
WEST OXFORDSHIRE DISTRICT COUNCIL

PART 5I: Financial Procedure Rules

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I Introduction

1.1 Financial Procedure Rules ('FPR's), together with Contract Procedure Rules (CPR's) and other forms of guidance on procedure and conduct, provide the framework for managing West Oxfordshire District Council's ('the Council's') financial affairs, ensuring high integrity and accountability. They apply to every Member and Officer of the Council and anyone acting on behalf of the Council.

1.2 To conduct its business efficiently the Council needs to ensure that there are sound financial management policies in place and that these are strictly adhered to. Part of this process is the establishment of FPR's that set out the financial policies of the Council.

1.3 These FPR's are made pursuant of the Local Government Act 1972, Section 151 the Accounts and Audit Regulations 2003 (as amended) and all other enabling powers.

1.4 The FPR's provide clarity over the accountabilities of individuals, ensures that the Council uses best practice when dealing with financial matters and that Council resources are used wisely.

1.5 For the purpose of these FPR's, the description "Full Council" shall refer to the Full Council, made up of elected members, and the term 'Officer' or 'Officers' includes:

- all employees and agency staff engaged by the Council;
- all employees and agency staff engaged by either Publica Group Ltd, Cotswold District Council or Forest of Dean District Council who are authorised to act on behalf of the Council through "Shared Service Arrangements".

2 Procedure

2.1 The FPR's shall be complied with by all Officers and Members of the Council and those acting on behalf of the Council through Shared Service Arrangements. If job titles and roles differ between the Council and other entities delivering Shared Service Arrangements, the responsibilities defined in the FPR's shall be adopted by the most appropriate role (taking account of seniority) within each organisation's structure, agreed locally.

2.2 Full access to financial systems and records shall be given to delegated Officers operating within Shared Service Arrangements in order to facilitate transactional processing and other finance related work, as required.

2.3 The FPR's identify the financial responsibilities of Full Council, Executive and Executive Members, other Members, the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Finance Officer, other Directors and Heads of Service and all other Officers.

2.4 Directors and Heads of Service are responsible for ensuring that all Officers in their departments are aware of their responsibilities according to the FPR's and other internal regulatory documents and comply with them.

2.5 Executive Members and Senior Officers should maintain a written record where these responsibilities have been delegated to Officers, including seconded Officers and Officers working through Shared Service Arrangements.

2.6 Where responsibilities have been delegated or devolved to other responsible Officers, references to the Members or Senior Officers in the FPR's should be read as referring to them.

2.7 All Members and Officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money. Nothing included in or omitted from these FPR's shall detract from this responsibility.

2.8 The Chief Finance Officer is responsible for maintaining a continuous review of the FPR's and advising Full Council and the Audit and Governance Committee of any material additions or changes necessary.

2.9 Should an instance of non-compliance with these FPR's be discovered the Chief Finance Officer may, after consultation with the Chief Executive, make a report to the Leader, Full Council and/or Executive, as appropriate. Non-compliance with FPR's may also lead to disciplinary action being taken.

FINANCIAL PROCEDURE RULES

A: FINANCIAL MANAGEMENT

A1 Introduction

A1.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the Policy Framework and Budget.

A1.2 Key processes and controls must be in place to ensure good financial management and help the Council conduct affairs in an efficient, effective and economic manner.

A1.3 Monitoring systems must be in place to review compliance with financial standards and to ensure compliance with legal and corporate requirements for accountability.

A2 Emergencies

A2.1 Nothing in these FPR's or the CPR's shall prevent the Executive, the Senior Leadership Team comprising of the Chief Executive, Monitoring Officer, Section 151 Officer and Director of Place or the Managing Director or an Executive Director of Publica from incurring expenditure essential to meet any immediate needs created by an emergency, or which is referable to Section 138 of the Local Government Act 1972. This should be done in accordance with the Council's Constitution. Any such action shall be reported as soon as possible to the Executive, detailing the nature of the emergency, the action taken, the financial implications and any other consequences.

A3 Full Council

A3.1 The Full Council is responsible for:

- Adopting the Council's Constitution and Members' Code of Conduct and for approving the Policy Framework and Budget within which the Executive operates.
- Approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in the Council's written Constitution.
- Approving procedures for recording and reporting decisions taken. This includes decisions taken by the Council, the Executive, Committees and Officers. These delegations and details of who has responsibility for which decisions are set out in the Council's Constitution.

A3.2 The Full Council (together with the Chief Financial Officer) has a statutory responsibility to ensure:

- The setting of the annual budget, including the allocation of financial resources to different services and projects, proposed reserves, the Council Tax Base and the setting of the Council Tax.

- The preparation of the annual Statement of Accounts, in accordance with the timescales set out in the Accounts and Audit Regulations.
- The publishing of the Statement of Accounts, and the External Auditor's Certificate, Opinion or Report each year following the year end to which they relate. The Council has given delegated authority for the Statement to be approved by Audit and Governance Committee or other approved Committee as per the Council's Constitution and signed by the person presiding at the Committee meeting at which the approval is given.
- The Statement of Accounts are made available for public inspection for 30 working days when an interested person, for example, business rate payers, Council Tax payers or those who pay fees and charges, may exercise their rights under the Local Audit and Accountability Act 2014 and the Local Audit (Public Access to Documents) Act 2017.
- The publication of the Annual Audit and Inspection letter received from the External Auditor.
- That public notice is given by advertisement of the conclusion of the audit and that the Statement of Accounts and the External Auditor's report are available for inspection.

A4 Executive

A4.1 The Executive is responsible for discharging executive functions in accordance with the Policy Framework and Budget and for monitoring compliance with the agreed policy and related executive decisions.

A4.2 Executive decisions can be delegated to a Committee of the Executive, an individual Executive Member, an Officer, a Joint Committee.

A4.3 The Constitution contains a requirement to ensure that an individual Executive Member consults with relevant Officers before taking a decision within their delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

A4.4 No Member shall ask an Officer to incur expenditure for which there is no appropriate provision in the Budget, unless in consultation as part of an emergency as detailed in paragraph A2.1.

A4.5 A record shall be kept of the decision-making process.

A5 Overview and Scrutiny Committee(s)

A5.1 The Council has an Overview and Scrutiny Committee, responsible for the scrutiny of Executive decisions before or after they have been implemented and for holding the

Executive to account. This Committee is also responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.

A5.2 The Overview and Scrutiny Committee do not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to Executive and Full Council concerning any matter.

A6 Audit and Governance Committee

A6.1 The Council has an Audit and Governance Committee, responsible for ensuring effective internal control and independent assurance mechanisms across all areas of the Council.

A6.2 The Audit and Governance Committee is responsible for Internal Audit, External Audit provision, risk management, the signed approval of the Annual Statement of Accounts and the Corporate Governance Framework. This Committee does not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to other Committees and Full Council concerning any matter.

A7 Standards Sub-Committee

A7.1 The Council has a Standards Sub-Committee, established from the membership of the Audit and Governance Committee, responsible for promoting and maintaining high standards of conduct amongst Members of the Council and co-opted Members on its Committees and Sub-Committees. In particular, it is responsible for advising the Council on the adoption of the Members' Code of Conduct, and for monitoring the operation of the Code.

A7.2 The Standards Sub-Committee does not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to other Committees and Full Council concerning any matter.

A8 Other Committees

A8.1 Planning and Licensing Committees-

Planning regulation and licensing are quasi-judicial functions and are exercised through Development Control, Planning Sub-Committees Lowlands and Uplands and Licensing Committees within the Council, under powers delegated by Full Council. The terms of reference for these committees are set out in the Constitution.

A8.2 Joint Committees-

The Council can set up Joint Committees with other organisations to oversee the management of activities or facilities. The financial activity of Joint Committees is governed by their terms of reference. The Council's procedural and FPR's apply to Joint

Committees unless there has been specific agreement in line with the Constitution to operate under other rules.

A9 Head of Paid Service (Chief Executive)

A9.1 The Head of Paid Service (Chief Executive) is responsible for the corporate and strategic management of the Council and fulfils the statutory role of Head of Paid Service. They must report to and provide information for Full Council, Executive, Overview and Scrutiny Committee, Audit and Governance Committee and any other Committees as required. They are responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

A9.2 The Head of Paid Service (Chief Executive) is also responsible, together with the Monitoring Officer and/or other delegated Officer, for the system of record keeping in relation to all Full Council's decisions.

A10. Monitoring Officer

A10.1 The Monitoring Officer is a statutory role within the Council. This role cannot be the Head of Paid Service or the Chief Finance Officer. The Monitoring Officer's role is defined in the Constitution, including responsibility for:

- Advising, as appropriate, Full Council on amendments to the Constitution or making such amendments as necessary to take account of decisions of the Council, a Committee, the Executive or Leader and changes of law or fact. They shall notify Members, the Head of Paid Service and other Officers as they consider appropriate.
- Contributing to the promotion and maintenance of high standards of conduct through the provision of support to the Standards Sub-Committee.
- Conducting investigations into matters referred via the Initial Assessment Process or arranging for such investigations to be made and making reports or recommendations in respect of them to the Standards Sub-Committee.
- After consultation with the Head of Paid Service and the Chief Finance Officer, reporting to Council (or Executive in relation to an Executive function), if they consider that any proposal, decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

A11 Chief Finance Officer (Section 151 Officer)

A11.1 Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs. This Officer must be a member of a specific accounting body.

A11.2 The Chief Finance Officer is therefore a statutory role of the Council, with statutory duties in relation to the financial administration and stewardship of the Council. They (or their designated deputy) shall have the right and duty to advise Full Council, Executive, Committees and Senior Leadership Team on priorities in relation to resources and capital expenditure. This statutory responsibility cannot be overridden.

