

## **SECTION 5 FINANCIAL PROCEDURE RULES**

(Revised April 2019)

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## 1) FINANCIAL GOVERNANCE

### Council's responsibilities

The Council has a statutory duty to make arrangements for the proper administration of its financial affairs and to ensure that one of its Officers has responsibility for the administration of those affairs. The S.151 Officer has been designated as being responsible for those arrangements.

The Council is responsible for the approval of the Financial Procedure Rules to be used by all Members and Officers, including any amendments or additions presented by the S.151 Officer.

The Council is responsible for approving the procedures for recording and reporting decisions taken, by the Council itself, or under approved delegation arrangements. The Scheme of Delegation, which includes financial limits, is set out in the Constitution at Part 3.

The Audit and Governance Committee is responsible for reviewing the draft Annual Statement of Accounts and approving the audited Annual Statement of Accounts.

### Executive Committee's responsibilities

The Executive Committee is responsible for ensuring that the Financial Procedure Rules are followed across the Council. The Executive Committee is also responsible for arranging for a review of the Financial Procedure Rules at least every three years and for recommendations for any changes to be made to the Council.

The Executive Committee is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management arrangements.

### S.151 Officer

The S.151 Officer is responsible for the proper administration of the Council's financial affairs, and particularly for

- maintaining a continuous review of this Financial Procedure Rules and the submission of any additions or changes necessary for Council approval;
- providing corporate financial advice and information to the Council.
- ensuring that arrangements are in place to maintain proper accounting records
- setting standards for good financial management including accounting policies which are set in accordance with proper practice and accounting regulations.
- advising on the key financial controls necessary to secure sound financial management;
- ensuring that proper systems of internal control are operated and reporting breaches of the Financial Procedure Rules to Council, Executive Committee, Audit & Governance Committee, or the Standards Committee as appropriate;
- coordinating the preparation of the revenue budget and capital plan,
- preparing the annual financial statements in accordance with the relevant accounting standards and codes of practice and any necessary technical accounting adjustments. Ensuring that arrangements are in place for the audit of the financial statements;
- treasury management activities, including reporting on prudential indicators;

The S.151 Officer also has a range of statutory duties, rights and responsibilities in relation to the financial administration and stewardship of the Council. The S.151 Officer must report to the Council under Section 114 of the Local Government Finance Act 1988, if:-

- a decision has been made, or is about to be made, which involves the incurring of expenditure which is unlawful;
- there has been, or is about to be, an unlawful action resulting in a financial loss to the Council; or
- Anyone or anybody is about to make an unlawful entry in the Council's accounts.

The S.151 Officer may issue any instruction intended to fulfil these responsibilities and is entitled to any information or explanations as he/she may require.

The S.151 Officer shall issue instructions and guidance to the Council in line with S.25 of the 2003 Local Government Act.

### Chief Executive, Monitoring Officer (COG) and Senior Officers

Senior Officers (defined as Executive Directors, Directors and Associate Directors within the current structure), must ensure that;

- proper financial controls are maintained in their service area.
- arrangements are in place to ensure that all Officers involved in financial matters are aware of, and competent in the use of, these Financial Procedure Rules, Contract Procedure Rules and the Council's financial ledger.
- the extent of delegated authority to Officers must be recorded. See further guidance on the Scheme of Delegation in Part 3 of the Constitution. The financial implications of all proposals in advance of any "key decision" report have been subject to approval by the S.151 Officer and their representatives and the subsequent report sets out the financial implications.
- the legal implications of all proposals in advance of the "key decision" report production have been subject to approval by the Monitoring Officer and the subsequent report sets out the legal implications.

### Head of Paid Service

The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. They must report to and provide information for the Council; the Executive Committee; the Overview and Scrutiny Committee; and any other Committees of the Council. The Head of Paid Service is responsible for establishing the framework for management direction, style and standards and for the monitoring of performance for the organisation. The Head of Paid Service, Monitoring Officer and S.151 Officer are responsible for the system(s) of record keeping in relation to all the Council's decisions.

### Monitoring Officer

The Monitoring Officer is responsible for promoting and maintaining high standards of conduct, including about financial matters. They are also responsible for ensuring the legality and the powers to enter into transactions and the terms and conditions of contracts and other agreements.

The Monitoring Officer is also responsible for reporting any actual or potential breaches of law or maladministration to the Council and/or to the Executive Committee, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

The Monitoring Officer must ensure that Executive Committee decisions and the reasons for them are made public and that Councillors are aware of the decisions made by: the Executive Committee; those made by anyone from the workforce; or anyone else acting on the Authority's behalf, who have delegated Executive Committee responsibility.

The Monitoring Officer is also responsible for providing advice to anyone about who has responsibility or authority to take a particular decision. In relation to financial matters, s/he will consult with the S.151 Officer before giving advice.

The Monitoring Officer is responsible for advising the Council or Executive Committee about whether a decision is likely to be considered contrary to or wholly in accordance with the Policy Framework. Responsibilities for actions contrary to budget lie with the S.151. Officer.

### External agencies and partnerships

Where, as a result of legislation or decision of the Council, part of the Council's functions are delivered by an associated organisation, funded partly or wholly by the Council, the organisation must submit for approval by the Council its own arrangements for corporate governance. These arrangements will incorporate the spirit of the Council's Financial Procedure Rules, and will include the Council's right of access to financial information about the associated organisation. The Audit & Governance Committee shall monitor the overall Council risks on partnerships as part of its governance role.

Specific terms and conditions will be required when the Council is deemed the Accountable Body for external funding. Where the establishment of such terms and conditions are the responsibility of the Accountable Body they have to be agreed by the Executive Committee

### Officers and Councillors

All Officers and Councillors within the authority are required to maintain and provide the highest standards of financial management, integrity and administration in line with these Financial Procedure Rules. Their conduct is also set out in the relevant Codes of Conduct which they must be aware of and comply with at all times.

### Delegated responsibilities

A reference in the Financial Procedure Rules to the S.151 Officer includes the Deputy S.151 Officer as having the same powers and responsibilities. Other nominees can be made by the S.151 Officer and will be notified to the Head of Paid service and Monitoring Officer.

An Officer means any employee of the Council, or other persons contracted to carry out functions of the Council, including but not limited to agency workers, third party contractors and partnership bodies where these Financial Procedure Rules apply.

### Non Compliance with regulations

When an Officer is aware of a breach of these regulations they have a duty to report it to the S.151 Officer. Any such report will be treated in the strictest confidence

Failure of any Officer to comply with these regulations may constitute misconduct or gross misconduct, depending on the circumstances, and may result in disciplinary action being taken in accordance with the Council's Disciplinary Procedure.

