

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

1. Introduction

- 1.1 These Regulations are made in pursuance of and for the purposes of Section 151 of the Local Government Act 1972, as augmented by the Local Government Finance Act 1988, the Accounts and Audit Regulations 2003, the Account and Audit (Amendment) (England) Regulations 2006 (Accounts and Audit Regulations) and other relevant legislation and regulations.
- 1.2 The Head of Financial Services shall be the officer with responsibility for the proper administration of the financial affairs of the Council in accordance with Section 151 of the Local Government Act 1972, Section 114 of the Local Government Act 1988, and other relevant legislation and regulations.
- 1.3 Chief Officers shall be responsible for the operation of the financial procedures and compliance with Accounting instructions within their Divisions. They shall ensure that adequate internal controls are in place. Details of the internal controls in place shall be included within the corporate risk management framework.
- 1.4 Chief Officers shall ensure that employees in their Division are aware of and comply with Financial Regulations.
- 1.5 References in the Regulations to Chief Officers shall be a reference to the officers of the Council who comprise the Council's Corporate Management Team.
- 1.6 Monetary Limits contained within Financial Regulations will be reviewed on an Annual Basis and increased in line with the Retail Price Index (RPI) to such an amount as the Council may determine.

2. Financial Administration and Financial Management

- 2.1 The Cabinet is responsible for regulating and controlling the finances of the Council as laid down in the Terms of Reference of Committees.
- 2.2 The Council, after receiving recommendations from the Cabinet, shall be responsible for making and amending from time to time such financial regulations it considers necessary and desirable for the supervision and control of the finances, accounts, income, expenditure and assets of the Council.
- 2.3 The Head of Financial Services shall determine Financial Procedures and Accounting Instructions to assist Chief Officers in carrying out their responsibilities.

Financial Procedures and Accounting Instructions may make provision for :

- a) the form and content of any document dealing with financial matters, including accounting systems, accounts and supporting records in all Divisions;

- b) the disclosure of information to the Head of Financial Services;
 - c) accountancy and financial procedures to be used in relation to particular financial activities; and
 - d) a requirement to consult the Head of Financial Services on specified issues (being issues relating to the financial affairs of the Council);
 - e) the form and content of inventories.
- 2.4 The Head of Financial Services will submit the Statement of Accounts to the Cabinet for adoption by the Council in accordance with the Account and Audit Regulations.
- 2.5 The Head of Financial Services, as the Council's financial adviser, shall give information and advice as appropriate, with respect to the Council's finances, the financial implications of future policies, plans and programmes, financial performance and the financial aspects of their activities. Chief Officers shall consult the Head of Financial Services in respect of any such matter before making any commitment or submitting any report to the Cabinet, any Committee or Sub-Committee.
- 2.6 The Head of Financial Services shall participate in all financial negotiations with Government departments, local or public authorities, and partnership agreements, except to the extent that the Head of Financial Services indicates otherwise.
- 2.7 The Head of Financial Services may require to be involved in any matter which appears to him/her to involve questions relating to the proper administration of the Council's financial affairs and therefore Chief Officers should ensure that all appropriate matters are brought to the Head of Financial Service's attention.
- 2.8 The Accounts and Audit Regulations require that the Council is responsible for ensuring that:-
- (1) the relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk:
 - (2) the relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control.
 - (3) The findings of the review referred to in paragraph (2) shall be considered by the cabinet and following that consideration, shall approve a statement on internal control, prepared in accordance with proper practices in relation to internal control.
 - (4) The Council shall include the statement referred to in paragraph (3) with
 - (a) any statement of accounts it is obliged to publish in accordance with regulation 11, or
 - (b) any income and expenditure account, statement of balances or record of receipts and payments it is obliged to publish or display in accordance with regulation 12.

3. Financial Planning

- 3.1 The Council will adopt a Finance Strategy which will be aimed at maintaining a sound financial structure for the Council in the medium term.
- 3.2 The Head of Financial Services will establish a strategic financial framework to incorporate the main issues facing the Council and to match policies with resources. Such financial planning will involve consideration of medium term commitments, proposals contained within the Finance Strategy and forecasts for three years, together with the annual budget.
- 3.3 Annual Budgets will be prepared in accordance with the Council's Budget and Policy Framework Rules.