A11.3 The Chief Finance Officer is responsible for:

- The proper administration of the Council's financial affairs.
- Determining the Council's accounting records, including the form of accounts and supporting accounting records and its accounting control systems, in compliance with the Accounts and Audit Regulations 2003.
- Providing financial information and advising on the corporate financial position of the Council as required.
- Ensuring that the Annual Statement of Accounts are prepared in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.
- Signing the Annual Statement of Accounts and certifying that it presents a true and fair view of the financial position of the council at the financial year end.
- Preparing the Medium-Term Financial Strategy and the Annual Revenue Budgets and Capital Programmes, within the Policy Framework.
- Reporting to Full Council (under the requirement of Section 25 of the Local Government Act 2003), when it is considering its Budget, council tax and housing rents (if applicable) for the new financial year. This 'Section 25' report to include the Chief Finance Officer's opinion on the robustness of the estimates and adequacy of reserves.
- Advising the Council on the level of reserves needed for meeting estimated future expenditure, in accordance with the statutory requirement for billing authorities to maintain financial reserves (under Sections 32 and 43 of the Local Government Finance Act 1992).
- Treasury Management.
- Advising the Executive or Full Council about whether a decision is likely to be considered contrary to or not wholly in accordance with the approved Budget.
- Providing regular reports to the Executive on the Council's finances and financial performance.
- Monitoring compliance with the FPR's and CPR's and reporting, where

appropriate, breaches of these rules to the Executive and/or Full Council.

- Formally reviewing the FPR's and CPR's every five years and reporting the revised Rules to Full Council for approval.
- Maintaining a continuous review of the FPR's and CPR's and making any non-material changes to the Rules, as considered necessary, or as part of that review.
- Advising the Audit and Governance Committee of any material additions or changes necessary to the FPR's.
- Issuing advice and guidance to underpin these rules for Members and Officers to follow.

A11.4 Section 114 of the Local Government Finance Act 1988 requires:

- The Chief Finance Officer to nominate a properly qualified Officer to deputise should they be unable to perform the Chief Finance Officer duties personally.
- The Council to provide the Chief Finance Officer with sufficient and suitably qualified Officers, accommodation and other resources, including legal advice where necessary, in order to carry out the Chief Finance Officer duties.

A12 Directors and Heads of Service

A12.1 Directors and Heads of Service are responsible for the delivery of their own service(s) and for the day- to- day management of their service(s) budgets. Spending and income generation should be in accordance with service budgets and performance monitored against budget.

A12.2 Each Director or Head of Service is responsible for:

- Complying with the FPR's and CPR's and other internal regulatory documents and ensuring that all Officers within their service(s) are aware of the existence and content of these Rules.
- Advising Executive Members of the financial implications of all proposals and ensuring that the financial implications have been agreed by the Chief Finance Officer.
- Consulting with the Chief Finance Officer or delegated Deputy and seeking approval on any matter liable to affect the Council's finances materially (defined as in excess of £10,000), before any commitments are incurred.
- Ensuring that all systems and controls within their service(s) are operated to prevent, minimise and detect any opportunity for fraud, theft or other irregularity. They should ensure the accountability and control of Officers and the security,

custody and control of all other resources within the service(s).

A13 Officers

A13.1 All Officers acting on behalf of the Council are responsible for:

- Complying with the FPR's and CPR's and any other internal regulatory documents of the Council.
- Keeping accurate and comprehensive records to support transactions they undertake on the Council's behalf. These records must be in accordance with the accounting systems and policies established by the Chief Finance Officer.
- Avoiding conflicts of interest and ensuring compliance with the employees' code of conduct.

A14 Internal Audit

A14.1 The Accounts and Audit Regulations 2015 (England) requires that the Council must undertake an adequate and effective internal audit of its accounting records and its system of internal control, in accordance with the proper practices in relation to internal control.

A14.2 The Chief Finance Officer is responsible for ensuring that arrangements are put in place to ensure financial stewardship, probity and compliance with laws and regulations within the Council.

A14.3 The Head of Internal Audit role and the Internal Audit function is provided by South West Audit Partnership Internal Audit Services. The Head of Internal Audit is responsible for providing a written report to those charged with governance, which includes an opinion on the adequacy and effectiveness of the Council's control environment under the CIPFA Code of Practice for Internal Audit in Local Government and the Accounts and Audit Regulations 2015.

A14.4 The Council's Internal Audit function is responsible for reviewing and reporting on corporate and departmental internal control arrangements, both financial and operational, as appropriate. This function can be provided by a suitably qualified external body (for example a shared Internal Audit Service).

A14.5 Internal Audit shall provide positive assurance when financial controls are effective and recommendations for improvement where they are not. They shall advise all levels of management on the operation of financial and operational controls to help prevent things going wrong.

A14.6 Internal Audit are responsible for the investigation and reporting of all suspected irregularities, at the request of the Chief Finance Officer, Monitoring Officer, the Chief Executive or a Director. The Counter Fraud and Enforcement Unit may also be instructed to carry out investigations of irregularity. Where there is the possibility of

fraud, Internal Audit may support an investigation lead by the Counter Fraud Manager.

A15 External Audit

A15.1 The Council's External Auditor is responsible for considering whether the Council has proper arrangements in place for:

- Giving an opinion on the Council's financial statements.
- Assessing how it secures economy, efficiency and effectiveness in its use of resources (the Value for Money statement); looking at how the Council is prioritising resources and improving efficiency and productivity.

B: FINANCIAL PLANNING, BUDGET PREPARATION AND BUDGET MONITORING

B1 Introduction

B1.1 Full Council is responsible for agreeing the Council's Policy Framework and Budget, which will be proposed by the Executive. In terms of financial planning, the key elements are the corporate plan, the annual revenue budget, the capital programme and the Medium-Term Financial Strategy.

B1.2 The Policy Framework comprises a number of statutory plans and strategies that are listed in the Council's Constitution.

B1.3 The budget is the financial expression of the Council's plans and policies. It reflects Full Council, Executive and Committee priorities and gives authority to Budget Holders to incur expenditure or collect income. It should take due account of the risks and opportunities facing the Council.

B1.4 The revenue budget must be constructed to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for the Council to budget for a deficit.

B1.5 Medium term financial planning covering a minimum period of five years, which incorporates both revenue and capital plans, involves a planning cycle in which Members, Chief Executive, Directors and Budget Holders plan for significant events and changes to spending and income. This allows for measured and appropriate action to be taken each year when setting detailed budgets and avoids the need for urgent or undesirable action.

B2 Full Council

B2.1 Full Council is responsible for the approval and adoption of its annual Budget in February of each year prior to the start of the next financial year.

B2.2 This includes:

- The allocation of financial resources to services and projects.
- The control of capital expenditure.
- The approval of the Medium-Term Financial Strategy.
- The control of the council's borrowing requirement.
- Setting the rate of Council Tax.
- Setting the Council Tax base (unless delegated under the constitution)
- The approval of the Council Capital, Investment and Treasury Management Strategies
- The approval of the Council Pay Policy

B2.3 Full Council is responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the Policy Framework, unless otherwise delegated under the constitution.

B2.4 Full Council is responsible for setting the level at which the Executive, Executive Members and Officers may reallocate budget funds from one service to another (see virement rules, Section C).

B3 Executive

B3.1 The general format of the annual Budget will be approved by Executive, on the advice of the Chief Finance Officer.

B3.2 The Executive is responsible for:

- Co-ordinating the development of the Budget and Policy Framework and submitting budget proposals to Full Council in February prior to the start of the next financial year.
- Taking in-year decisions on resources and priorities in order to deliver the Budget and Policy Framework within the financial limits set by Full Council.
- Monitoring financial performance against the Budget.

B4 Chief Finance Officer

B4.1 The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a Medium-Term Financial Strategy is prepared on a minimum five-year basis for consideration by the Executive, before submission to Full Council in February prior to the start of the next financial year.

B4.2 The Chief Finance Officer is responsible for:

- Determining the format and the timetable for the Budget, to be agreed by Executive.
- Supplying the financial information that needs to be included in policies, strategies and performance plans in accordance with statutory requirements and agreed timetables.
- Providing guidance to Officers on budget preparation.
- Advising Full Council on Executive budget proposals in accordance with their responsibilities under Section 151 of the Local Government Act 1972. This advice is to be presented to Full Council at its budget setting meeting in February, as part of their 'Section 25' report setting out their opinion on the robustness of the estimates and adequacy of reserves.
- Ensuring that expenditure is committed only against an approved budget and that all Officers responsible for committing expenditure comply with the FPR's and other

relevant guidance.

- Establishing a framework of budgetary management and control, ensuring that financial performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.
- The preparation of Budget Monitoring reports, to be reported to Executive, reflecting significant variations to income and expenditure budgets (in excess of £10,000) and the overall financial position, on a minimum quarterly basis.
- Ensuring that appropriate and timely information is provided on receipts and payments, in order to allow budgets to be monitored effectively.
- Ensuring that systems are in place to measure activity and collect accurate financial information for use in local financial performance indicators.
- Complying with all legal requirements and CIPFA's Code of Practice on Local Authority Accounting and CIPFA's Service Reporting Code of Practice for Local Authorities.

B5 Directors and Heads of Service

B5.1 Directors and Heads of Service should manage their budgets responsibly and prudently and not create future commitments without sufficient approved budget.