## 2) INTERNAL AUDIT AND SYSTEMS OF INTERNAL CONTROLS

### Responsibility & Authority

Under the Accounts and Audit (England) Regulations 2015 a Council must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control, and at least once in each year, conduct a review of the effectiveness of its internal audit.

The Chief Audit Executive is responsible for Internal Audit. An annual risk based audit plan is produced to identify systems and process that require audit. This includes consideration of controls in place relating to accounting records. The plan is approved by the Audit Committee.

The S.151 Officer is responsible for identification of:-

- the risks inherent in and associated with each financial system;
- the soundness, adequacy and application of the financial and other management controls and systems within each Service;
- the extent of compliance with, and the financial effects of, established policies, plans and procedures;
- the extent to which the organisation's assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud, other offences, waste, extravagance and inefficient administration, poor value for money and other cause;
- the suitability, accuracy and reliability of financial and other management data within the organisation; and
- value for money aspects of service provision.

The Chief Audit Executive will report to the Audit & Governance Committee on a cyclical basis about the findings of Internal Audit.

### Investigations and Suspected Fraud or Corruption

The Chief Officers Group is responsible for ensuring that Officers are:

- aware of the Council's Anti-Fraud and Anti-Corruption Strategy;
- aware of the Whistleblowing Policy;
- operating in a way that maximises internal check against inappropriate behavior.

The S.151 Officer is responsible for the development and maintenance of the Anti-Fraud & Anti -Corruption Strategy and for directing the Council's efforts in fraud investigation. The Executive Director: Resources and S151 / Director: Corporate Resources supported by the relevant Senior Officer is responsible for the development and maintenance of the Whistleblowing Strategy.

It is the duty of any Officer who suspects or becomes aware of any matter which may involve loss or irregularity concerning cash, stores or other property of the Council or any suspected irregularity in the operations or exercise of the functions of the Council to immediately advise Senior Officers. The Senior Officer concerned must immediately notify the S.151 Officer who may take action by way of investigation and report.

Where, following investigation, the S.151 Officer considers that there are reasonable grounds for suspecting that a loss has occurred as a result of misappropriation, irregular expenditure or fraud, appropriate action will be taken including following internal disciplinary procedure and/or reporting to the police

### 3) FINANCIAL SYSTEMS AND PROCEDURES

The S.151 Officer is responsible for setting the standards on the operation of the Councils accounting and financial systems, the form of accounts and the supporting financial records. Any changes to the existing financial systems, processes or procedures; or the establishment of new systems to meet the specific needs of a Service must have prior approval of the S.151 Officer before being implemented.

The financial systems in operation at the Council include

- Financial Ledger, Creditors and Debtors functions
- Purchasing commitment system for raising all purchase orders.
- Income Management System

Senior Officers are responsible for

- ensuring that Officers understand and are competent to undertake their financial responsibilities.
- ensure that Officers are able to use the financial systems in operation at the Council.
- where appropriate make sure Officers receive relevant financial training, to their level of responsibility, that has been approved by the S.151 Officer.
- the proper operation of financial processes in their own departments and must ensure that all financial, costing, and other statistical information is recorded fully and accurately.
- ensure that financial documents are retained in accordance with the Council's approved retention schedule.
- make arrangements, where appropriate, for the separation of duties between the carrying out of transactions and the examining and checking of transactions.

Any departure from using corporate accounting and financial systems must be approved and justified on cost/service grounds to the S.151 Officer before the commitment to change is agreed.

Bid documents for external funding must be completed in conjunction with advice from finance and legal departments and approved by the Monitoring Officer and the S.151 Officer. Grant claims, financial returns and submissions must be completed by the relevant Senior Officers and authorised by the S.151 Officer prior to submission to the Government Department.

Any proposals to enter into an arrangement involving a lease to finance any expenditure should be subject to review by the S.151 Officer to ensure the financial implications receive appropriate consideration.

#### 4) PREPARING AND MANAGING THE REVENUE AND CAPITAL BUDGET

##### Financial Planning Framework

It is a legal requirement for the Council to ring-fence and separately manage many of its financial resources and expenditure. The main “ring-fenced” areas include:

- capital expenditure and resources;
- the Collection Fund

Any income or expenditure, which does not fall within the above categories, is deemed to fall within General Fund.

Ring-fencing means that the Council is not permitted or is heavily restricted in its ability to move resources in or out of a particular ring-fenced area. The situation is further complicated by the fact that certain resources within each of the above ring-fenced areas have to be earmarked to particular activities. For example, capital grants that have been provided specifically to finance particular schemes.

Having regard to all statutory ring-fencing arrangements, the S.151 Officer, after consulting the Chief Officer Group and Executive Committee, shall be responsible for designing and implementing the annual budget and medium-term financial planning system. The S.151 Officer is responsible for the preparation of a corporate revenue budget, capital program and advice on the setting of Council Tax.

##### Preparation of the Council Plan

The Chief Executive is responsible for proposing the Council Plan to the Executive Committee for consideration before its submission to the Council for approval. When compiling the Plan, and in conjunction with other Senior Officers, the Chief Executive will ensure that the plan is commented on by the S.151 Officer

##### Budget Preparation

The S.151 Officer is responsible for

- the preparation of a Medium Term Financial Strategy for the following five-year period to be submitted annually to the December meeting of the Council for approval
- Preparation of an annual balanced revenue budget, capital budget and reserves statement for approval by the Council in February of each year.

The S.151 Officer will make arrangements to consult with the public, partners and business community on the budget options being considered.

The Executive Committee will consider these budget option proposals in detail and make its recommendations to the Council before the date set for the meeting of the Council which will determine the budget.

The S.151 Officer will advise the Executive Committee and the Council on the overall budget, the levels of Council Tax, the use of reserves and the need for contingency budgets, and on the risks involved in the forecasts of spending levels and income.

The S.151 Officer is responsible for designing the process to be able to set a balanced budget. The budget process and timetable is set out in detail in the Financial Services Handbook. This handbook will be updated when necessary, to reflect any changes, and notified to all senior Officers.

## Resource Allocation

It is imperative that objectives are carefully prioritised and that limited resources are allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials. The S.151 Officer is responsible for identifying the sources and level of funding available, covering grants from Central Government Departments, the Business Rates regime and from increasing Council Tax. The S.151 Officer is responsible for ensuring that the resource allocation is adequate.

To assist with the resource allocation the Council will maintain a general level of balances and reserves. These levels shall be calculated and recommended for approval by the S.151 Officer using a risk based approach in advance of the setting of the Budget for the approaching financial year. This will support the budget decisions being taken at the Council meeting which sets the Council Tax. This level of balances and reserves shall be subject to regular review in the budget monitor reports. At the year-end as part of the production of the Annual Statement of Accounts the S.151 Officer shall assess the risks facing the Council and prepare the Statements to utilise reserves to meet expenditure incurred.