4. Accounting Records and Control Systems

- 4.1 The Head of Financial Services shall determine the Council's accounting control systems, accounting records, including the form of accounts and supporting accounting records and ensure compliance with The Accounts and Audit Regulations, any subsequent relevant legislation/CIPFA/ Accounting Code of Practices, and kept up to date.
- 4.2 The accounting records determined by the Head of Financial Services in accordance with paragraph 4.1 shall be sufficient to show the body's transactions and to enable him to ensure that any statement of accounts, income and expenditure account, statement of balances or record of receipts and payments and additional information to be provided by way of notes to the accounts, as the case may be, which are prepared under and comply with the Accounts and Audit Regulations.
- 4.3 The accounting records determined by the Head of Financial Services in accordance with paragraph 4.1 shall in particular contain –
 - (a) entries from day to day of all sums of money received and expended by the body and the matters to which the income and expenditure or receipts and payments account relate;
 - (b) a record of the assets and liabilities of the body; and
 - (c) a record of income and expenditure of the body in relation to claims made, or to be made, by them for contribution, grant or subsidy from any Minister of the Crown, a body to whom such a Minister may pay sums out of moneys provided by Parliament or a Community institution.
- 4.4 The accounting control systems determined by the Head of Financial Services in accordance with paragraph 4.1 shall include-
 - (a) measures to ensure that the financial transactions of the body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records;

- (b) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - (c) procedures to ensure that uncollectable amounts, including bad debts, are not written off except with the approval of the Head of Financial Services, or such member of his staff as is nominated by him for this purpose, or in accordance with paragraph 9.7 and that the approval is shown in the accounting records; and
 - (d) measures to ensure that risk is appropriately managed.
- 4.5 The duties 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.
- 4.6 Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

5. Banking Arrangements

- 5.1 The Head of Financial Services shall make banking arrangements on behalf of the Council. All cheques shall be ordered by the Head of Financial Services who shall make proper arrangements for their safe custody. Periodical statements shall be prepared by Head of Financial Services to reconcile bank statements to the Council's cash account.

6. Budget Responsibilities

- 6.1 The budget will be prepared in accordance with the Budget and Policy Framework Procedure Rules and the Council's approved Finance Strategy.
- 6.2 The Council, having received the recommendations of the Cabinet, shall determine the annual revenue budget, capital programme and resultant Council Tax Levy. This determination shall be made having considered strategic financial advice from the Head of Financial Services and any Government advice which may have been issued with regard to budget and council tax levels.
- 6.3 The budget will be prepared by the Head of Financial Services, jointly with Chief Officers in accordance with a timetable agreed by the Corporate Management Team. The form of budget shall be determined by the Cabinet following recommendation by the Corporate Management Team.
- 6.4 The Head of Financial Services will report on the robustness of estimates and the adequacy of reserves as part of the budget setting process in accordance with legislative requirements.
- 6.5 The Head of Financial Services will provide each Chief Officer with periodical statements or receipts and payments under each approved estimate heading.

- 6.6 The Cabinet will be responsible for overall revenue budget and capital programme performance and monitoring.
- 6.6 Each Chief Officer identified as being responsible for managing each service shall be accountable for the associated allocated resources. If a Chief Officer wishes to incur any expenditure for which either there is no or insufficient provision within the approved revenue estimates, then each Chief Officer may incur that expenditure by virement (ie transferring from one vote to another) subject to the following conditions :-
- i) the maximum extra expenditure shall not exceed £10,000 on any one activity in a financial year;
 - ii) the extra expenditure to be incurred will not be recurring;
 - iii) transfers shall not be made from salaries, wages, asset rents or income votes as these are subject to other Council policies and external influences.
 - iv) the Chief Officers incurring the expenditure shall notify his action to the Head of Financial Services for amendment of the base budget.
- 6.7 The Cabinet will be responsible for the approval of Supplementary Estimates and Virements in excess of £10,000 of a revenue and capital nature. The aggregate amount of supplementary estimates and virements shall not exceed £150,000 in any one financial year. Beyond that limit approval to any supplementary estimate or virement shall require the approval of full Council.
- All new Capital and Revenue Proposals require the approval of full Council.
- 6.8 Nothing in these financial regulations shall prevent a Chief Officer from incurring expenditure which is essential to meet any material needs created by a sudden emergency which is referable to section 138 of the Local Government Act 1972 subject to its action being reported forthwith to the Cabinet.
- 6.9 The inclusion of items in approved revenue estimates shall constitute authority to incur such expenditure except where the Council have placed a reservation on any such item or items. Expenditure on any such reserved items may be incurred only when and to the extent that such reservation has been removed.
- 6.10 Expenditure on items in an approved capital programme may only be incurred when all the necessary grant and loan approvals have been received and if proposed to be met from capital receipts when these are available or approved by the authorities responsible. The Council may also place a reservation on a particular scheme which can then only be proceeded with when that reservation has been removed.