B5.2 Directors and Heads of Service are responsible for:

- Contributing to the development of the Policy Framework, budgets and performance plans within their areas of responsibility. Budget estimates should be prepared in line with guidance issued by the Chief Finance Officer and have regard to known spending patterns, legal requirements and agreed corporate and/or service plans.
- Contributing to the development of corporate and service targets, objectives and performance information in their areas of responsibility.
- Developing their services' performance plans in line with statutory requirements and corporate guidance.
- Achieving the targets, objectives and levels of performance as set out in the corporate plans (including achievement of budgetary targets within their areas of responsibility).
- Complying with the accounting guidance provided by the Chief Finance Officer and ensuring that income and expenditure is properly recorded and accounted for in their service areas. Income and expenditure should not be miscoded as a means of applying unauthorised virement.
- Monitoring income and expenditure within their approved budgets and reporting to

the Chief Finance Officer significant variations to budget (in excess of £10,000). They should also take the necessary action required to improve the financial position.

B5.3 Budget responsibilities may be delegated to Service Managers within their given area of responsibility. Any such scheme of delegation should be documented and the Budget Holder made aware of their levels of authority and the contents of the FPR's. Adequate training and support should be provided to budget holders to enable them to carry out their financial responsibilities and internal controls should be established to ensure that budgets are properly monitored.

B6 Budget Holders and Other Officers

B6.1 Each delegated budget holder and Officer shall be responsible for the sound financial management and budgetary control of their delegated area. This will include the monitoring and control of all financial and finance related systems and the monitoring and control of access to computerised financial records. Significant variations to budgets, in excess of £10,000, should be reported to the Chief Finance Officer and their Director or Head of Service.

B7 Preparation of Capital Programme

B7.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long-term and create financial commitments for the future in the form of financing costs and revenue running costs. Capital expenditure may include loans and grants which are used by others for capital purposes.

B7.2 The Chief Finance Officer is responsible for defining whether expenditure is classed as capital or revenue expenditure, having regard to Government regulations and accounting requirements.

B7.3 The Council can set a "de minimis" level for treating capital expenditure as revenue, to avoid unnecessary work in identifying potential capital spend. The current "de minimis" level is set at £10,000. Expenditure falling within the definition of capital expenditure will be charged to revenue if it is for £10,000 or less.

B7.4 The Chief Finance Officer is responsible for ensuring that a Capital Programme is prepared on an annual basis for consideration by Executive, before submission to Full Council for approval as part of the annual Budget setting process.

B7.5 Each Director or Head of Service will prepare a business case for each new item to be included in the Capital Programme, including details of the scheme, link to the Council Priorities, the capital budget requirement, a project plan, associated revenue expenditure and any other details requested by the Chief Finance Officer.

B7.6 No capital scheme shall commence which will increase the revenue expenditure of

the Council until such revenue provision has been approved.

B7.7 The Government places strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an Investment Strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B7.8 New capital schemes in year should be approved as follows:

- Amounts not exceeding £150,000 – by Executive
- Amounts in excess of £150,000 – by Full Council.

This approval is subject to the availability of the approved budget.

B7.9 As part of the capital programme, an asset management plan shall be maintained by a designated Director or Head of Service and a Capital Strategy shall be maintained by the Chief Finance Officer.

B7.10 Once a capital project has been approved, a Director, or delegated Officer, will be accountable for the delivery of the scheme and must comply with the Council's CPR's, FPR's and any other internal regulatory documents.

B8 Resource Allocation

B8.1 Where there is a mismatch between available resources and required resources, service needs should be prioritised and resources fairly allocated.

B8.2 The Chief Finance Officer is responsible for:

- Developing and maintaining a resource allocation process that ensures due consideration of the Council's Policy Framework.
- Advising on methods available for accessing additional resources and assessing their financial implications.
- Assisting in the allocation of resources to budget holders.

B9 Increases in Estimates

B9.1 Other than by virement or supplementary estimate, expenditure estimates may not be increased as a result of increased income, unless the service is designated as a trading service by the Chief Finance Officer, in consultation with the relevant Director and Executive Member. In these circumstances expenditure estimates approved by Full Council may be increased as a result of increased income, in line with the virement rules set out in the FPR's.

B10 Carry Forward of Budget

B10.1 Carry forward of planned underspend of revenue budgets into the following

financial year will only be allowed with the agreement of the Chief Finance Officer, in order to meet the needs of approved service delivery. All applications shall be submitted to the Chief Finance Officer in accordance with the agreed year end timetable.

B10.2 Chief Finance Officer approval is subject to evidence that the underspend is as a result of timing, has been committed for the same purpose as originally intended, and will be spent in the new financial year. The Chief Finance Officer will report agreed carry forwards to the Executive each year.

B10.3 All other carry forward requests, including budget under spends that have been carried forward in previous financial years, will be subject to Executive approval at the Financial Outturn meeting held after the year end (unless otherwise delegated under the Constitution).

B11 Maintenance of Reserves

B11.1 The Chief Finance Officer has a statutory obligation under the Local Government Act 2003 to report on the adequacy of the Council's reserves to Executive and Full Council; at the time Full Council considers its budget for the coming year.

B11.2 Reserves can be maintained for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing (This forms part of general reserves).
- A contingency to cushion the impact of unexpected events or emergencies (This also forms part of general reserves).
- A means of building up funds to meet known or predicted requirements (Earmarked reserves).

B11.3 The Chief Finance Officer has delegated authority to approve in year transfers to and from earmarked reserves to support the activities of the Council.

B11.4 The transfer to and from general reserves shall be the responsibility of Full Council. As part of the annual budget approval process, Full Council may delegate the amount by which such funds may be utilised and approved by Executive in meeting unforeseen expenditure.

C: SCHEME OF VIREMENT

C1 Introduction

C1.1 The scheme of virement is intended to enable the Executive, Directors and Heads of Service and Budget Holders to manage budgets with a degree of flexibility within the overall Policy Framework determined by Full Council, and therefore to optimise the use of available resources.

C1.2 Virement is the switching of resources between approved budgets at a service or cost centre level. This transfer of budgetary provision may be used if additional expenditure is required on an existing budget, providing that an equal expenditure saving or additional income can be made on another budget, subject to the Virement Rules.

C2 Full Council

C2.1 Full Council is responsible for agreeing procedures for virement of expenditure between budget headings. The virement scheme is administered by the Chief Finance Officer within the guidelines set by Full Council. Any variation from this scheme requires the approval of Full Council.

C2.2 Virement in excess of £150,000 are deemed to change the Budget and Policy Framework and require the approval of Full Council.

C3 Budget Variations within a Service

C3.1 Action to correct actual or projected variations in budgeted income or expenditure within an approved cost centre / service is delegated to the relevant Director, Head of Service or Budget Holder. These variations should not have a financial impact on the approved net budget on the cost centre / service.

C4 Virement Rules / Limits

C4.1 The prior approval of the relevant Executive Member and the Chief Finance Officer is required for any virement, of whatever amount, where it is proposed to vire as a result of a fortuitous increase in income to a cost centre not designated as Trading. The rules below cover the delegated virement limits.

C4.2 The following rules apply to virement between services:

C4.2.1 Revenue budgets:

Amounts up to £10,000 –

Approval by relevant Director(s) or Head of Service(s). The Chief Finance Officer

should be informed of this virement.

Amounts over £10,000 but not exceeding £25,000 –

Approval by relevant Director(s) or Head of Service(s) and the Chief Finance Officer. Relevant Executive Member(s) to be informed of this virement.

Amounts over £25,000 but not exceeding £50,000 –

Approval by Chief Finance Officer in consultation with Relevant Executive Member(s).

Amounts over £50,000 but not in excess of £150,000 – Approval
of Executive.

Amounts in excess of £150,000 –

Approval of Full Council, or as delegated in the Constitution.

C4.2.2 Capital Schemes:

Amounts up to £50,000 –

Approval of relevant Director(s) or Head of Service(s), with the agreement of the Chief Finance Officer. Executive Member(s) to be informed.

Amounts over £50,000 but not exceeding £150,000 – Approval
by Executive

Amounts in excess of £150,000 –

Approval of Full Council, or as delegated in the Constitution.

C4.3 Virement that is likely to have a financial impact on the level of service activity falling under the responsibility of another Director should only be implemented with the approval of each Director or Executive Member concerned.

C4.4 Virement must not be aggregated or disaggregated in order to avoid the Virement Rules.

C4.5 No virement relating to a specific financial year will be made after 31st March in that year.

C4.6 Where an approved budget is a lump sum budget or contingency intended for

allocation during the year, its allocation will not be treated as a virement, provided that:

- the amount is used in accordance with the purposes for which it has been established.
- the Executive or Full Council has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive or Full Council as required.

C4.7 The virement must not contravene any statutory requirement.

C4.8 All virement must be properly documented and approved. A record of all virement should be maintained by the Chief Finance Officer and reported to the appropriate Executive Member.

D: RISK MANAGEMENT AND INSURANCE

D1 Introduction

D1.1 Risk involves uncertainty whereby an event or effect deviates from what is expected. Risks cover situations which may result in loss, damage, injury, failure to achieve objectives or a missed opportunity. It includes corporate and strategic risks. All organisations, whether they are in the private or public sectors, face risks to reputation, people, property and continued operations.

D1.2 Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the organisation's opportunities and assets and to ensure its continued financial and organisational well-being. Risk management is, therefore, an integral part of good business practice.

D1.3 It is essential that robust systems are developed and maintained for identifying and evaluating all significant opportunities and risks to the Council as an integral part of management. This should include the active participation of all those associated with the planning and delivery of services.

D1.4 The Council's Risk Management Policy and Strategy sets out criteria for risk assessment and guidance on how it should be managed.