## Reporting

The Executive Committee is responsible for implementing Service and Corporate Plans within the resources allocated in the revenue and capital budgets. The S.151 Officer will provide information on the Council's performance against the revenue and capital budgets to Executive Committee quarterly during the financial year. Senior Officers will receive monthly budget monitoring updates from the S.151 Officer.

The general format of the budget proposed by the Executive Committee to Council will follow that advised by the S.151 Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds. The headings proposed will be those advised by the S.151 Officer.

The S.151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively by Senior Officers. Senior Officer must monitor and control expenditure against budget allocations and report to the S.151 Officer any significant under/overspends. The S.151 Officer will report to the Executive Committee on the overall position on a quarterly basis, noting significant variances in the reported position from the set budget. The S. 151 Officer will recommend any corrective action that is deemed necessary, including the use of a S.114 Notice if necessary.

Senior Officers will control income and expenditure within their areas of responsibility. They will monitor performance, taking account of financial information provided by the S.151 Officer. They should report on actual variances within their own areas, and on the possible likelihood of them. They must also: alert the S.151 Officer to any problems; consult with the S.151 Officer about the remedial action necessary to avoid exceeding their budget allocations and take the remedial action agreed.

## Managing budgets

Senior Officers are responsible for managing budgets within their delegated authority. They must take action to avoid overspending budgets and report any difficulties to the S.151 Officer. Delegated Officers with budget responsibility must support their Senior Officers with all arrangements for the preparation and management of the budget as set out in the financial procedure rules.

Senior Officers should delegate authority to commit budgets to the appropriate level of management, make arrangements to set out clearly the extent of authority of managers, and review the performance of managers in managing these budgets. Senior Officers should complete the relevant form and return it to the S.151 Officer. The Finance Team will ensure that records of delegated authority are maintained, regularly reviewed and updated.



Senior Officers must in accordance with their financial support, including using the financial reports on the financial ledger, review their budgets on a monthly basis to support the regular budget meeting due by the S.151 Officer. All budget holders have access to the financial reporting system and will receive a monthly report on the 1<sup>st</sup> of each month detailing their current position against budget. Financial officers will meet with budget holders, at least, quarterly to support the financial reporting to the Executive committee.

The S.151 Officer is accountable for all corporate contingency budgets, which will be managed in the same way as service and activity budgets.

Where, as a result of a mistake or error by an Officer, the Council becomes liable for any charges, penalties or additional expenses, such costs will be met by the Service in which the error is made.

### Carry forwards and recovery of overspends

Carry forward is a mechanism for transferring budget provisions from one year to another. This will be done during the production of the Statement of Accounts. The Executive Committee is responsible for determining changes to the Council's Revenue Budget arising from the carry forward process. Carry forwards are one-off gains which can be utilized to

- fund future projects and/or
- service improvements
- forward management of Council finances.

They should not be used to fund recurring revenue expenditure. Additions to recurring revenue expenditure will be dealt with through the budget setting process.

After the end of each financial year, the S.151 Officer will report to the Executive Committee on the financial performance of each service and of the Council as a whole.

### Risk Management and Control of Resources

It is essential that robust, integrated systems exist to identify and evaluate all significant operational risks to the Council. These systems will be maintained by the proactive participation of everyone associated with the planning and delivery of services to its citizens.

The Executive Committee is responsible for approving the Council's Risk Management Policy Statement and the Strategy and has delegated the monitoring of the effectiveness of risk management to be Audit Committee.

The S.151 Officer is responsible for advising Senior Officers and the Executive Committee Member of any financial implications into the risk management process and that appropriate insurance cover is in place.

Internal Control is the systems of control devised by management to help ensure the Council's objectives are achieved in ways which promote economical, efficient and effective use of resources and which ensure that the Council's assets and interests are safeguarded.

The S.151 Officer will advise the Council at all levels on the requirements for an effective system of Internal Control. Arrangements devised and implemented will ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They will also ensure that Public Monies are properly safeguarded; and are used economically, efficiently, and in accordance with the statutory and other authorities which govern their use.

It is the responsibility of Senior Officers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. In doing this they must consult as necessary with the S.151 Officer about matters past and present and future which bear upon the framework of Internal Control.

### Production of Accounts

The S.151 Officer shall consolidate and produce the Authority's statutory accounts. Accounts will be prepared in accordance with the relevant statutory requirements and proper practice.

Senior Officers shall assist the S.151 Officer to undertake the closure of their Service area ledger accounts which must be in accordance with the standards, timescales and format set by the S.151 Officer. A detailed set of instructions and timescales will be sent out by the 1<sup>st</sup> March prior to the end of the financial year. It is the responsibility of budget holders to ensure that evidence is collated and held in line with retention schedules for financial information and that all deadlines are adhered to as set out in the Year End instructions.

The S.151 Officer is responsible for ensuring that the Annual Statement of Accounts is prepared in accordance with the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC). This will include an assessment of the financial risks facing the Council. The Audit Committee is responsible for approving the Annual Statement of Accounts.

The S.151 Officer shall report to Executive Committee before the end of June the outturn for the previous year for both revenue and capital identifying the outturn against budget. This will include details of variations to budget and the implications for general reserves and balances.

## 5) CHANGES TO THE OVERALL AGREED REVENUE AND CAPITAL BUDGET

In the normal course of the Council business during a financial year, proposals are likely to be made which could have financial implications, increase the overall agreed net revenue and/or capital budget of the Council.

Any increase to the Council annual budget (outside of annual budget setting process) must be reported to the Executive Committee for recommendation to Council. In each case, the proposal needs to be fully costed to show the additional impact on the budget, with details of how any additional cost will be financed. Where the expenditure is capital in nature there is a requirement to consider fully the recurring and non-recurring revenue implications. If the net impact is nil on the budget then, with the approval of the S.151 Officer, the money can be spent

All proposals which involve a change to the overall revenue or capital budget need to be considered in accordance with the advice of the Executive Director: Resources and S151 and S.151 Officer.

### Virements

The Executive Committee is responsible for agreeing procedures for virements between department, earmarked reserves and service budget headings. A virement is the mechanism to make a significant change in the level of resources allocated to service areas from that set out in the budget setting process. A virement cannot make a change to the overall level of resources available to the Council as agreed during budget setting.

Senior Officers are responsible for identifying and agreeing any transfer of resources between budget codes. They must then seek the approval of the S.151 Officer for the transfer. The S.151 Officer will make arrangements to record their approval of any in-year virements and for the financial systems to be updated to reflect the approved change. Where it is above the S.151 Officers limit, then s/he will prepare a report to the Executive committee setting out the reason for the change in resource allocation.