7. Contract Procedure

- 7.1 The general procedure in respect of contracts is covered by Standing Orders Relating to Contracts.
- 7.2 Where Contracts more than £10,000 provide for payment to be made by instalments, the Head of Financial Services shall arrange for the keeping of a contract register or other suitable method of recording approved by the Head of Financial Services, to show the state of account on each Contract between the Council and the Contractor, together with any other payments and the related professional fees. The Head of Legal and Democratic Services shall notify the appropriate details of every such Contract to the Head of Financial Services and the name of appropriate Supervising Officer as soon as the Contract is entered into and the appropriate Supervising Officer shall notify the Head of Financial Services of the date of commencement of the Contract period if not stated in the Contract without delay and prior to any payments being made relating to the contract.
- 7.3 Payments to Contractors for building, constructional or engineering work on account of the Contract shall be made only on a certificate issued by the appropriate Supervising Officer or other officer in accordance with regulation (14.2). In the case of Contracts supervised on behalf of the Council by private consultants such certificate shall be signed by the consultant concerned. Payments for other contracts, to which this Regulation applies, shall be by means of invoice and/or pro forma certificates as determined by the Head of Financial Services.
- 7.4 Subject to the provisions of the Contract in each case every extra or variation shall be authorised in writing at the time of occurrence by the appropriate Supervising Officer or his nominee as per (7.3) above, or, if appropriate, by the consultant concerned and a copy, evaluated where possible, shall be forwarded to the Head of Financial Services.
- 7.5 If during the course of the Contract it appears to the appropriate Supervising Officer, or where appropriate the consultant concerned, that the final cost is likely to exceed the approved Contract sum that person shall, as soon as possible, report to the Cabinet.
- 7.6 The final payment certificate on completion of any Contract for building, constructional or engineering work shall not be issued nor shall the final balance of the retention monies be released unless the appropriate Supervising Officer or consultant has produced to the Head of Financial Services a detailed statement of account and all relevant documents as required and the Head of Financial Services has agreed the amount due.
- 7.7 The Head of Financial Services shall, to the extent he considers necessary, examine final accounts for the contracts for building, constructional or engineering work and he shall be entitled to make all such enquiries and receive such information and explanations as he may require in order to satisfy himself as to the accuracy of the accounts.

- 7.8 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred by the appropriate Supervising Officer to the Head of Legal and Democratic Division for consideration of the Council's legal liability and where necessary to the Head of Financial Services for financial consideration before settlement is reached.
- 7.9 On practical completion of the Contract for building, constructional and engineering work, the appropriate Supervising Officer or consultant shall issue a certificate of practical completion and forward a copy to the Head of Financial Services.
- 7.10 Where completion of a Contract is delayed by more than one month beyond the Contract period as extended where appropriate, it shall be the duty of the Supervising Officer or Consultant concerned and the Head of Legal & Democratic Services to take action under the appropriate clause in the contract in respect of any claim for liquidated damages and to report his action to the Cabinet.
- 7.11 In any case where the total final cost of any work carried out under contract for building, constructional or engineering work exceeds the original approved cost, as amended by Cabinet from time to time, a report of such costs shall, after agreement of the final account, be submitted to the Cabinet by the Chief Officers concerned for approval and financing.
- 7.12 In the case of Contract work undertaken by the Council's Operational Services regulations relating to contracts will apply where appropriate.
- 7.13 The whole of the regulations relating to Contracts (7.2-7.13) shall be included in the terms of the agreement of a consultant engaged for capital works.