D2 Executive

D2.1 The Executive is responsible for:

- Implementing the council's Risk Management Policy and Strategy.
- Promoting a culture of risk management awareness throughout the Council

D3 Audit and Governance Committee

D3.1 The Audit and Governance Committee is responsible for:

- Reviewing the effectiveness of risk management processes.
- Approving the Council's annual Risk Management Strategy
- Ensuring that risk management procedures are satisfactorily carried out.
- Ongoing monitoring and review of the Risk Management Strategy.

D4 Chief Finance Officer

D4.1 The Chief Finance Officer is responsible for:

- Preparing the Risk Management Policy and Strategy for Audit and Governance Committee.
- Promoting the culture of Risk Management throughout the Council.
- Advising the Executive on appropriate insurance cover for known insurance risks and assets owned and/or used in connection with the Council's activities.
- The negotiation, and where appropriate, settlement, of insurance claims, in consultation with the Monitoring Officer, Assistant Director of Legal and other Officers as appropriate.
- Ensuring that all appropriate Officers are included in a suitable fidelity guarantee insurance.
- Reviewing annually, or at any such other period considered necessary, all insurances, in consultation with Directors and other Officers as appropriate.

D5 Directors and Heads of Service:

D5.1 Directors and Heads of Service are responsible for risk management and the regular review of risk and opportunity within their services, having regard to advice from the Chief Finance Officer and other specialist Officers (e.g. Health & Safety Advisor).

D5.2 Directors and Heads of Service are responsible for:

- Actively managing opportunities and risks in their area of responsibility.
- Providing prompt notification to the Chief Finance Officer for all new risks, properties, services or vehicles which require to be insured and of any alterations affecting existing insurances. This should include any areas of responsibility undertaken in respect of an external organisation, whether or not linked to the Council's activities.
- Providing notification to the Chief Finance Officer in writing of any loss, liability or damage or any event likely to lead to a claim. Further notification should be given to the Chief Finance Officer immediately on receipt of any insurance claim.
- Consulting with the Chief Finance Officer, the Assistant Director of Legal Services and the Monitoring Officer concerning the terms of any indemnity which the Council is requested to give.
- Ensuring that all Officers: -
 - are aware of their responsibilities for risk management and insurance.
 - receive adequate support and training to carry out their responsibilities.

- comply with the Council's standards of financial management.
- are personally protected from risk.

D6 Budget Holders and Other Officers

D6.1 Budget Holders and Officers are responsible for:

- Identifying opportunities and risks in their service areas.
- Assessing the likelihood of their occurrence and evaluating the possible impact. This involves arranging them in order of priority, recording the risks and judging the potential financial cost, lost time, inconvenience or upheaval, disruption to service, bad publicity or loss of service quality.
- Taking steps to minimise potential losses. Effective action will represent a judgement between the likely risk and the cost or effort required to safeguard against it.
- Notifying the Chief Finance Officer promptly of all new risks, properties or vehicles which require insurance and of any alterations affecting existing insurance.
- Notifying the Chief Finance Officer immediately of any loss, liability or damage which may lead to a claim against the Council, together with any information or explanation required by the Chief Finance Officer or the Council's insurers.
- Recording any incident which may result in a loss.
- Consulting the Chief Finance Officer, Assistant Director of Legal Services and the Monitoring Officer on the terms of any indemnities which the Council is required to give.
- Ensuring that Officers, or anyone covered by the Council's insurance, do not admit liability or make any offer to pay compensation which may prejudice the assessment of liability in respect of an insurance claim.

E: INTERNAL CONTROLS AND AUDIT

E1 Introduction

E1.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

E1.2 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors. Internal controls are necessary to help manage these risks and to monitor progress towards its strategic objectives.

E2 Internal Audit

E2.1 The Accounts and Audit Regulations 2011 require that the Council must undertake an adequate and effective internal audit of its accounting records and of its system of internal control, in accordance with proper practices.

E2.2 The internal audit function should operate in accordance with the International Professional Practices Framework of the Institute of Internal Auditors further guided by interpretation provided by the UK Public Sector Internal Audit Standards ('PSIAS'), the Global Internal Audit Standards and the CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, the Chartered Institute of Internal Auditors (UK and Ireland) Standards for the Professional Practice of Internal Auditing, and with any other statutory obligations and regulations.

E2.3 Internal Audit shall provide an independent, objective, assurance and consulting activity for the review of the Council's system of internal control.

E2.4 The Head of Internal Audit is responsible for providing a written report to those charged with governance, which includes an opinion on the adequacy and effectiveness of the Council's control environment under the CIPFA Code of Practice for Internal Audit under the Global Internal Audit Standards in the Local Government Application Note.

E2.5 The Head of Internal Audit has the right to meet the Chair of the Audit and Governance Committee in private.

E2.6 Internal Audit shall have direct access to the Head of Paid Service, the Chief Finance Officer, the Monitoring Officer, all levels of Management and Elected Members.

E2.7 Internal Audit shall have full and complete access to all information, records, facilities and Officers relevant to the performance of an audit review.

E3 External Audit and Inspection

E3.1 Public Sector Audit Appointments ('PSAA') is the body responsible for appointing External Auditors to each local authority in England and Wales. The basic duties of the

External Auditors are defined in the Local Audit and Accountability Act 2014.

E3.2 The External Auditor's main objectives are to review and report on the financial aspects of the Council's corporate governance arrangements, the financial statements and the arrangements to manage its performance.

E3.3 External Audit is responsible for considering whether the Council has proper arrangements in place for:

- Securing financial resilience; reviewing the Council's financial governance, financial planning and financial control processes.
- Challenging how it secures economy, efficiency and effectiveness; looking at how the Council is prioritising resources and improving efficiency and productivity.

E3.4 The Council may, from time to time, be subject to audit, inspection or investigation by other external bodies, such as HMRC, all of whom have statutory rights of access.

E4 Audit and Governance Committee

E4.1 The Audit and Governance Committee provides a broad base audit role across all areas of the Council, while promoting and ensuring effective governance, internal control and assurance mechanisms.

Audit and Governance Committee is responsible for:

- Reviewing internal and external reports and assessments in respect of corporate governance.
- Considering the Head of Internal Audit's annual report and opinion and annual internal audit plan and the level of assurance it gives over the council's corporate governance arrangements.
- Monitoring the operational Internal Audit plan and the audit planning process; ensuring that internal audit work is planned with due regard to risk, materiality and supports the council's corporate aims and priorities.
- Consulting with PSAA on the appointment of the Council's External Auditor.
- Consideration and review of the External Audit Annual Report to those charged with governance (ISA 260) and all associated reports and other documents.
- Reviewing all matters relating to External Audit, including audit and inspection planning, action points and reports.
- Monitoring and review of actions required arising out of External and

Internal Audit recommendations.

- Ensuring effective liaison between External and Internal Audit and any other inspection agency.
- Reviewing and signing approval of the audited annual statement of accounts and annual governance statement, including the statement of the system of internal financial control in accordance with statutory requirements and timescales.

E5 Chief Finance Officer

E5.1 The Chief Finance Officer is responsible for:

- Advising and assisting the Council to put in place a control environment which provides reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- Ensuring that an adequate and effective Internal Audit Service is maintained, with the authority to access all assets, records, documents, correspondence and control systems of the Council, and such records belonging to third parties, such as contractors, when required.
- Ensuring that effective procedures are in place to investigate promptly any suspected fraud or irregularity.
- Ensuring that all External Auditors and Inspectors are given access at all reasonable times to premises, Officers, documents and assets which they consider necessary for the purposes of their work.
- Working with the appointed External Auditors and Inspectors and advising the Audit and Governance Committee, Executive, Directors and Heads of Service on their responsibilities in relation to External Audit and inspection.
- Ensuring there is effective communication between External and Internal Audit.

E6 Directors and Heads of Service

E6.1 Each Director and Head of Service is responsible for:

- Establishing sound arrangements for planning, appraising, authorising and controlling their operations, in accordance with the Code of Corporate Governance and the Annual Governance Statement.
- Achieving continuous improvement, economy, efficiency and effectiveness within services.
- Implementing processes to check that established controls are being complied

with and to evaluate their effectiveness.

- Reviewing existing controls and establishing new controls where necessary, in order to reflect changes within the Council. They shall consult with Internal Audit on any proposed new systems, before implementation.
- Ensuring that Internal Auditors are given access to all records and assets of the authority, in accordance with their authority as set out above.
- Ensuring that all External Auditors and Inspectors are given access at all reasonable times to premises, Officers, documents and assets which they consider necessary for the purposes of their work.
- Considering and responding promptly to recommendations in audit reports. Implementing agreed actions arising from audit recommendations in a timely and efficient manner.
- Notifying the Chief Finance Officer and the Head of Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources.
- Ensuring that, as far as possible, the same Officer is not responsible for receiving or paying money and rendering accounts or issuing receipts for the same.

E7 Preventing Fraud and Corruption

E7.1 The Council has an Anti-Fraud and Corruption Policy / Strategy and maintains a culture which will not tolerate fraud or corruption. The Council's expectation of propriety and accountability is that Members and all Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

E7.2 The Council also expects that individuals and organisations (e.g. service providers, contractors and suppliers) that it comes in contact with, will act towards the Council with integrity and without thoughts or actions involving fraud and corruption.

E7.3 The Chief Finance Officer is responsible for the development and maintenance of an Anti-Fraud, Corruption and Whistle-blowing Policy.

E7.4 The Monitoring Officer is responsible for ensuring that all legislation, including the Public Interest Disclosure Act 1988, the Bribery Act 2010 and the Fraud Act 2006, is adhered to.

