of Goods Received Notes in the Integra system. For any expenditure that falls outside the purchase ordering system, each Director shall, as soon as possible after 31 March, and not later than a date specified by the Chief Finance Officer in each year, notify the Chief Finance Officer of all outstanding expenditure for goods and services relating to the previous financial year which has not been paid at that date.
- ### 19. PAYROLL
- 19.1 The payment of all salaries, pensions, compensation and other emoluments to all employees or former employees of the Council shall be made by the Chief Finance Officer or under arrangements approved and controlled by him/her.

- 19.2 Each Director shall notify the ~~Assistant Director Resources~~Payroll team as soon as possible and in the form prescribed by ~~the Chief Finance Officer~~him/her, of all matters affecting the payment of such emoluments, and in particular:
- (a) appointments, resignations, dismissals, retirements, suspensions, secondments and transfers
 - (b) absences from duty for sickness or other reason, apart from approved leave
 - (c) changes in remuneration, other than normal increments and pay awards and agreements of general application
 - (d) information necessary to maintain records of service for superannuation, income tax, national insurance, etc.
- 19.3 Appointments of all employees shall be made in accordance with the regulations of the Council and the approved grades and rates of pay.
- 19.4 All time records or other pay documents shall be in a form prescribed or approved by the Assistant Director Resources and shall be certified in manuscript by or on behalf of the appropriate Director. The names of officers authorised to certify such records shall be sent to the Assistant Director Resources and Payroll team by each Director together with specimen signatures and shall be amended on the occasion of any change.

20. TRAVELLING, SUBSISTENCE AND ATTENDANCE ALLOWANCES

- 20.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the Chief Finance Officer, duly certified in a form approved by him/her, made up to a specified day of each month, within a prescribed period. The names of officers authorised to certify such records shall be sent to the Chief Finance Officer by each Director together with specimen signatures and shall be amended on the occasion of any change.
- 20.2 The certification by or on behalf of the Director shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
- 20.3 Officers shall normally submit claims for expenses at monthly intervals. Any claims submitted more than two months after the expenses were incurred will be paid only with the express approval of the Chief Finance Officer. All claims for a financial year are to be submitted within one month of 31 March.
- 20.4 Payments to Members, including co-opted members of the Council or its Cabinet, Committees or Sub-Committees, Panels and Working Parties, who are entitled to claim travelling or other allowances will be made by the Chief Finance Officer upon receipt of the prescribed form duly completed. Any claims submitted more than two months after the expenses were incurred will be paid only with the express approval of the Monitoring Officer. All claims for a financial year are to be submitted within one month of 31 March.

21. INCOME

- 21.1 The collection of all money due to the Council shall be under the supervision of the Chief Finance Officer and all systems, procedures and documentation involved in the assessment, collection, receipt and recovery of all income due to the Council shall be approved by him/her. All account forms shall require remittances to be sent in accordance with instructions issued by the Chief Finance Officer.
- 21.2 Subject to arrangements made by the Chief Finance Officer, each Director shall either furnish him/her with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due, or shall arrange to record those transactions and details in the appropriate system within his Department.
- 21.3 When raising sales invoices on the Integra system, each Director shall ensure that the customer details, fees, VAT treatment, period covered and details of the debt are recorded accurately and that the debt can be substantiated if disputed by the customer.