- Up to £20,000 - S.151 Officer
- Above £20,000 - Report from the S.151 Officer to Executive Committee

## 6) ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

### General

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 authority, in accordance with appropriate codes of conduct. These interests should be registered with the Executive Director: Resources and S151 as per the Council's agreed procedures.

Public money must be spent with demonstrable probity and in accordance with the Council's policies. Local Authorities have a statutory duty to achieve best value in part through securing economy and efficiency in its procurement decisions. The Council's procedures (Contract Procedure Rules, Scheme of Delegation, Financial Procedure Rules and Procurement Policy) must be followed to ensure services obtain value for money from their procurement arrangements.

Whilst Contract Procedure Rules have a threshold for written competitive quotations, it is nevertheless an obligation on Officers to be able to show that they have received value for money at much lower levels than the formal requirement of these rules.

Where the Council has corporately negotiated contracts for goods, services or works, services shall normally use these contracts for such supplies.

### Raising orders

Senior Officers are responsible for ensuring that all suppliers are registered on the Council's financial system and that all suppliers' details are evidenced as directed by the S.151 Officer.

All orders for goods, services and works shall be made using the Council's agreed procurement system. Unless agreed by the S.151 Officer.

Senior Officers must complete the Authorised Signatories form to identify employees authorised to act in respect of raising requisitions, orders and making payments, together with the limits of each person's authority. These forms must be countersigned by the S.151 Officer. S/he is responsible for putting arrangements in place to record these and update controls within the purchasing system. The schedule must be reviewed at least once per year to ensure that it is up-to-date and reflects the information on the purchasing system controls.

Purchase Orders (PO's) must be raised at the point of agreeing to use the identified supplier. The PO is the authority for that supplier to undertake the works up to the agreed limit detail on the purchase order. By approving a Purchase Order, the approving Officer indicates that satisfactory checks have been carried out to ensure that:

- The authoriser of the order is satisfied that the goods and services ordered are appropriate and necessary.
- The order value indicates that prices, extensions, calculations, discounts, other allowances and all relevant taxes are correct.
- Payment will be processed via a proper tax invoice.
- The proposed expenditure will be properly incurred, is within budget, and has been charged to the appropriate budget.
- Entries will be made in asset registers, inventories, stores and other records as appropriate.
- The order has not been processed previously.
- The commitment is a proper liability of the Council.

The supplier's sales invoice must reference the purchase order number raised from the Purchasing system

The correct receipt of goods shall be acknowledged by a delivery note or the confirmation by an appropriate Officer who checks for quantity and quality. This will be done on the Purchasing System and details and evidence recorded in line with the retention policy.

System procedures must be followed for the treatment of part or incorrect deliveries and the system updated appropriately.

### Paying invoices

Payments shall only be made, on receipt of an invoice, in respect of goods or services properly receipted on the Purchasing System. The invoice must contain, if appropriate, the company registration and VAT numbers and valid Purchase Order number. Failure to quote an order number will not allow matching with the original purchase order. As a result the invoice may be returned to the sender for the inclusion of this data.

Invoices will be received and processed by the Creditors Team, to be matched to the relevant purchase order. Where the invoice does not match the purchase order, the invoice will be returned to the service department for them to investigate and ensure that both the purchasing system and invoice are correctly stated.

Senior Officers are responsible for ensuring that undisputed invoices are processed for payment within a maximum of 30 days from receipt of the invoice. The creditor's team need 4 working days to ensure that payment is processed into the supplier's bank account within the 30 days. An invoice that is in dispute must be notified to the creditor's team immediately so that records can be updated.

The S.151 Officer will determine the method and frequency of payment from one of the Council's main bank accounts.

### Advance Payments

Where a supplier or contractor requires payment prior to actually receiving the good or provision of services, then Officers will still raise it on the Purchasing System. Narrative should be added to the Purchasing System detailing why payment has been made in advance, to demonstrate why the GRN section has been completed. Senior Officers must obtain a pro forma invoice (or supplier's order form) detailing the goods/service to be obtained, which must be forwarded to Financial Services to be paid against the purchasing system details and retained as a record of the payment made.

### Payment Requests

Payment requests can be used to pay for services and transactions where the Council is not the direct recipient of a good or service. Examples include the payment of grants and payment of S.106 monies to third parties

Payment requests are made through the Purchasing system and when authorized are paid directly to the supplier. Senior Officers must ensure that appropriate documentation is retained by the service to prove that the expenditure was made lawfully and within the rules and procedures in place in relation to that transaction.

## 7) INCOME

Senior Officers will prepare in the autumn of each financial year, in consultation with the S.151 Officer, proposals to amend fees and charges. The fees and charges must be reviewed at least once per annum to assess whether the charges are still appropriate. Each Senior Officer will authorize a listing of all fees and charges, falling within their delegated authority, for the forthcoming year. All changes to fees and charges will be made in consultation with the S.151 Officer. Once authorised each senior officer is responsible for sending a copy to the S.151 Officer.

The methods of collecting, recording and banking of all income due to the Council are to be approved by the S.151 Officer.

The S.151 Officer must be notified, in accordance with practices agreed with the relevant Senior Officer, of all income due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.

Senior Officers must ensure that to the maximum extent possible income is collected by electronic means.

### Collection and Banking of Cash and Cheques Income

Cash (excluding the Tourist Information Centre's and car parks) can only be deposited in an official envelope in the Gloucester Road Offices reception. These envelopes are not a receipt of receiving the cash. Cash cannot be taken by any other means and Officers must not accept cash directly from customers. This is to protect them from risk or opportunities for fraudulent transactions to occur.

Cheques may be taken by Officers and returned to the cashiering function for processing.

Income that is received through the post will be passed onto the cashiering function for processing

All money received must be recorded on the Income Management System. The S.151 Officer will direct how this income will be recorded, stored securely and then transferred to be paid in to the Council's bank account. No deductions are to be made from such monies unless specifically authorised by the S.151 Officer. Personal cheques must not be cashed out of monies held on behalf of the Council. Refunds must be made through the payments system to the original card holders. Where this is not possible then to do this a Payment Request must be used and appropriately authorised. Where refunds are being made using Payment Requests consideration should be made of whether the transactions could be considered to be Money laundering. Any queries about this should be referred to the S.151 Officer.

The S.151 Officer is responsible for ensuring adequate arrangements are in place to record, secure, collect and deposit cash and cheques into the Council's bank account.

### Discrepancies in accounting records

The Finance department will record all discrepancies in records including cash surpluses and deficiencies in a manner approved by the S.151 Officer, and these must be recorded in the Council's accounts. The S.151 Officer is responsible for arrangements to investigate any apparent patterns of discrepancies.