E7.5 Each Director and Head of Service is responsible for ensuring that the systems operated within their control seek to prevent or minimise the opportunity for fraud, corruption or irregularity to arise. And that all Officers are aware of and comply with the Council's Anti-Fraud and Whistle Blowing Policies.

E7.6 Whenever any matter arises which involves, or is thought to involve, irregularities

concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council, the Director or Head of Service has a duty to immediately notify the Chief Finance Officer and the Monitoring Officer, who shall take such steps as they consider necessary by way of investigation and report.

E7.7 All Members and Officers must be aware of the maintenance of the Register of Interests, which should be updated annually or more frequently if other changes occur. Any offer of hospitality or gifts must be recorded, whether accepted or refused.

E8 Ex-Gratia / Maladministration Payments

E8.1 A payment is sometimes made to compensate someone for loss or damage incurred through no fault of the Council. Most usually, this is to an Officer who has suffered loss or damage in the course of their duties but can be to a member of the public for a minor loss within the influence of the Council (such as thefts from secured lockers at Leisure Centres) This is funded through the Council's insurance arrangements.

E8.2 Compensation payments under the local complaints procedure up to £5,000 shall only be made following an investigation by the Chief Finance Officer and a Director or Head of Service and/or the Monitoring Officer, and with the approval of at least two of those Officers.

E8.3 Compensation payments in excess of £5,000 shall only be made following a report from one of the three Officers named in Financial Rule E8.2, above and with the following approval:-

- Amounts £5,001 to £50,000 – by Executive Member
- Amounts £50,001 to £150,000 – by Executive
- Amounts in excess of £150,000 – by Full Council

F: ASSETS

F1 Introduction

F1.1 The Council holds assets in the form of property, vehicles, equipment, furniture, cash and other items worth many millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services. Assets should be used to achieve the approved policies and objectives of the Council with the minimum of waste, inefficiency or loss.

F1.2 This involves ensuring that appropriate assets are acquired, in line with the Council's Procurement Strategy; that they are recorded and kept securely and are disposed of effectively and economically when no longer required.

F2 Full Council

F2.1 Full Council is responsible for deciding the extent of the Property Portfolio and for agreeing acquisitions and disposals. Approval is delegated to Executive for acquisitions and disposals not exceeding £1,000,000.

F2.2 Assets no longer required should be disposed of in accordance with the law and the rules and policies of the Council, so as to maximise benefits.

F3 Executive

F3.1 The Executive is responsible for approving terms for land / property acquisitions and disposals, as above 2.1

F4 Chief Executive (or other delegated Officer)

F4.1 The Chief Executive (or other delegated Officer) is responsible for:

- Signing contracts for the sale or purchase of land, for which the disposal/acquisition has been agreed by the Executive or Full Council.

F5 Head of Assets and Legal Services (or other delegated Officer)

F5.1 The Head of Assets, or other delegated Officer is responsible for:

- Maintaining a terrier / asset register of all properties and assets owned by the Council, in a form approved by the Chief Finance Officer. This shall record the purpose for which the property is held, its location, its extent and plan reference, purchase details, particulars of nature of interests and rents payable and particulars of tenancies granted.

- Advising Members, the Chief Finance Officer, Executive, Full Council and other Officers on property-related issues.
- Processing all authorised acquisitions and disposals of land and property.
- The maintenance of Council-owned property including open-spaces. Such maintenance work to be carried out within the terms of contracts for responsive maintenance to Council properties.
- in the case of non-housing capital building contracts, consulting with the relevant Executive Member and the Chief Finance Officer, where the contingency sum in the contract is likely to be exceeded. FPR's in respect of budget approval and /or virement are to be followed.

F5.2 The Head of Assets (or other delegated officer) has the authority to approve the following transactions in respect of the Council's land and property:

- Grant of Licences up to 12 months
- Grant of Licences to Alter
- Grant of Landlord's Consents
- Grant of Wayleaves under Statutory Powers
- Enforcement of the terms and conditions of any commercial lease or agreement

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F5.3 The Head of Assets (or other delegated Officer), in consultation with the relevant Executive Member(s), the Director with responsibility for Assets and the Assistant Director of Legal Services has authority to approve all transactions with a value up to £50,000 per transaction relating to the Council's properties within their existing classifications; including:

- Acquisitions and Disposal of Land and Property
- Grant of Licences for more than 12 months
- Rent Reviews, Agreement of New Leases and Lease Renewals
- Assignment of Leases, deeds of variation, surrender of leases
- Grant of Tenancy at Wills
- Grant of Easements

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F5.4 The Assistant Director of Legal Services (or other delegated Officer) shall have custody of all title deeds under secure arrangements agreed with the Chief Executive.

F5.5 The Assistant Director of Legal Services (or other delegated Officer) in consultation with the relevant Executive Members and relevant Ward Member(s) and the relevant Director, has authority, in the case of the resale of former Council houses, to give the

Council's consent in all cases under Section 157(1) of the Housing Act 1985 where consent is obligatory and in other cases approved by the Executive; and authority to approve applications for the sale of former Council houses in Areas of Outstanding Natural Beauty.

F5.6 The Assistant Director of Legal Services (or other delegated Officer) has the authority to instigate any investigations he/she considers necessary in particular cases regarding the lease of Council-owned commercial premises.

F6 Chief Finance Officer (Section 151)

F6.1 The Chief Finance Officer in consultation with the Executive Member for Finance, the Assistant Director of Legal Services and the Head of Assets has authority to approve transactions with a value between £50,000 and the key threshold limit:

- Acquisitions and Disposal of Land and Property
- Grant of Licences for more than 12 months
- Rent Reviews, Agreement of New Leases and Lease Renewals
- Assignment of Leases, deeds of variation, surrender of leases
- Grant of Tenancy at Wills
- Grant of Easements

F6.2 The Chief Finance Officer in consultation with the Executive Members for Finance and the Economy has authority to approve leases at Marriotts Walk Witney up to the key decision threshold.

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F6.2 The Chief Finance Officer is responsible for:

- Ensuring that assets are valued in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.
- Maintaining a property database for all land, properties, plant and machinery, and moveable assets currently owned and used by the Council.
- Managing the risk implications of the Property Portfolio, particularly in terms of insurance cover.
- Co-ordinating the security of the Council's administrative and operational offices.

F7 Directors, Heads of Service and Budget Holders

F7.1 Directors, Heads of Service and Budget Holders are responsible for:

- Drawing up contingency plans for the security of assets and continuity of service in the event of disaster or system failure.

- Ensuring that lessees and other prospective occupiers of Council land or property are not allowed to take possession or enter the land until a lease or agreement has been established. The lease or agreement should be in a form approved by the Head of Assets, in consultation with the Chief Finance Officer and the Assistant Director of Legal Services, where appropriate.
- Ensuring the proper security and safe custody of all buildings, vehicles, equipment, furniture, stock, stores, money and other property belonging to the Council.
- Where land or buildings are surplus to requirements, preparing a report containing a recommendation for the disposal of the land, in consultation with the Head of Assets and the Chief Finance Officer.
- Passing title deeds of Council property to the Assistant Director of Legal Services who is responsible for the custody of all title deeds on behalf of the Council.
- Ensuring that Council assets are not taken, borrowed or used by a Member or Officer for their personal use without proper authority.
- Ensuring, in accordance with arrangements agreed by the Chief Finance Officer that all assets are correctly identified and insured.
- Notifying the Chief Finance Officer and the Director or Head of Assets of any proposals to acquire or dispose of Council property.
- Arranging for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer.
- Ensuring that all Officers under their management are aware that they have a personal responsibility with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Acts and software copyright legislation. This should include confidentiality of information, whether held in manual or computerised records.

F8 Information and Communication Technology (ICT)

F8.1 All ICT equipment, irrespective of its individual value, shall be procured by, or with the prior approval of the Director or Head of Service responsible for ICT Services (or their delegated Officer), particularly where the equipment has a strategic value or requires network access.

F8.2 This Director or delegated Officer shall maintain a register of all ICT equipment above the value of £500 owned by the Council, including its location and serial number.

F8.3 Certain equipment to be determined by the Director or Head of Service responsible for ICT, such as cameras, mobile phones, etc shall be procured by them and recorded in

the ICT inventory.

F8.4 The Council's internal IT policy and guidance should be followed, and in particular, no unofficial or unlicensed software shall be used on the Council's computer equipment, under any circumstances.

F8.5 Computer games supplied as part of licensed software shall not be played in Council time.

F9 Stocks and Stores

F9.1 Disposable items such as stationery, goods for sale or materials may be held in store. They should be properly controlled and accounted for to ensure they are used only for Council purposes.

F9.2 Stocks shall not be in excess of normal requirements except in special circumstances, with the approval of the Director or Head of Service, who shall keep a written record and justification of such circumstances.

F9.3 Each Director or Head of Service shall be responsible for the care and custody of the stocks and stores within their service(s).

F9.4 Directors or Heads of Service shall arrange for periodical test examinations of stocks and ensure that all stocks are checked at least once a year, where appropriate, as determined by the Chief Finance Officer. This is to be under the supervision of Officers without direct responsibility for the custody of the stocks or stores being checked.

F9.5 The Chief Finance Officer shall be entitled to receive from each Director or Head of Service such information as they require in relation to stocks or stores, for the accounting, costing and financial records at the financial year end.

F9.6 Adjustments in respect of stock deficiencies and surpluses shall be subject to the approval of the Chief Finance Officer, or in the case of major items, the Executive.