8. External Arrangements

- 8.1 The Council provides a distinctive leadership role for the community and can bring together the contributions of the various stakeholders. It can also act to promote or improve the Council's economic, social and environmental well-being.
- 8.2 Full Council is responsible for approving delegations, including frameworks for partnerships. The Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 8.3 Full Council can delegate functions - including those relating to partnerships - to officers. These are set out in the scheme of delegation that forms part of the Council's constitution. Where functions are delegated, the Cabinet remains accountable for them to the full Council.
- 8.4 Officers represent the Council on partnerships and external bodies, in accordance with the scheme of delegation.
- 8.5 Council representatives on partnerships will promote and maintain the same high standards of financial administration that normally apply within the Council.

- 8.6 The Head of Financial Services must ensure that the accounting arrangements adopted by partnerships and joint ventures are satisfactory. Consideration must be given to the overall corporate governance arrangements and legal issues when arranging contracts with external bodies, and all significant risks must be fully appraised before agreements are entered into.
- 8.7 Chief Officers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- 8.8 The Head of Financial Services is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts
- 8.9 The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.
- 8.10 Chief Officers will ensure that :
- (i) such work is intra vires;
 - (ii) a register is maintained of all contracts entered into with third parties;
 - (iii) appropriate insurance arrangements are made;
 - (iv) the Council is not put at risk from any bad debts from the external arrangements, for example, as accountable body;
 - (v) no contract is subsidised by the Council;
 - (vi) wherever possible, payment is received in advance of the delivery of the service;
 - (vii) the Division has the appropriate expertise to undertake the contract;
 - (viii) all contracts are properly documented in accordance with this Council's Standing Orders Relating to Contracts;
 - (ix) appropriate information is provided to the Head of Financial Services for final account purposes as requested by him.

9. Income

- 9.1 The Head of Financial Services shall control the arrangements for the proper recording of all sums due to the Council and for the prompt and proper accounting for all cash, cheques or other money equivalents, including its collection, custody, control and deposit with Council's bankers.
- 9.2 All money received shall be acknowledged by way of an official receipt, vouchers or tickets. Money shall not be accepted by any one who is not in a position to be able to give such an official receipt.

All receipt forms, books, tickets, receipting machines and other such items shall be either ordered by the Head of Financial Services and issued by him to the various divisions or where the Head of Financial Services considers it expedient ordered by the division concerned under arrangements approved and controlled by the Head of Financial Services.

- 9.3 All money received by an Officer on behalf of the Council shall, without delay, be paid without deduction to the Head of Financial Services or as he may direct, to the Council bank account.

Every officer of the Council who pays any money into a banking account of the Council or an official banking account of any officer of the Council shall enter on a paying-in slip, and on the counterfoil or duplicate thereof, particulars of such payment, including, in the case of each cheque paid in:-

- a) the amount of the cheque, and
- b) a reference (such as the number of the receipt given or the name of the debtor) which will connect the cheque with the debt or debts in discharge or partial discharge of which it was received.

Officers shall keep such records in a form approved by the Head of Financial Services as may be necessary to account for all monies.

- 9.4 Where any cheque paid in as mentioned in paragraph (9.3) above was not received in discharge or partial discharge of a debt due to the Council, the officer shall note the fact on the counterfoil or duplicate of the paying-in slip.
- 9.5 Any cheques shall not be cashed out of the money held on behalf of the Council.
- 9.6 Every transfer of official money from one member of staff to another will be evidenced in the records of the divisions concerned by the signature of the receiving officer.
- 9.7 If a debt is to be written off the relevant Chief Officer shall submit their reasons in writing to the Head of Financial Services for such action. The Head of Financial Services is authorised to write off debts up to the value, in each case, of £1,500, and the Cabinet is authorised to write off debts in excess of this figure.
- 9.8 Particulars of all scales of charges operated in the various departments shall be notified to the Head of Financial Services. No new changes or variations or cessations of existing charges shall be made except upon a report of a Chief Officer prepared in conjunction with the Head of Financial Services reported and endorsed by the appropriate committee and approved by Council.
- 9.9 The details of any anticipated income monies that are lost should be reported to the Head of Financial Services by the responsible Chief Officer without delay.