## Debtors

Wherever possible, payment should be obtained in advance or at the time of provision of a service, goods, letting or works.

Senior Officers are responsible for arranging for staff to raise debtor accounts using the financial ledger immediately a debt falls due.

Each Senior Officer, in conjunction with the S.151 Officer must maintain adequate records to ensure that all credit income due to the Council is promptly recovered. Where services are proposed through the year's accounts, they should be raised on a regular basis to the body in receipt of the service.

Each Senior Officer is responsible for ensuring that arrangements are suitable in respect of income collection and recovery of outstanding debt.

## Sundry Debt Bad Debts

Senior Officers must regularly consider debts due and ensure adequate year end provisions for bad and doubtful debts. Authorisation of write off of individual bad debts is as follows:-

- Individual debts less than or equal to £500 – Senior Officer
- Individual debts less than or equal to £20,000 – S.151 Officer
- Individual debts in excess of £20,000 – Executive Committee.

## Debts from Revenues and Benefits

The Senior Officer responsible for administering housing benefits and collecting Council Tax/NNDR shall regularly review the level of debts due and ensure in conjunction with the S.151 Officer the adequate provisions required for bad and doubtful debts. Authorisation of write off for individual debts is as follows at this stage.

- Individual debts up to £1,000 – Revenue and Benefits Service Manager.
- Individual debts up to £20,000 – S.151 Officer.
- Individual debts over £20,000 – Executive Committee

An annual report on the detail of all debts written off in this area under delegated authority will be made to Lead Member for consideration.

As part of the closure of the final accounts the S.151 Officer shall undertake a detailed review of the outstanding debts owed to the Council and write off amounts deemed irrecoverable prior to the draft annual accounts being submitted to the Audit Committee for approval.

The 'writing off' of a debt does not absolve a Senior Officer of the responsibility to collect such debts, and the position in relation to such debtors is to be monitored by the Senior Officer

On an annual basis, Senior Officers will review the level of debtor's accounts in their particular area which remain unpaid. This will be discussed with the S.151 Officer and/or their representative and provision made for any amounts which require a provision to be made for bad debts at the end of the financial year.

## 8) TAXATION

The S.151 Officer is responsible for advising the Members and Chief Officer Group on all taxation issues that affect the Council.

Each Senior Manager must ensure taxation is treated correctly and consult with the S.151 Officer in the event of any uncertainty as to any taxation treatment.

### VAT

Senior Officers will ensure that all transactions are supported by Valid VAT invoices (refer to the Financial Services Handbook for further guidance). Pro-forma invoices can be used if necessary to secure a financial transaction which meets the requirements set out in the financial procedure rules for ordering goods and services. However a full VAT invoice must be obtained after the good or service is received to ensure full compliance with VAT accounting rules.

### Construction Industry Scheme

Senior Officers will ensure that any works undertaken which fall within the Construction Industry Scheme are treated in accordance with HMRC's rules and internal procedures. In the event of any uncertainty the senior Officer must consult with the S.151 Officer.

### Off-payroll working

Before appointment of an agency worker or other contractor not paid through our payroll off-payroll working checks must be carried out in line with the appropriate policy. Confirmation of appointment should only be carried out after the status of the worker has been clarified by the Finance department, in line with the policy.

### Management of Taxation

The S.151 Officer will maintain the Council's tax records, make all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate, as well as lead and co-ordinate discussion or negotiations with the HM Revenue and Customs about any taxation matter. They will make arrangements for securing professional advice on taxation issues to protect the Council from any errors in accounting for VAT correctly in the course of making any transactions with third parties.

Should an error in taxation occur due to the failure of a Senior Officer to follow an appropriate procedure then there shall be a charge against that Services budget.



## 9) PAYMENT CARDS

The S.151 Officer is responsible for arrangements regarding payment and procurement cards.

Senior Officers must complete the relevant forms to identify employees authorised to use Procurement cards, together with the limits of each person's authority. These forms must be countersigned by the S.151 Officer, and they must also put arrangements in place to record these and update controls within the purchasing system

Each cardholder will ensure safe custody of the card and not exceed their monthly limit.

Cards may be used only in accordance with the approved scheme and for legitimate expenses incurred by the cardholder in the course of official Council business.

They must not be used:-

- to circumvent the procedures for the ordering of and payment for, goods and services under these regulations; or
- to purchase items for the private or personal use of cardholders.

Each cardholder must ensure that all expenditure incurred is supported by adequate records and in respect of payment cards, and that a VAT receipt is obtained to support all expenditure.

Procurement card statements are sent to card holders dated the 14<sup>th</sup> of each month. Statements must be returned to finance with all VAT invoices by the end of that month. Statements must detail the coding for all cost incurred, and be authorized, in a format prescribed by the S.151 Officer

Failure to obtain suitable receipts for purchases and to be returned in the timeline stated will result in the card being cancelled.

Cards must be returned to the S.151 Officer 30 days prior to the Officer leaving the Council.

## 10) BANKING ARRANGEMENTS, CHEQUE SIGNING AND IMPREST ACCOUNTS

### Banking Arrangements

All of the Council's banking arrangements are to be approved by the S.151 Officer, who is authorised to operate such bank accounts as they considers appropriate.

Bank accounts must not be opened without the approval of the S.151 Officer. Where a bank account is opened, the account name must describe the purpose of the account.

### Payments

Payments to suppliers and employees will all be made by electronic means unless there is specific agreement with the S.151 Officer to use another method.

Banking arrangements made for authorisation of payments to be made or received under electronic transfer are to be in a form approved by the S.151 Officer.

Cheques are held as a payment method of last resort. A stock of cheques are to be held securely as directed by the S.151 Officer and only ordered in small quantities. Cheques drawn on the Council's main bank accounts must either bear the manuscript signature of the S.151 Officer or other authorised Officers. A register is to be maintained of all cheques issued, including cheque numbers and amounts.

### Imprest Accounts (cash floats)

Senior Officers will determine what amount is appropriate for an individual imprest subject to any limit set by the S.151 Officer. S/he and keep a record of every imprest issued, including the name of the imprest holder, amount and location.

Any imprest holder must keep adequate records of all transactions on the account, in a form approved by the S.151 Office, supported by valid (VAT) receipts. They must also be able to, if requested by the S.151 Officer, to account for the total imprest. They. On ceasing to be responsible for an imprest account the Officer must account promptly to the Senior Officer for the amount advanced.

Payments from imprest accounts are to be limited to minor items of expenditure and to any other items approved by the S.151 Officer.

## 11) TREASURY MANAGEMENT

### Policies and Strategies

The Council has adopted the key recommendations of the Code of Practice for Treasury Management in the Public Services, published by CIPFA.