F9.7 Private individuals or companies shall not be permitted to purchase items previously acquired by the Council unless they:

- Are sold through a retail outlet incidental to the provision of a specific service (e.g. Leisure centre or Museum shop), or
- Are obsolete or surplus to requirements and are sold as a means of disposal, in accordance with the Council's disposal policies.

F9.8 Individual Members and Officers of the Council must not use the auspices of the council to purchase works, goods or services for their personal use.

F10 Petty Cash and Cash Floats

F10.1 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and

shall not be exceeded without their express permission.

FI0.2 The Chief Finance Officer may provide petty cash advance accounts or cash floats for such Officers as may need them for the purpose of defraying petty cash or other expenses. Petty cash accounts shall be maintained in the imprest system and shall be controlled by the Officer designated by the Director concerned.

FI0.3 Payments from any such account shall be limited to minor individual items of expenditure up to a maximum of £100. The Chief Finance Officer has discretion to allow larger payments in exceptional circumstances.

FI0.4 All payments shall normally be supported by a receipted voucher and proper VAT receipts where appropriate. However, the Chief Finance Officer has discretion to allow payments to be obtained without obtaining receipts in exceptional circumstances.

FI0.5 Payments in reimbursement of travelling or subsistence expenses shall not be paid out of petty cash accounts.

FI0.6 An Officer responsible for a petty cash or cash float shall, if so requested, give the Chief Finance Officer a certificate as to the state of such a float.

FI0.7 Change floats are not to be used for any other purpose than for providing change, with the exception of cash advances in special circumstances, subject to the approval of the Chief Finance Officer. Such approval should be recorded.

FI0.8 When an Officer responsible for such an account leaves the employment of the Council/Shared Service employer, or ceases to be entitled to hold an advance, their Director or Head of Service shall ensure that they account to them for the amount advanced.

FI1 Intellectual Property

FI1.1 Intellectual Property is a generic term that includes inventions and writing. If these are created by an Officer during the course of employment, as a general rule they belong to the Employer. There is a variety of legislation covering different types of intellectual property.

FI1.2 Certain activities undertaken by the Council may give rise to items which are patentable e.g. the development of software. These are collectively known as Intellectual Property.

FI1.3 Directors and Heads of Service are responsible for implementing the Council's intellectual property procedures and for putting controls in place to ensure that Officers do not carry out private work in the Council's time.

FI1.4 Officers should be made aware of the Employer's rights with regard to intellectual property.

G: TREASURY MANAGEMENT

G1 Introduction

G1.1 Many millions of pounds pass through the council's books each year and must be carefully managed in a way which balances risk with return, but with the overriding consideration being the security of the Council's funds.

G1.2 The general policy objective is that the Council should invest prudently the surplus funds held on behalf of the community, giving priority to security and liquidity of the funds.

G1.3 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities. All of the Council's borrowings and investments must be carried out in accordance with this code.

G2 Full Council

G2.1 Full Council is responsible for approving the Treasury Management Strategy, as well as the Investment Strategy and the Capital Strategy, as part of the budget setting process. The strategies are prepared in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the Prudential Indicators as part of the Prudential Code.

G3 Audit and Governance Committee

G3.1 The Committee is responsible for:

- Proposing the Treasury Management Strategy, Capital Strategy and Investment Strategy to Full Council in accordance with advice from the Chief Finance Officer.
- Implementing and monitoring performance against the Treasury Management Strategy.
- Delegating responsibility for borrowing, investment and financing to the Chief Finance Officer.

G4 Chief Finance Officer (Section 151)

G4.1 The Chief Finance Officer is responsible for:

- Controlling all money in the hands of the Council.
- Acting in accordance with the CIPFA's Code of Practice for Treasury Management in Local Authorities.

- Reporting to the Audit and Governance Committee a proposed Treasury Management Strategy for the coming financial year at or before the start of the financial year.
- Implementing and monitoring the Council's Treasury Management Strategy.
- Reporting to the Audit and Governance Committee on treasury management activity and prudential indicators and the exercise of their delegated treasury management authority. One such report will comprise an annual report on treasury management outturn, for presentation by 30th September of the succeeding financial year.
- Ensuring that all investment and borrowing is made in the name of the Council.
- Ensuring that all securities that are the property of the council and the title deeds of all property in the Council's ownership are held securely.
- Acting as the Council's registrar of stocks, bonds and mortgages and maintaining records of all borrowing and investment of money by the council.
- Arranging for all trust funds to be held, where possible, in the name of the Council. All Officers acting as Trustees by virtue of their official position, shall deposit securities, etc. relating to the trust with the Chief Finance Officer unless the deed otherwise provides.
- Where funds are held on behalf of third parties, arranging for their secure administration, approved by the Chief Finance Officer, and maintaining written records of transactions.
- Ensuring that all trust funds are operated within any relevant legislation and the specific requirements of each trust.

G5 Banking Arrangements

G5.1 The Chief Finance Officer is responsible for:

- Operating bank accounts as they consider necessary. No bank accounts may be opened in the Council's name, or closed, without the prior approval of the Chief Finance Officer.
- Instructing the Council's bankers to prohibit an overdrawn position on the aggregate bank accounts of the Council beyond the level set out in the facilities agreement between the Council and its bankers.
- Ensuring that an up-to-date list of all authorised bank signatories on the Council's bank accounts is maintained and made available to the Council's bankers.

- Designated Officers are permitted to act as authorised bank signatories.
- Ensuring that an up-to-date list of Officers holding Business Charge Cards, Corporate Credit Cards or Government Procurement cards on behalf of the Council is maintained, showing individual approved credit limits.
- Advising on secure arrangements for banking and cash handling.
- Authorising the provision of change floats at the request of the Directors or Heads of Service (see Petty Cash FPR's).
- Ensuring that designated Officers are given access to the bank account details of each of the Councils being served by the Shared Service, to facilitate transactional processing and other finance related work, as required.

G5.2 Directors and Heads of Service are responsible for:

- Ensuring that banking and cash handling is carried out in accordance with FPR's.
- Ensuring that Officers are properly trained and aware of their responsibilities.
- Ensuring that Officers are personally protected against risk.
- Ensuring that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the Chief Finance Officer.

G5.3 Budget Holders are responsible for:

- Ensuring that all Officers are aware of the controls required over banking and cash handling and follow instructions thereon.
- Cash in excess of these limits should be banked before the end of the day. Cash should not be held at an Officer's home as this may negate the Council's insurance cover.
- Holding change floats issued to the service by the Chief Finance Officer and accounting for them when required to do so.
- Ensuring that keys to safes and other receptacles used for holding cash are always kept secure by the Officer responsible. Loss of keys must be reported to the Chief Finance Officer as soon as possible.
- Ensuring that, where money passes from one Officer to another, there are procedures in place to evidence the transfer, the amount and the certification of the

Officers involved.

- Ensuring that Council money is not kept with or confused with unofficial funds, e.g. tea, lottery or pools funds.
- Ensuring that payments are not made from cash received.
- Implementing documented procedures for recording, receipting and banking money. Banking should be carried out as frequently as is necessary to keep the amount of money within insurance limits. Each deposit to the bank should be accompanied by a properly completed bank paying-in slip showing:
 - the name and title of the Officer making the banking.
 - the total deposited, analysed in denominations of cash and cheques.
 - the name of the cheque payees and a debtor's reference, where this is available, on the reverse of the slip (also on the reverse of the cheque where payment is by cheque).

N.B. Cheques received to a value in excess of £10,000 must be banked at the earliest opportunity but in any event within three days of receipt.

- Reconciling income records to the Council's financial information system, checking that all money received has reached the correct budget head. Discrepancies should be investigated and corrected immediately.

G6 BACS Payments and Cheques

G6.1 The payment of all monies from the Council, with the exception of sums payable from advance accounts or business credit cards, shall be by BACS or other instrument drawn on the Council's bank account by the Chief Finance Officer, including cheques when payment by BACS is not possible or appropriate.

G6.2 All BACS transmissions, irrespective of value, will be supported by an authorisation form signed by the Officer responsible for producing the payment, plus either the Chief Finance Officer or another authorised bank signatory.

G6.3 All individual cheques drawn for an amount in excess of £25,000 shall be countersigned by another authorised Officer, who shall be an authorised bank signatory to the bank account.

G6.4 All cheque stocks shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.

G6.5 All cheques drawn on the Council's main bank accounts shall bear the facsimile signature of the Chief Finance Officer or other Officer authorised to do so.

G6.6 All manually prepared cheques for an amount in excess of £5,000 shall be countersigned by another authorised Officer, who shall be an authorised bank signatory to the bank account.

H: FINANCIAL SYSTEMS AND ACCOUNTING PROCEDURES

H1 Introduction

H1.1 Sound systems and procedures are essential to an effective framework of accountability and control. They are needed to ensure that accounting records can be relied upon to present a true and fair view of the Council's financial activity and that management information is appropriate, accurate and timely.

H1.2 The Council must operate within legal requirements and adopt best practice guidance. The Council will follow the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice for Local Authorities.

H2 Chief Finance Officer (Section 151)

H2.1 The Chief Finance Officer has a statutory and professional responsibility for ensuring that the Council's financial systems are sound and for making arrangements for the proper administration of the Council's financial affairs, including: -

- Selecting suitable accounting policies that comply with legislation and best practice guidance and ensuring that they are applied consistently.
- Determining the accounting systems and procedures, form of accounts and supporting financial records.
- Ensuring that delegated Officers are given access to the financial records of each of the councils being served by Shared Service Arrangements to facilitate transactional processing and other finance related work, as required.
- Issuing advice, guidance and procedures for Officers and others acting on the Council's behalf.
- Establishing arrangements for the audit of the Council's financial affairs.
- Approving any new financial system to be introduced and any changes to be made to existing financial systems.
- Producing timetables for accounting tasks such as the production of budgets and final accounts and the collection or submission of other financial information for processing (e.g. Accounts Payable deadlines).
- Ensuring that all suspense and holding accounts are controlled and reconciled on a monthly basis.
- Ensuring that all bank accounts are controlled and reconciled to the main accounting system regularly (at least monthly) to confirm that all transactions have been processed into the Council's accounts.