10. Insurances

- 10.1 The Head of Financial Services shall effect all insurance cover where appropriate following a risk analysis and negotiate all claims in consultation with other Chief Officers as necessary.
- 10.2 Chief Officers shall give immediate notification to the Head of Financial Services of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

- 10.3 Chief Officers shall forthwith notify the Head of Financial Services in writing of any loss, liability or damage or any event likely to lead to a claim.
- 10.4 All employees of the Council shall be included in a suitable fidelity guarantee insurance.
- 10.5 The Head of Financial Services shall at such periods as he may consider necessary review all insurances in consultation with other Chief Officers as appropriate.
- 10.6 Chief Officers shall consult the Head of Legal & Democratic Services and the Head of Financial Services in respect of the terms of any indemnity which the Council is requested to give; and the terms of insurances required to be held and evidence held by third parties prior to the use of Council assets.

11. Internal Audit

- 11.1 The Council's responsibilities under Regulation 6 of The Accounts and Audit Regulations, are delegated to the Head of Financial Services. The Head of Financial Services shall maintain a continuous, adequate and effective system of internal audit of the Council's accounting records, and of its system of internal control in accordance with proper practices, which has authority for such purpose:-
- a) to enter, at all reasonable times, any land, building, vehicle or plant owned or used by the Council;
 - b) to have access at all times to all records, documents or correspondences, including any stored by mechanical, electric or electronic means relating to the affairs of the Council;
 - c) to possess or to take copies of any record, document or correspondence;
 - d) to require any information and explanation from any member or employee of the Council concerning any matter under examination;
 - e) to require any employee or member of the Council to produce records, cash, stores or any other property under his/her control.

Internal Audit to have cognisance of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom and any subsequent amendments to the Code.

- 11.2 The Accounts and Audit Regulations require that the Council shall, at least once in each year, conduct a review of the effectiveness of its system of internal audit. This review shall be considered and approved by Cabinet and the Audit Committee.

The findings of the review shall be considered, as part of the consideration of the system of internal control referred to in paragraph 2.8.

- 11.3 The Head of Financial Services, through the Internal Audit Section, will issue guidance on principles to be observed in the allocation of accounting duties in order to meet good audit practice.

- 11.4 A Chief Officer, or any other member of staff or member of the Council, shall immediately inform the Head of Financial Services of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including any affecting asset (including data) cash, stores or other property of the Council. The Head of Financial Services, shall then determine the action to be taken.
- 11.5 The Terms of Reference which enable Internal Audit to operate adequately and effectively are approved by the Council following consultation and recommendation from the Cabinet and Audit Committee.

12. Inventories

- 12.1 Inventories shall be maintained by all Divisions and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery, save that the extent to which the property of the Council shall be recorded and the form in which the inventories shall be kept is to be determined by the appropriate Chief Officer with the concurrence of the Head of Financial Services.
- 12.2 Each Chief Officer shall be responsible for maintaining an annual check of all items in the inventory. All surpluses and deficiencies in excess of £100 shall be notified in writing to the Head of Financial Services as soon as practicable by the responsible Chief Officer.
- 12.3 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 Chief Officer concerned.

13. Investments, Borrowing and Treasury Management Activities

- 13.1 The Council adopts the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Sector.
- 13.2 The Cabinet shall be responsible for implementation and monitoring Treasury Management policies and practices, and the Head of Financial Services responsible for the execution and administration of Treasury Management decisions, acting in accordance with the approved Policy Statement, Treasury Management Policies and, if a CIPFA member, its Standard of Professional Practice on Treasury Management.
- 13.3 The Head of Financial Services shall report to Council on Treasury Management Policy and to the Cabinet on practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close.
- 13.4 Borrowings shall be in accordance with the Prudential Code and guidance from CIPFA. The Prudential indicators shall be monitored and reported to the Cabinet by the Head of Financial Services on a quarterly basis.