The Executive Committee is responsible for considering and recommending to Council:

- adopting a treasury management policy, setting out the policies and objectives of its treasury management activities, and treasury management practices. Setting out how those policies and objectives will be achieved and how treasury management will be managed and controlled.
- adopting an Annual Investment Strategy, determining the type and level of investments to be entered into over the coming year.
- adopting a Capital Strategy
- the implementation and monitoring of the treasury management policies and practices.

The format that these strategies and policies will be presentation is at the discretion of the S.151 Officer to reflect the application of the CIPFA recommendations to the activities of the Council.

The S.151 Officer is responsible for the execution and administration of treasury management decisions in accordance with the policy statement and agreed practices.

### Administration

All money under the management of the Council is to be aggregated for the purposes of treasury management. It will be controlled by S.151 Officer, following the approved treasury management strategy having regard of limits on decisions based on value of transactions, portfolio held and risk profile.

All Investments and borrowings are to be in the name of the Council.

The S.151 Officer must maintain a register and a record of all borrowings and investments made during the year.

### Trust Funds

All trust funds are to be, wherever possible, in the name of the Council. Officers acting as trustees by virtue of their official position must deposit all documents of title relating to the trust with the Executive Director: Resources and S151 (unless the Trust Deed otherwise directs) who must maintain a register of all such documents deposited.

## 12) INSURANCE

The S.151 Officer, in consultation with Senior Officers is responsible for assessing insurable risks and for arranging all insurance cover, including the management and control of the insurance fund. They will control all claims and maintain records of them.

Senior Officers must promptly notify the S.151 Officer of all new risks or assets to be insured and of any alterations affecting existing insurances.

All insurances premiums are renewed on an annual basis. The S.151 Officer will nominate an Officer in the finance team to lead on this and to provide a timetable to meet the renewal requirements. Senior Officers must ensure that they can provide details of all insurance risks to meet the requirements for completing the annual renewal.

In the event of any insurance claim or occurrence Senior Officers must:-

- not admit liability where this may prejudice the outcome of any settlement;
- promptly notify the S.151 Officer, of any loss, liability, damage or any event likely to lead to a claim; and
- inform the Police in the case of loss or malicious damage to Council property.

Senior Officers must consult the S.151 Officer and the Monitoring Officer as to the terms of any indemnity the Council is required to give.

The S.151 Officer will determine the extent of insurance cover which must be provided for in any external contract for the supply of goods, works or services. The S.151 Officer, in consultation with the Executive Directors, Directors and Associate Directors, may reduce the cover requirements in respect of specific contracts.

### 13) FRUAD AND MONEY LAUNDERING

The S.151 Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements for the Council's financial affairs to include the development of financial codes of practice and accounting instructions. Through delegation of duties, the S.151 Officer ensures appropriate controls are in place.

The Monitoring Officer has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. It is therefore essential for employees to follow the Council's policies and procedures to demonstrate that the Council is acting in an open and transparent manner.

All staff should have regard to the Council's Counter Fraud & Anti-Corruption Policy. Whenever a matter arises which involves, or is thought to involve irregularities concerning cash, stores or property of the Council, or any suspected irregularity in the exercise of the functions of the Council, a Senior Officer has a duty to immediately notify the Section 151 Officer and the Monitoring Officer. They shall take steps as deemed necessary in line by way of investigation and reporting.

## 14) WORKFORCE

The Council is responsible for determining the structure of the organisation for Officers to support Members and the Chief Officer Group in delivering services.

The Head of Paid Service is responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

The Chief Officer Group is responsible for controlling total numbers in the workforce and its cost by:

- advising on the budget necessary in any given year to cover the workforce levels required to deliver the desired services.
- adjusting the workforce to levels that can be funded within approved budget provision, varying the numbers provided (though not the remuneration or levels of remuneration for the specific categories of the workforce) as necessary, within that constraint, in order to fulfil operational needs.
- the proper use of appointment procedures.

The Senior Officer with responsibility for Human Resources will maintain an establishment list which includes job titles, grades, scale points and salary and other emoluments of all employees. This will form the base data for calculating the employee costs to the Council.

Any proposals for changes to the establishment list during the financial year needs to be costed and be made within the overall budget set. The Finance Team will provide support to Senior Officers to understand the cost of any changes.

## 15) SALARIES, WAGES AND PENSIONS

All payments of salaries, wages, pensions, compensations, gratuities, allowances and other emoluments to current or former employees and Members are to be made by the Payroll Team in accordance with information supplied by Human Resources. Senior Officers are responsible for ensuring that the information provided to HR is correct. All payroll transactions must be processed through the Council's payroll system. Payment is made on the 21<sup>st</sup> of each month (or prior working day if a weekend/bank holiday) for the period of the calendar month that it is made. Included in payroll run are all Members and Officers expenses which are paid in arrears.

Senior Officers must ensure that appointments of all employees are in accordance with the appropriate Conditions of Service of the Council, and within the approved budgets, grades and rates of pay. Any variations of terms and conditions must be approved by Chief Officer Group, using 'Request to Fill' form

Payroll require all notifications of amendments to a person's details, grades etc. by the 10<sup>th</sup> of each month for the details to be reflected in that periods payroll run.

### Records

Senior Officers must maintain adequate records to notify Human Resources of all appointments, resignations, dismissals, and retirements. They must also inform HR of changes in pay rates, bonuses due, overtime worked and other matters affecting remuneration. This will also cover adjustments that are made in respect of absences, pensions, income tax, national insurance, sickness and maternity pay and any other additions, to or deductions from pay. Senior Officers must discuss with payroll team of any employee benefit in kinds that are proposed to enable reporting for taxation purposes.

Time sheets and other pay documents must be maintained in a manner approved by Human Resources and the Payroll team, and be certified by the relevant Senior Officer or other authorised Officers. Timesheets must be submitted to the payroll team by the date on the bottom of the previous month's pay slip to be included in the payroll run for that period.

The authorized signatories form must be completed for delegated individuals, signed by the relevant Senior Officer and returned to S.151 Officer. The Payroll team will check these forms to ensure that appropriate authorisation has been given.

### Overpayments

The S.151 Officer is authorised to write-off any net overpayment of salary/wage where death-in-service of an employee occurs, except where the Council holds a statutory obligation to recover such overpayments. All other overpayments of pay must be treated for the purposes of recovery and write off in accordance with Financial Procedure Rules

## 16) TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

Payment of all claims is to be made via payroll or under other arrangements approved by the S.151 Officer, and must be in accordance with Schemes of Conditions of Service adopted in respect of the employee to which the payment relates.