H2.2 The Chief Finance Officer has a statutory responsibility for ensuring that the annual Statement of Accounts is prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice for Local Authorities.

H3 Directors, Heads of Service and Budget Holders

H3.1 Each Director, Head of Service or Budget Holder shall ensure that all financial and computerised systems for which they are responsible are adequately controlled and comply with the requirements laid down by the Chief Finance Officer. Any proposed changes to these systems / procedures or any new systems / procedures must be also approved by the Chief Finance Officer.

H3.2 Directors, Heads of Service and Budget Holders are responsible for:-

- The proper operation of financial processes in their areas of responsibility and ensuring that all Officers under their management are aware of, and properly operate, the financial systems relevant to their area of work.
- Establishing and maintaining sound financial processes within their areas of management.
- Documenting systems and ensuring that Officers are properly trained in their use.
- Ensuring that financial transactions are recorded in a timely and accurate manner and are processed into the main accounting system using correct accounting codes. Transactions should not be processed to incorrect accounting codes as a way of avoiding virement rules.
- Using only their own accounting codes unless they have the express written permission of another Budget Holder to use theirs.
- Properly recording the nature and value of income, expenditure and assets and referring to original documentation where possible.
- Ensuring that income and expenditure are accounted for separately and are not set off against each other.
- Accounting for revenue and capital income and expenditure separately.
- Maintaining a complete audit trail allowing financial transactions to be traced from the accounting records to the original documentation and vice versa.
- Ensuring that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements under Data Protection legislation, approved by the Chief Finance Officer.
- Implementing organisational structures that provide adequate segregation of duties to

minimise the risk of fraud, error or other malpractice. In particular, ensuring that Officers charged with the duty of examining and checking the amounts of cash transactions (or cash equivalents) shall not themselves be engaged in any of these transactions.

- Establishing an effective scheme of delegation, identifying Officers authorised to act on their behalf in respect of financial transactions, determining the limits of their authority and ensuring that the scheme operates effectively.
- Supplying a written record of authorised Officers within their area of responsibility, with specimen signatures and delegated limits, to the Chief Finance Officer, and ensuring they are up to date. Directors shall still remain responsible for the activities of delegated functions.
- Implementing and documenting effective contingency arrangements in a disaster recovery plan, including back-up procedures, to allow systems to resume operation quickly in the event of an interruption in service. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off-site, or in an alternative location within the building.
- Ensuring that computer and other systems are registered in accordance with Data Protection legislation and that Officers are aware of their responsibilities under this and the Freedom of Information legislation.
- Carrying out accounting tasks to meet the standards and timescales set by the Chief Finance Officer or their delegated Deputy.

H4 Officers

H4.1 Each nominated Officer shall ensure that all financial and finance related systems (for example register of disabled facilities grants, housing benefit payments etc) are reconciled to the Council's main financial management system quarterly, unless more frequent reconciliation is required by the Chief Finance Officer.

H4.2 Any amendments to a prime record should be made in ink and initialled by the Officer making it. Correcting fluid, or any other means of obliteration, shall not be used to amend prime financial records.

H5 Orders for Work, Goods and Services

H5.1 Requisitions and official orders shall, in addition to any requirement under the CPR's, be in a form approved by the Chief Finance Officer and are to be authorised only by Officers designated for that purpose.

H5.2 Requisitions and official orders shall be issued for all works, supplies or services to be supplied to the Council, except for supplies of public utility services, periodical payments such as rent or business rates, for petty cash purchases or such other

exceptions as the Chief Finance Officer may approve.

H5.3 Requisitions or official orders shall clearly indicate the nature and quantity of the work or services required and any relevant contract or agreed prices.

H5.4 Each requisition and order shall conform to the guidelines contained in the Council's CPR's.

H5.5 Prior to placing an order, Officers shall ensure that provision has been made in the budget for the cost of the works, goods or services to be supplied. Where applicable, these should comply with relevant legislation and prescribed procedures.

H5.6 All goods and services shall only be ordered by an authorised Officer, in accordance with written delegations and procedures.

H5.7 All orders for goods and services must be approved by budget holders before being issued to the supplier. The approval limits will normally be assigned in accordance with the following levels of authority:

- Authorised Officer – Up to £2,000, subject to individual approved limit
- Authorised Budget Holder –Up to £10,000, subject to individual approved limit
- Head of Service up to £50,000, subject to individual approved limit
- Director up to £100,000, subject to individual approved limit, and countersigned by Chief Finance Officer or Deputy Chief Finance Officer.
- Chief Finance Officer or Deputy Chief Finance Officer up to £250,000
- Chief Finance Officer, Deputy Chief Finance Officer, Chief Executive or Head of Paid Service - above £250,000
- Each Director or Head of Service will agree the appropriate approval limit for individual Officers within their service with the Chief Finance Officer or Deputy Chief Finance Officer, based on their level of responsibility and/or their budget amounts.

H5.8 All ICT equipment, irrespective of its individual value, shall only be procured by, or with the prior approval of the Director responsible for ICT Services (or their delegated Officer), particularly where the equipment has a strategic value or requires network access.

H5.9 All goods and services received shall be checked, to ensure that they are in accordance with the order, are for the correct quantity and quality standards and that any work has been completed satisfactorily. Proper entries shall be made in inventories

or stores records, where appropriate.

H5.10 All orders should be checked to ensure prices, calculations, trade discounts, other allowances and credits are correct.

H5.11 All expenditure, including VAT shall be accurately recorded against the correct allocated budget and any exceptions corrected.

H5.12 All appropriate evidence of the transaction and payment documents shall be retained and stored for the defined period, in accordance with the Council's document retention schedule.

H6 Payment of Accounts

H6.1 The payment of all monies from the Council, except for sums payable from advance accounts or business credit cards (if applicable), shall be by BACS or other instrument drawn on the Council's bank account by the Chief Finance Officer, including cheques when payment by BACS is not possible or appropriate.

H6.2 Payment will only be made if the budget holder is satisfied that the requirements of FPR's H5.9 and H5.10 have been met. All payments should be made to the correct organisation /individual, for the correct amount.

H6.3 VAT invoices must not be altered. If the amount of the invoice is incorrect, either a replacement or a credit note shall be requested

H6.4 Purchase invoices received into a department shall be passed without delay to the Accounts Payable team, Financial Services, to be examined as considered necessary. For this purpose, Financial Services are entitled to make such enquiries and to receive such information and explanation as they may require.

H6.5 Payment will not be made on the basis of a statement or a reminder account.

H6.6 Payments shall be made within 30 days of receipt by the Council or within any mutually agreed terms, in order to avoid the possibility of penalty interest becoming payable.

H6.7 Any penalty interest becoming payable under the Late Payment of Commercial Debts (Interest) Act 1998 shall be charged back to the appropriate budget head unless, in the view of the Chief Finance Officer, unreasonable delays were occasioned by another Officer.

H6.8 A Director must consult with the Chief Finance Officer before entering into any mutual payment terms with a supplier. All such agreements must be made in writing.

H6.9 Prepayment for goods and services should be avoided where possible, in order to minimise risk to the Council. If a prepayment is unavoidable then it should be approved by the Chief Finance Officer or their nominated representative.

H7 Payments to Officers and Members

H7.1 The interpretation and application of pay scales, conditions of service and other related matters shall be the responsibility of the Head of Paid Service (Chief Executive), with whom Directors shall confer, as necessary, in connection with their application to Officers in their areas of responsibility.

H7.2 The Chief Finance Officer is responsible for ensuring that budget provision exists for all existing and new Officers and for making all payments of salaries and wages to all Officers and Members, in accordance with agreed terms and conditions and timescales.

H7.3 The Chief Finance Officer is responsible for the maintenance of proper national insurance, income tax and other statutory pay records and for the accurate and timely payment of pension contributions and other deductions to third parties.

H7.4 Chief Finance Officer, shall approve and the arrangements for payments of salaries and wages to all Officers, including the process for payments for overtime and for payment of allowances to Members.

H7.5 Directors, Heads of Service or Budget Holders must notify the HR Team, as early as possible of all appointments, dismissals, resignations, absences from duty, transfers and proposed changes of Officers, together with such other information as is necessary to maintain adequate personnel records for the Council.

H7.6 No new appointments or changes to arrangements for existing Officers are permitted without adequate budget provision. All appointments shall be made in accordance with the council's rules and approved establishments, grades and scales of pay.

H7.7 Directors, Heads of Service and/or budget holders are responsible for the monitoring of spending against approved employee-related budgets, ensuring that the employee-costs budget is not exceeded without appropriate authority and that it is managed to enable the agreed level of service to be provided.

H7.8 All Officers and Members shall notify the Human Resources Service of any discrepancy between what they expected to be paid and what they have received, including payments made in error. In the event of an overpayment the recipient will normally be asked to refund the Council over the same time period for which the error was made. If the Council makes an underpayment it will be corrected as soon as is reasonably practical, each case being agreed individually. Failure to report an overpayment may result in disciplinary action.