- 21.4 Recovery of outstanding sundry debts shall be administered by the Chief Finance Officer but responsibility for the debt lies with the originating Director, who shall liaise with the debtor and instruct the Chief Finance Officer on the best means of recovery.
- 21.5 The Chief Finance Officer shall be notified promptly of all money due to the Council including contracts, leases and other agreements and arrangements entered into which involve the receipt of income by the Council and the Chief Finance Officer shall have the right to inspect any documents or other evidence in this connection as may be decided.
- 21.6 All receipt forms, books, tickets and other such items shall be ordered and supplied to Departments by the Chief Finance Officer, who shall be satisfied with the arrangements for their control.
- 21.7 All amounts received by an authorised officer of the Council shall be immediately acknowledged by the issue of an official receipt, ticket or similar voucher.
- 21.8 All income received by an officer on behalf of the Council shall without delay be paid to the Chief Finance Officer, or, as directed, to the Council's banking account or transmitted directly to any other body or person entitled thereto. No deduction may be made from such income save to the extent that the Chief Finance Officer may specifically authorise. Each officer who so banks income shall enter on the paying-in slip a reference to the related debt (such as the receipt number, invoice number or the name of the debtor) or otherwise indicate the origin of the cheque. On the reverse of each cheque, the officer shall enter the name of his/her Assistant Directorate, office or location, or otherwise identify the cashier. When a receipt is issued the receipt number should be indicated on the reverse of the cheque. Where the banking covers a range of income sources the officer making the banking must ensure a return analysing the income and agreeing to the amount of the banking is forwarded to the Chief Finance Officer at the time of the banking.
- 21.9 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 21.10 Every transfer of official money from one member of staff to another shall be evidenced in the records of the Departments concerned by the signature of the receiving officer, or by an official receipt.
- 21.11 Each Director shall as soon as possible after 31 March, and not later than a date specified by the Chief Finance Officer in each year, notify the Chief Finance Officer of all outstanding income due relating to the previous year which has not previously been notified.
- 21.12 At least once per year, each Director shall, in consultation with the Chief Finance Officer, review scales of charges or fees relating to his/her Directorate in accordance with the Corporate Charging Policy, budget timetable and budget strategy. Consultation shall be carried out in accordance with the Corporate Charging Policy. Proposals should be approved by Cabinet or Committee as appropriate.

22. EXTERNAL ARRANGEMENTS (PARTNERSHIPS, EXTERNAL FUNDING ARRANGEMENTS AND WORK FOR THIRD PARTIES)

- 22.1 Partnerships ~~are likely to~~ play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private communities, community groups and voluntary organisations. On other occasions the Council may agree to provide services funded by outside bodies, sometimes acting as an accountable body. There may be occasions when the Council is requested to provide services on behalf of other bodies, often provided under a Service Level Agreement. The External Arrangements Rules deal with the regulation and control of such arrangements. These rules should be followed in conjunction with those Rules.
- 22.2 In particular, the key controls for Assistant Directors are:-

Partnerships:

- (a) ~~If appropriate, t~~o be aware of their responsibilities under the Council's Financial Procedure Rules and the Contract Procedure Rules
- (b) To ensure that risk management processes are in place to identify and assess all known risks

- (c) To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
- (d) To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
- (e) To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- (f) To ensure the Council's insurers are informed of the proposals and suitable insurance is arranged.

External Funding Arrangements:

- (g) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Accountable Body are clearly understood.
- (h) To ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council.
- (i) To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.
- (j) To ensure that the consequences for the Council, or for any partners for whom the Council may be acting as Agent, of exceeding the funding or expenditure requirements are clearly set out and understood.
- (k) To ensure the consequences for the Council's VAT position are understood.
- (l) To ensure the Council's insurers are informed of the proposals and suitable insurance is arranged.

Work for Third Parties

- (m) To ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer including consideration of any VAT implications.
- (n) To ensure that contracts are drawn up using guidance provided by the Chief Finance Officer and that the formal approvals process is adhered to.
- (o) To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.
- (p) To ensure the Council's insurers are informed of the proposal and suitable insurance is arranged.

23. PRUDENTIAL FRAMEWORK

- 23.1 The Council ~~is obliged to adhere~~s to the requirements of the CIPFA Code on a Prudential Framework for Local Authority Capital Finance. The Chief Finance Officer is responsible for preparing the indicators stipulated by the Code and reporting them to Council for approval. The indicators are to be reviewed at least annually and on major amendments to the Capital Programme.
- 23.2 The Prudential Indicators are to be taken into account in managing the Council's finances, particularly its projections of future expenditure and resources.
- 23.3 The Council is required to approve and keep up to date a Treasury Management Policy Statement and agree an annual Strategy Statement to direct its treasury activities.
- 23.4 Capital financing decisions are to be made in accordance with the Council's Treasury Management Policy and Strategy and the Prudential Code.
- 23.5 The Council's performance against its prudential indicators should be monitored regularly by the Chief Finance Officer and reported to Council and the Overview and Scrutiny Committee at least once during each year and at the end of each year.