All claims for the reimbursement of subsistence allowances, travelling and incidental expenses are required to be made on a form as directed by the S.151 Officer and will be processed through the payroll system. The form must be authorised by a Senior Officer or authorised Officer under the schemes of delegation. The names and specimen signatures of Officers authorised to sign such expense claims must be supplied to the S.151 Officer

The certification of a claim by or on behalf of a Senior Officer is 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. Expense claims which relate to a period more than 3 months prior the date of submission will not be paid, except in special circumstances agreed by the S.151 Officer.

Claim forms must be

- Submitted by the first Friday of the month to be included in that period's payroll run (or earlier if advised).
- Supported with VAT receipts for subsistence claims.
- Supported with petrol receipts, which fall within the same time frame as the date of the travel (2 weeks either side and suggest £10's worth of receipts for every 100 miles travelled).

Each Senior Officer is responsible for ensuring that all Officers are adequately insured, and cars are roadworthy, as directed to by the S.151 Officer.



## 17) GIFTS AND HOSPITALITY

A separate Code of Conduct is available which sets out how Officers and Members should deal with issues such as receipt of personal gifts and offers of hospitality. All Officers and Members need to be aware of the requirements of the Code and ensure they are followed. All gifts and offers of hospitality need to be registered on the appropriate form and authorised as set out in the Code of Conduct.

## 18) CAPITAL PLAN PREPARATION AND MANAGEMENT

### Responsibilities

The Council is responsible for agreeing the overall allocation to the Council's Capital Plan. The Executive Committee is responsible for recommending to the Council a multi-year Capital Plan for the following 3 years.

Any new projects or changes to this plan, outside the budget setting process also require a report to the Executive Committee for recommendation to Council.

### Capital Plan Preparation

The Capital Strategy sets out the process by which individual capital projects will be selected for inclusion in the Capital Plan and the arrangements for monitoring the delivery of the project. This will assist the S.151 Officer to prepare a report to the Executive Committee to approve the Capital Plan.

Senior Officers are responsible for providing details of all projects, in the form of a business case, in a format prescribed by the S.151 Officer. Once a business case is approved, Senior Officers are authorised to proceed to detailed design and to commit to contracts providing: -

- Completion of all requirements with planning applications, the completion of feasibility studies and option appraisals
- that the total costs of a project including tenders or quotations, fees etc., are estimated to be less than or equal to the amount approved in the business case and the Capital Plan; or
- all necessary external approvals, if any, have been obtained;
- that any contracts shall be executed in accordance with the Contract Procedure Rules.

If the total cost is projected to exceed the amount approved, a report must be taken to the Executive Committee detailing the additional resources required.

### Plan Management

The Executive Committee is responsible for overseeing the delivery of the Capital Plan within the resources allocated. The Executive Committee can delegate its authority under Financial Procedure Rules to individual to senior offices to oversee delivery of a capital scheme, provided that:

- the spending on the whole program area being contained within the resources allocated;
- Senior Officers report retrospectively to Executive Committee on the use of this authority as part of the monthly monitoring on the Capital Plan.

Senior Officers are responsible for managing programs and projects. Day to day delivery may be delegated to Project Officers, but management of the overall project remains with the Senior Officer.

Capital projects often involve large payments being made during the life of the project. Senior Officers must be aware of the Treasury Management implications of the capital project and liaise with the S.151 Officer to set out payment milestones and dates so that resources are available through the daily management of cash flow to pay invoices due.

Senior Officers must take action to avoid overspending the amounts provided in the Capital Plan. They must prepare regular reports on the progress of projects in a format and to a timetable prescribed by the S.151 Officer and report any difficulties on meeting financial requirements to them as soon as they arise.

The S.151 Officer will report to the Executive Committee on the overall out-turn of the Capital Plan as part of the regular budget monitor reports.

#### Plan Closeout

In line with the Council's project management policies, after completion of the project a report should be taken to the Project board detailing outcomes against the original business case objectives.

## 19) ASSETS

The S.151 Officer is responsible for the Council's land, property and commercial asset portfolio, infrastructure and community assets. Vehicles and equipment are the responsibility of the relevant Senior Officer.

The Senior Officer is responsible for the care and custody of all assets of the relevant service (including stocks, stores, and inventory items). These items must only be used for the authorised purposes of the Council.

Senior Officers must ensure that contingency plans exist for the security of assets and the continuity of service in the event of any disaster, significant event, or system failure. Whilst the Council's Emergency Plan, and its Disaster Recovery Plan for Information Systems are the main devices to be used and followed, they are not exhaustive, and should be added to or improved upon by them when necessary.

### Disposal of Assets

Surplus or obsolete goods, materials and inventory items are to be disposed of by competitive sale or public auction in accordance with both Contract Procedure Rules and with approval of the 151 Officer, based on a report from Senior Officer with responsibility for that asset.

Assets with a value over £10,000 require the approval of the Executive Committee to be disposed of.

Assets with a value of under £10,000 can be disposed of by a Senior Officer with written approval of the S.151 Officer.

Assets with a value of under £500 can be disposed of by a Senior Officer.

Any asset disposed of must be done in a method which has been approved by the S.151 Officer, with regard to achieving best value for money. All disposals are required to be updated on the appropriate inventories list and finance team updated to ensure that the disposal is reflected on the asset register.

Leased items should only be disposed of in accordance with the instructions of the lessor.

### Fixed Assets Register

The S.151 Officer must ensure that a Register of Fixed Assets in accordance with agreed auditing standards is maintained.

Each Senior Officer must immediately notify the S.151 Officer of the acquisition of any asset having a value of £10,000 or more. Where Items are below £10,000 but are part of a network of assets, these should also be notified. For items which are not capitalized but are an asset that will be used over more than one year should be added to an inventory list to ensure security of asset per the financial procedure rules

Each Senior Officer must immediately notify the S.151 Officer of the disposal (or transfer to another Service) of any asset (or part of any asset) which is included on the Register of Fixed Assets.

In respect of any item acquired by lease the inventory must be marked with the name of the leasing company and the date of expiry of the lease agreement. When requested by the leasing company the item must be suitably marked as the property of that company.

The Monitoring Officer is responsible for the security and custody of all title deeds and must maintain a suitable register.

## Inventories

The S.151 Officer is responsible for ensuring that a detailed inventory is maintained of furniture and fittings which are part of the Council's asset portfolio.

Senior Officers are responsible for ensuring that detailed inventories of all equipment, vehicles, plant and machinery are compiled and kept up-to-date. New inventory items must be entered promptly and redundant items deleted and disposed of in accordance with Financial Procedure Rules. The form of inventory and the type of assets recorded thereon will be determined by the S.151 Officer after consultation with the appropriate Senior Officer.

The inventory should include:-

- the nature, type, model , serial number, location, quantity, value, date of acquisition;
- all items of, or collection of similar items valued at, more than £500;
- items of a lesser value which are portable and attractive; and
- evidence to indicate an annual inspection has been carried out.