14. Payment of Accounts

- 14.1 Apart from petty cash the normal method of payment of money due from the Council shall be by cheque, direct debit or other instrument drawn on the Council's banking account.
- 14.2 Chief Officers are responsible for the issuing of purchase orders, for the examination, verification and certification of invoices and other vouchers for payment via manual or electronic means. Chief Officers may delegate authorisation to members of staff. Chief Officers shall maintain a list of the names authorised to sign documents, (including electronic signatures), regularly review and forward to the Head of Financial Services without delay or upon request by the Head of Financial Services, or to an Officer duly authorised to make the request. This list to detail names, specimen signatures, initials and any limitations on the authority.
- 14.3 Before certifying an account the certifying officer shall have satisfied himself that:-
- i) The work, goods or services to which the account relates have been received, carried out, examined and approved both as to quantity and quality;
 - ii) Appropriate entries have been made in inventories, stores records or stock books as required;
 - iii) The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct having been checked against prior quotes, tenders or price lists;
 - iv) The account has not been previously passed for payment and is a proper liability of the Council, and is within the relevant estimate;
 - v) The amount of the invoice is correctly coded to the appropriate expenditure code.
- 14.4 Payment should be made in accordance with the Council's 'prompt payment' code. Invoices to be date stamped with the date of receipt by the division as part of the post opening procedures. Employees should date and sign an invoice in any instances where an invoice has not been so stamped. Certified accounts shall be passed without delay to the Head of Financial Services (in normal circumstances within 7 days from receipt of such account in the spending division) who shall examine them to the extent that is considered necessary, for which purpose the Head of Financial Services shall be entitled to make such enquiries and to receive such information and explanations as may be required. Where discount is available for prompt payment, the Chief Officers should ensure that payments are dealt with in sufficient time to ensure receipt of discount.
- 14.5 Any amendment to an account shall be made in ink and initialled by the officer making it stating briefly the reasons where they are not self-evident.
- 14.6 Each Chief Officer shall during the year and at each financial year end provide the Head of Financial Services with any requested information in relation to committed expenditure relating to the present or previous financial year without delay and in any event in accordance with accounting timetables.

15. Petty Cash Accounts

- 15.1 The Head of Financial Services shall provide petty cash accounts as considered appropriate for the purpose of defraying small expenditure. Such accounts shall be maintained on the imprest system.
- 15.2 No income received on behalf of the Council may be paid into a petty cash account but must be banked or paid to the authority as provided elsewhere in these regulations.
- 15.3 Payments shall be limited to minor items of expenditure not exceeding £150 in any individual case and to such other items as the Head of Financial Services may approve. Any payment shall be supported by a receipted voucher and where practicable such voucher shall be obtained from the supplier.
- 15.4 An officer responsible for a petty cash account shall, if so requested, give to the Head of Financial Services a certificate as to the state of his imprest advance.
- 15.5 On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest, an officer shall account to the Chief Officer for the amount advanced to him/her.
- 15.6 Petty cash accounts are not to be issued for the encashment of cheques or issuing of "IOU's".
- 15.7 Advance payments may be made to employees on the provision of a completed voucher given full details of reason for the advance and signed by the receiving employee.

16. Procurement of Works, Goods, Materials and Services.

- 16.1 The procurement of works, goods, materials and services shall be made in accordance with the Council's Standing Orders on Contracts. Each Official Order shall contain details of the goods/service to be received from the named supplier, including quantity, description and estimate of cost. Official Orders are to be signed only by Officers authorised by Chief Officers in writing to the Head of Financial Services, such authorisation may be limited as detailed in 14.2.
- 16.2 The Head of Financial Services shall maintain and issue stocks of official orders which shall be in a form approved by him. All orders issued shall be the responsibility of the appropriate Chief Officer who may delegate this duty.
- 16.3 Official orders shall be issued for all work, goods or services to be supplied to the Council except for suppliers of utility services, for periodic payments such as rent and rates, for petty cash purchases and such other exceptions that the Head of Financial Services may approve.
- 16.4 Each order shall conform with the directions of the Council with respect to standardisation of supplies and materials.

- 16.5 On the authorisation of the account for payment of the work, goods or services for which the order was issued, the copy order shall be marked "paid" to assist the Chief Officer to fulfil his duty under Regulation (14.3 iv). To comply with best practice there should be a division of duties between officers authorised to place orders and receive goods.

17. Property Assets

- 17.1 The Head of Legal and Democratic Services shall maintain a terrier of all Land and Buildings owned by the Council recording the purpose for which held, location, plan reference, purchase details, particulars of nature of interest and rents payable, and particulars of tenancies granted.
- 17.2 The Head of Legal and Democratic Services shall have custody of all title deeds.
- 17.3 The Head of Cultural, Leisure & Commercial Services shall prepare and review the Council's Asset Management Plan and make recommendations to Council thereon in respect of acquisition and disposal policy.