24. INVESTMENTS, BORROWINGS, LEASING AND TRUST FUNDS

- 24.1 All investments and borrowing of money and leasing arrangements shall be made in the name of the Council.
- 24.2 All investment and borrowing transactions shall be carried out in accordance with the Council's approved Treasury Management Policy and Strategy Statements.
- 24.3 All securities the property of or in the name of the Council and the title deeds of all property in its ownership shall be kept in the custody of the Monitoring Officer.
- 24.4 The Chief Finance Officer shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all leasings and borrowing of money by the Council.
- 24.5 All trust funds shall wherever possible be in the name of the Council.
- 24.6 All officers acting as trustees by virtue of their official position shall deposit all securities etc. relating to the trust with the Chief Finance Officer unless the deed otherwise provides.
- 24.7 The Chief Finance Officer shall seek and accept tenders for leasing facilities for the acquisition of assets where this is an appropriate method of financing subject to consultation with the relevant Portfolio Holder(s) and Director(s).

25. LAND AND BUILDINGS

- 25.1 The Monitoring Officer shall maintain a terrier or register of all Land and Buildings owned by the Council and a register of leases recording the responsible Assistant Director, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.
- 25.2 All contracts for the acquisition or disposal of land/buildings shall be signed or sealed and the Monitoring Officer shall arrange for the secure custody of all title deeds.
- 25.3 The Monitoring Officer shall be responsible for instituting routine inspection of all Council Land and Buildings and ensuring that schedules of maintenance are prepared and work instigated and supervised on behalf of the Council as advised.

26. INVENTORIES

- 26.1 Inventories recording furniture, fittings and equipment, plant and machinery held by each Directorate shall be maintained by the Assistant Director concerned. The form of the inventories shall be settled by the appropriate Assistant Director after consultation with the Chief Finance Officer. All items contained therein shall, as far as possible, be suitably marked as council property.
- 26.2 Each Assistant Director shall be responsible for maintaining at least an annual physical check of all items on the inventory, for taking action in relation to surpluses or deficiencies and revising the inventory accordingly. In some areas, more frequent spot-checks may be appropriate in addition. The Chief Finance Officer must be informed of any significant discrepancies discovered on checking inventories.
- 26.3 A copy of each inventory should be submitted to the Chief Finance Officer when requested.
Where assets are to be disposed of the relevant Assistant Director shall be required to keep comprehensive records of the disposal.
- 26.4 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Assistant Director concerned.
- 26.5 Where assets other than land and property are to be disposed of the relevant Assistant Director shall be required to ensure Best Consideration is obtained and shall be required to keep comprehensive records of the disposal.

27. STOCKS AND STORES

- 27.1 Each Assistant Director shall be responsible for the care and custody of the stocks and stores in his/her Department and for the maintenance of appropriate records in a form approved by the Chief Finance Officer.

- 27.2 Stocks shall not be in excess of normal requirements except in special circumstances with the approval of the Assistant Director concerned.
- 27.3 Assistant Directors shall arrange for periodical test examinations of stocks by persons other than storekeepers and shall ensure that all stocks are checked at least once in every year.
- 27.4 The Chief Finance Officer shall be entitled to receive from each Assistant Director such information as he/she requires in relation to stores for the accounting, costing and financial records. Surplus materials, stores or equipment shall be disposed of by competitive tender or public auction unless the Cabinet decides otherwise in a particular case. Where the aggregate value of surplus materials, stores or equipment etc. to be disposed of does not exceed £5,000 in any one financial year, the appropriate Assistant Director, in conjunction with the Chief Finance Officer, shall be authorised to make the appropriate arrangements for disposal.

28. AMOUNTS TO BE WRITTEN-OFF

- 28.1 The Chief Finance Officer is authorised to write-off debts which for all accounts for an individual debtor do not exceed £20,000.
- 28.2 The Chief Finance Officer is authorised to write-off stocks and stores up to £20,000 for any one item in any one financial year.
- 28.3 The Chief Finance Officer, in consultation with the Portfolio Holder responsible for financial matters, be authorised to write-off irrecoverable business rate debts in excess of £20,000 but which do not exceed £100,000 and in all cases exceeding £100,000 where further recovery action is impossible because the debtor is subject to bankruptcy, liquidation or an administration order. In such cases to comply with requirements of the Official Receiver and other similar bodies the debt may be written-off on Council records prior to formal approval by the Chief Finance Officer providing that approval is given within 14 days.
- 28.4 The Chief Finance Officer shall be supplied with such information with regard to write-offs as is considered necessary.
- 28.5 The Director People and Places is authorised to write-off debts relating to penalty charge notices.
- 28.6 For debts which fall outside the categories stated in paragraphs 28.1 to 28.5 approval will be required from Cabinet or the relevant committee. This will be included in the Corporate Financial Monitoring process.