Council assets should not normally be loaned to employees outside of their role responsibilities, to other Council services or other organisations. Each Senior Officer may make such loans in consultation with the S.151 Officer. The must record the reason for the loan, date/periods and name of the receiver.

Inventory items must be security marked, stamped or engraved with the Council's name.

Each Senior Officer is responsible for ensuring that an annual check is made of all items on the inventory and must notify the S.151 Officer of any discrepancies revealed by these checks.

## Stores

Senior Officers must keep records of all stock held, and certify the value for accounting purpose at 31 March of each year. The S.151 Officer will determine which items will be subject to stock accounting, the methods of recording and valuation.

Senior Officers must arrange periodical or continuous checks of stock. This should be by persons independent of the management of the stock. These arrangements must ensure that all items of stock are checked at least once per year. The S.151 Officer will be notified of any discrepancies revealed by periodic checks, and is authorised to amend records accordingly.

Stock holdings should be kept at minimum levels consistent with normal working practices

## 20) SECURITY

### Security of Assets

Senior Officers are responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash and any other assets for which they are responsible. The S.151 Officer must be consulted to establish adequate security arrangements. Senior Officers must ensure assets are only used for the intended purpose in accordance with undertaking Council business.

All keys to safes and other places containing money, goods or other valuables are to be the responsibility of specified officers who must ensure that they are held securely at all times. A register of keys and their holders must be maintained by each Senior Officer. The loss of any key must be reported immediately to the relevant Senior Officer who must record details of the circumstances of the loss, and take such action as is necessary to protect the property of the Council.

Maximum limits for cash holdings in each separate establishment are to be agreed with the S.151 Officer, and must not be exceeded without permission.

### Security of Information

Senior Officers must maintain proper security, privacy and use of information held in computers and all other recording systems under their control, in line with the Council's GDPR policies and retention schedules that are in place.

### Security of Property Relating to Clients and Customers

The Council should not in the normal course of business hold or take custody of property relating to clients or customers.

Where such a circumstance arises that this because necessary, the Senior Officers, in consultation with the S.151 Officer, must provide to the customer/client a detailed written instruction on how the Council will collect, take custody, invest, ensure safekeeping and disposal of that customer/clients' property (including instructions on the disposal of property of deceased clients). All staff whose duty is to administer, in any way, the property of clients will then take due care in the management of a customer or clients' assets in line with the instructions written.

The Council is responsible for taking reasonable care of all items of property found by staff or members of the public on Council premises until the items are reclaimed or disposed of. Each Senior Officer must nominate Officers who are responsible for the custody of lost property and keep a register of such property received, detailing the item, date, time, name and address of finder and how and to whom the property is returned or disposed of.

Senior Officers may seek Executive Committee authority on how lost property will be dealt with. Otherwise, if the lost property is not claimed within three months it vests in the Council. The Senior Officer will then determine if the item is of value for use by the Council, and arrange for its use for this purpose. All other items are to be disposed of by sale in accordance with Contract Procedure Rules.

### Security Passes

All staff who are located in offices where a security system is in place are responsible for accessing the building in accordance with management instruction. This will include keeping their staff security badges secure and reporting any loss promptly.

## 21) UNOFFICIAL AND VOLUNTARY FUNDS

These regulations relate to funds administered by Officers of the Council, the accounts of which are not included in the Authority's accounts.

Any proposed unofficial funds require the prior approval of the relevant Senior Officer concerned who must maintain a record of all such funds and ensure that Officers are appointed to administer each fund.

Arrangements need to be put in place, in consultation with the S.151 Officer, to record details of transactions through each fund and that fund monies can be separately identified from Council monies.

Senior Officers must ensure that they receive a copy of the accounts of each fund and a certificate in the prescribed form from the auditors or independent examiners of each fund that has to be audited or independently examined. Such accounts are to be prepared annually, and at the completion of the purpose for which the fund was set up.

The S.151 Officer is to have access to any records relating to such funds, and be immediately informed of any irregularities which arise in connection with them.

## 22) FINANCIAL CONTROL OF PARTNERSHIPS, JOINT VENTURES ASSOCIATED ORGANISATIONS AND SIMILAR ARRANGEMENTS

### Working in Partnership with Associated Organisations

The S.151 Officer is responsible for promoting and maintaining the same high standards of financial administration in partnerships that apply throughout the Council, or advising the Executive Committee where they are aware that arrangements within a partnership are in conflict or are uncertain compared with the practices adopted by the Council.

The S.151 Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory, and must:-

- consider the overall corporate governance arrangements and legal issues when arranging contracts with the partner/joint venture or associated organisation.
- ensure that the risks have been fully appraised before agreements are entered into with the partner/joint venture or associated organisation.

Senior Officers must ensure that in all grant agreements, contribution to partnerships and where appropriate in agreed contracts for the supply of works, goods and services the S.151 Officer has access to the accounts, records and all other documentation. The S.151 Officer is entitled to seek explanations from Officers of the funded organisation regarding the deployment of the Council's funding payment.

### Working for Other Organisations

Senior Officers are responsible for ensuring that approval is obtained from the S.151 Officer and Monitoring Officer before any negotiations commence in relation to the provision of works or services to other organisations expected to exceed £10,000.

The Executive Committee is responsible for approving the contractual arrangements for any work for other organisations expected to exceed £100,000. The S.151 Officer may agree contractual arrangements below this level.

Senior Officers must ensure that any proposed arrangement to work for other organisations does not impact adversely upon the services provided to or by the Council. All agreements, contracts or arrangements must be properly documented. Consideration and assurance needs to be obtained that adequate insurance and taxation (including VAT) arrangements are in place with the partner organization. Appropriate information must be provided to the S.151 Officer to enable a note to be entered into the Council Statement of Accounts concerning material items.

### Grants and Loans to Other Organisations

Where a Senior Officer proposes to offer a loan to any organisation, they may do so only following:-

- A full financial appraisal of the organisation to which the loan is to be granted, by the S.151 Officer;
- A full financial appraisal of the project to which the loan relates, by the S.151 Officer; and
- The execution of a legal agreement approved by the Solicitor to the Council.
- It is in accordance with the agreed Council policy.
- Complies with accounting regulations and does not constitute state aid.



Where a Senior Officer proposes to offer any grant in excess of £10,000 they may do so only;

- Where this accords wholly within the approved grants policies of the Council; or
- Following a full financial appraisal by the S.151 Officer of the accounts of the organisation and an analysis of the necessity or otherwise of the funding proposal to be made and on the execution of a legal agreement approved by the Solicitor to the Council.
- It is in accordance with agreed Council policy.

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