18. Salaries and Wages

- 18.1 The payment of all salaries, wages, compensations, other emoluments and travelling and subsistence claims to all employees shall be made by the Head of Human Resources or under arrangements approved and controlled by the Head of Financial Services.
- 18.2 Chief Officers shall notify the Head of Human Resources as soon as possible (in the form prescribed) of all appointments, terminations of employment, sickness absences and any other changes which may affect the pay of employees.
- 18.3 Appointments of all employees shall be made in accordance with the Council's approved establishments, grades and rates of pay.
- 18.4 Changes in remuneration should be made in accordance with Council Approval contained within the Personnel Handbook.

19. Security

- 19.1 Chief Officers shall be responsible for the security of all assets under their control and shall consult with the Head of Financial Services where security is thought to be defective or where it is considered special security arrangements are needed.
- 19.2 Assets include land, property, money, stocks, stores, furniture, equipment and electronic data.
- 19.3 Maximum limits for cash holdings shall be agreed with the Head of Financial Services and shall not be exceeded without his express permission.

- 19.4 Keys to safes and similar receptacles are to be in the personal custody of the person responsible at all times except where the Head of Financial Services is satisfied adequate alternative security exists; the loss of any such keys must be reported to the Head of Financial Services and the Head of Legal and Democratic Services.
- 19.5 The opening of post shall be in a secure location in accordance with arrangements approved by the Head of Financial Services. The receipt of post at Council offices shall be under arrangements approved by the Head of Financial Services.
- 19.6 Chief Officers shall ensure compliance with the provisions of the Council's Information and Communications Technology Policies and Guidelines within their Divisions.

20. Stocks and Stores

- 20.1 Each Chief Officer shall be responsible for the care, custody and level of the stocks and stores in his Division and keep such records as in consultation with the Head of Financial Services considered necessary. Stocks shall not be in excess of normal requirements except in special circumstances with the approval of the Cabinet.
- 20.2 Chief Officers 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.
- 20.3 The Head of Financial Services shall be entitled to receive from each Chief Officer such information as he requires in relation to stores for the accounting, costing and financial records including a certified statement of surpluses and deficiencies arising throughout the year.
- 20.4 Surplus materials, stores or equipment of estimated value in excess of £1000 shall be disposed of by competitive tender or public auction unless the Chief Officer with the agreement of the Head of Financial Services decides otherwise in any particular case.

21. Travelling, Subsistence and Other Allowances

- 21.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the Head of Human Resources, duly certified, in a form approved by the Head of Financial Services, made up to a specified day of each month, within six days thereof. The names of officers authorised to sign such records shall be sent to the Head of Financial Services by each Chief Officer, together with specimen signatures and initials and shall be amended on the occasion of any change as detailed in 14.2.
- 21.2 The certification by or on behalf of the Chief Officer 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.

- 21.3 Payments to Members in respect of Basic and Special Responsibility allowances will be made monthly by the Head of Human Resources, in accordance with the Council's Members' Allowance Scheme.
- 21.4 Payments to Members, who are entitled to claim travelling or other allowances, will be made by the Head of Human Resources upon receipt of the prescribed form duly completed. All claims for a financial year are to be submitted within one month of 31st March.

22. Value for Money

- 22.1 Budget holders shall ensure that best value is pursued in the delivery of all services and shall continuously seek improvement in the quality, efficiency and effectiveness of services in accordance with the Council's Value for Money Policy and Efficiency Action Plan.

23. Working Balances, Reserves & Provisions

- 23.1 Council have adopted the general principles of the CIPFA Guidance on Local Authority Reserves and Balances.
- 23.2 The Head of Financial Services shall advise the Council about the level of working balances, reserves and provisions and administer in accordance with the Council's Financial Strategy.
- 23.3 The Working Balance shall be set at a minimum of 5% of net operating expenditure and be used to cushion the impact of uneven cash flows, and as a contingency for unexpected events or emergencies.
- 23.4 General Reserves arising from either savings on budgeted expenditure or over achievement of targeted income are to be reviewed annually by the Council as part of the budget process and are to be used to assist with the balancing of the budget over the medium term financial plan.
- 23.5 Earmarked Reserves are set up by the Council to assist with known or predicted liabilities. The level of each Reserve is assessed by the Head of Financial Services based upon strategic, operational and financial risks facing the Council and agreed by the Council annually as part of the Budget process.
- 23.6 The Head of Financial Services will establish provisions for defined liabilities in accordance with Accounting Guidelines.