29. SECURITY

- 29.1 Each Assistant Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc., under his/her control.
- 29.2 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without his/her express permission.
- 29.3 Persons responsible for keys to safes and similar containers shall make arrangements to ensure the safe custody of the keys at all times; the loss of any such keys must be reported to the Chief Finance Officer immediately.
- 29.4 Each Assistant Director shall maintain a register of key holders in a secure place.
- 29.5 The Assistant Director Performance and Innovation shall be responsible for maintaining proper security and privacy as respects information held in the computer installation.
- 29.6 The responsibility for all hardware, software, information held and ensuring that the standards as set by the Assistant Director Performance and Innovation within each Directorate rests with the appropriate Director.
- 29.7 The security of personal possessions in the work environment is the responsibility of the owner and the Council will accept no responsibility for the security of any items not necessary for the service of the Council.

30. INSURANCES

- 30.1 The Chief Finance Officer shall effect all insurance cover, where appropriate by competitive tendering, and negotiate and settle all claims in consultation with appropriate Assistant Directors and the Solicitor to the Council where necessary.
- 30.2 Assistant Directors shall notify the Chief Finance Officer immediately of all new risks, properties or vehicles which may require to be insured and of any alterations affecting existing insurances.
- 30.3 Assistant Directors shall forthwith notify the Chief Finance Officer in writing of any loss, liability or damage or any event likely to lead to any claim against the Council.
- 30.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.
- 30.5 The Chief Finance Officer shall annually, or at such other period as is considered necessary, review the level of risk and external insurance in consultation with the appropriate Assistant Director.

31. FINANCIAL STATIONERY

- 31.1 All official receipt forms, cheques, tickets, stores requisition notes, order books and other documents representing money shall be ordered, controlled and issued by ~~and be in the custody of the Chief Finance Officer, who shall supply the requirements of all~~ each Directorate. A register shall be kept by him of all receipts and issues of such documents, and each issue shall be acknowledged by the signature of the officer to whom the issue is made, the quantity issued to be determined by ascertained needs. The officer responsible for the stationery shall ensure that it is stored in a secure place and that unauthorised access is prevented.

32. INDEMNITIES

- 32.1 Directors ~~must~~ should consult with the Chief Finance Officer and Monitoring Officer regarding the terms of any indemnity which the Council is requested to give.

33. IRREGULARITIES

- 33.1 Whenever any matter arises which involves, or is thought to involve, financial irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of its functions the Director concerned shall immediately notify the Chief Finance Officer who shall take such steps as he/she considers necessary by way of investigation and report as detailed in the Anti-Bribery, Fraud and Corruption Policy. Directors should, meanwhile, take any appropriate action to prevent further loss and secure records and documents against removal or alteration.
- 33.2 The Chief Finance Officer should decide whether to involve the Police in matters of serious irregularities and inform the Leader or appropriate Chairman accordingly.
- 33.3 Full details of procedures for dealing with suspected irregularities are given in the Anti-Bribery, Fraud and Corruption Policy.

Definitions of principal irregularities are:

Fraud is 'the intentional distortion of financial statements or other records by persons internal or external to the Authority which is carried out to conceal the misappropriation of assets or otherwise for gain'.

Theft is 'dishonestly appropriating property belonging to another with the intention of permanently depriving them'.

Corruption is 'the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person'.

Bribery is the offer, promise or giving of a financial or other advantage to another person, intending to induce them to perform improperly a relevant function or activity, or to reward a person for such improper performance.

33. DEPARTURES TO FINANCIAL PROCEDURE RULES

- 33.1 In the event of it being impracticable to apply any of these rules in any particular case, the Chief Finance Officer is authorised to waive compliance, subject to reporting any major departures to the next following Cabinet.