H8 Travel and Subsistence Claims

H8.1 Claims for payment of allowances, travelling and subsistence should follow the process approved by the Council in consultation with the Chief Finance Officer.

H8.2 Claims shall normally be submitted monthly and always by the end of April following

the financial year end. Officers are responsible for ensuring that journeys made and expenses claimed have been properly incurred and supporting VAT receipts are obtained. All claims must be authorised by an Officer's line manager.

H8.3 The Council reserves the right not to pay any travel and/or expense claims that are not submitted in a timely manner, without good reason. Line Managers are responsible for approving or not approving all claims. In the case of any queries, Line Managers should consult with their Director or Head of Service.

H9 Value Added Taxation

H9.1 The Chief Finance Officer is responsible for advising Directors and Heads of Service and Members, in the light of guidance by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council. Written advice shall be made available to all relevant Officers.

H9.2 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

H9.3 The Chief Finance Officer or their authorised representative shall be responsible for liaising with HM Revenue and Customs on all VAT related matters and for submitting and signing the necessary returns/claims in a timely manner.

H9.4 VAT must be correctly claimed on expenditure (Input Tax) and valid tax invoices retained by the Council

H9.5 VAT must be correctly charged on income from works, goods and services supplied by the Council (Output Tax) and a valid VAT invoice or VAT receipt issued to any party outside the Council, in accordance with the form approved by the Chief Finance Officer.

H9.6 Under no circumstances shall an Officer or Member use the auspices of the Council to purchase goods or services for their own private purposes to avoid paying VAT. To do so may result in disciplinary action.

H10 Trading Accounts / Business Units

H10.1 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts and business units. These shall be accounted for in accordance with CIPFA's Service Reporting Code of Practice.

H10.2 The Chief Finance Officer shall be consulted if a business unit wishes to enter into a contract with a third party, where the contract exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they are capable of being terminated within the main contract period without penalty. A service designated as a trading service may increase expenditure estimates approved by the Council, in consultation with the relevant Director and Executive Member and the Chief Finance Officer as a result of increased income, in line with the virement rules set

out in the FPR's.

H10.3 A trading account or business unit for the provision of sports, recreation or cultural activities may increase its fees and charges during the year in order to remain in line with competitors and demand, in consultation with the relevant Executive Member.

H11 Journals

H11.1 All journal entries and other daily input into the Financial Management system (Business World Agresso) may only be processed by authorised Officers, with the approval of the Chief Finance Officer. This will normally be restricted to Officers within, Financial Services.

H11.2 Journals shall only be processed within the general ledger of the council. No journals are permitted between different company / Council general ledgers.

H11.3 The Head of Finance is responsible for ensuring that a monthly report of all journals raised on the finance system is produced and retained for audit purposes. This report shall be checked and signed as agreed by a delegated senior Officer.

I: INCOME

II Introduction

II.1 The Council seeks to maximise its income to enable it to meet its financial objectives. The Local Government Act 2003 enables authorities to charge for discretionary services. Sources of income need to be identified and fees and charges authorised at an appropriate level.

12 Executive

12.1 The Executive is responsible for: -

- Setting fees and charges for services, approved as part of the annual budget setting process.
- Approving procedures for the write off of bad debts.
- Approving the write off of bad debts in excess of the approved Chief Finance Officer limit, under Financial Rule 19

12.2 Statutory fees and charges shall be set in accordance with the relevant legislation and the prescribed notice period for changes to fees and charges shall be given.

12.3 Non statutory fees and charges may be increased or reduced during the year by the Director. Head of Service or Budget Holder, in order to remain in line with competitors and demand, in consultation with the relevant Executive Member.

13 Chief Finance Officer (Section 151)

13.1 The Chief Finance Officer is responsible for: -

- Agreeing arrangements made for the collection of income due to the Council and approving the procedures, systems and documentation for its collection.
- Ensuring that all claims for funds, including grants are made by the due date.
- Agreeing the arrangements for ordering and supplying all receipt forms, books or similar items and satisfying themselves regarding the arrangements for their control.
- Operating the approved procedures for the write off of bad debts (Financial Rule 19).
- Recommending to Executive the fees and charges to be set for all services.

14 Directors and Heads of Service

14.1 Each Director or Head of Service is responsible for: -

- Recommending to the Chief Finance Officer the fees and charges to be set for goods or services falling within their control, apart from those charges fixed on a statutory or nationally agreed basis.
- This shall not apply to ad-hoc charges of a minor nature where a flexible pricing policy has been agreed, charges associated with partnership working which are set on a cost recovery basis, or rechargeable works.
- Informing the Chief Finance Officer and relevant Executive Member of the particulars of all new sources of income arising from the work of their service, as soon as it becomes known.
- The identification, prompt collection, control and monitoring of all income due to the council within their area of responsibility.

15 Budget Holders

15.1 Budget Holders are responsible for: -

- Identifying all activities in their areas of management for which charges should be made, to whom, when, how much and whether VAT should be added.
- Maximising income within the Council's policies and legislation.
- Maintaining a record of all income due to the Council, including details of contracts, leases, grants and other arrangements.
- Ensuring that all income generated by their service is accounted for and that proper records are maintained, using systems and documentation approved by the Chief Finance Officer.
- Ensuring that all Officers under their management are aware of, and operate, the internal controls that exist in their area.
- Where money is to be collected by debtor account, ensuring that the details of work done, goods supplied, services rendered or other amounts due, are correctly recorded and the debtor accounts rendered promptly.
- Assisting in the collection of debts that they have originated by providing further information requested by the debtor and by pursuing the debt on the Council's behalf and taking prompt action to recover debts, in conjunction with the Chief Finance Officer, whilst having regard for the cost of collection. Debtor accounts should be reviewed regularly to identify unpaid accounts and recovery action required.
- Where responsibility for the collection of a debt has not been passed to the Chief Finance Officer, establishing and initiating appropriate recovery procedures, including legal action, where necessary, for debts which have not been paid promptly.

- Ensuring that at least two Officers are present when post is opened so that money received by post is properly identified, recorded and accounted for.
- Securing all income to safeguard against loss or theft and ensuring the security of cash handling.
- Ensuring that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received and that appropriate details are recorded on the paying-in slip to provide a complete audit trail.
- Ensuring that no expenditure is paid from income received.
- Reconciling income systems with the Council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy.
- Monitoring levels of income received and outstanding to establish trends and anomalies which should be investigated.
- Notifying the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31st March, in line with the financial year end timetable.

16 Officers

16.1 Personal cheques must not be cashed from Council money nor cash advances taken against credit card transactions out of any money held on behalf of the Council.

17 Accounts Receivable (Debtors invoices)

17.1 A Budget Holder or delegated Officer must authorise all debtors' invoices for amounts less than £5.00, and all credit notes raised, irrespective of value.

17.2 VAT must be properly recorded. Failure to do so may result in the Council being unable to reclaim VAT and, in some circumstance, a penalty payment imposed by HMRC.

17.3 Cash payments must be checked on receipt. In situations where electronic receipting is not available, an official, sequentially numbered receipt must be issued for a cash payment at the time of its receipt. A receipt must be issued for other forms of payment if requested by the payer. The transfer of all money between Officers must be documented and the recipient should sign a receipt.

17.4 Payments received in "Full and Final Settlement" shall only be accepted and accounted for if they are sufficient to clear fully the appropriate debt, unless with the approval of the Chief Finance Officer, Monitoring Officer or Assistant Director of Legal Services.

18 Debt Recovery Procedures

18.1 Once raised, a debtor's invoice may not be cancelled except by full payment, the issue of a credit note or by its formal writing off. A credit note can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt, or to recognise that an overpayment of housing benefit is being recovered from an on-going benefit entitlement.

18.2 There must be proper documented systems for the payment of outstanding debtors' invoices, including milestones and timelines, which shall be followed by delegated Officers.

18.3 Outstanding debts that are to be pursued through legal proceedings are to be dealt with following the Council's debt recovery procedures.

18.4 Interest can be charged on unpaid debts, in accordance with the Debt Recovery Policy.

18.5 Solicitor fees incurred in the recovery of unpaid debt can be charged to the debtor, in accordance with Debt Recovery Policy.

19 Write off of unrecoverable Debts

19.1 The limits on the Council to write off individual debts are:-

- The Chief Finance Officer can write off any debt for which a bankruptcy or liquidation notice has been received.
- The Chief Finance Officer can write off any debt of a deceased person who has a nil estate.
- The Chief Finance Officer can write off any other individual debt to a maximum amount of £5,000, where the amount is unlikely to be recovered or where proceedings are inappropriate or unjustified. This authority cannot be delegated.
- All other individual debts, in excess of £5,000 can only be written off with the approval of Executive or other delegated Committee.

19.2 The value of irrecoverable debts written off will be charged back against the cost centre / service from which the original invoice was raised, thus cancelling the original credit to the service. This can be overwritten in exceptional circumstances, with the approval of the Chief Finance Officer.

19.3 A record will be maintained by the appropriate teams (Accounts Receivable for Corporate Debt and Revenues and Benefits for Council Tax and Business Rates) of all

bad debts written off under delegated approval given by FPR's above.

19.4 The Chief Finance Officer can delegate the waiving of standard off-street car park charge notices to the Director or Head of Service responsible for Car Parking, who shall maintain records detailing the reason and amounts waived. This authority cannot be delegated further. The records shall be made available to the Chief Finance Officer or Executive on request.

J: COUNCIL TAX AND NON-DOMESTIC RATES

J1 Introduction

J1.1 The Council collects large amounts of money for its own purposes, for other authorities and, in the case of Non-Domestic Rates, for the Government.

J1.2 The rules that apply to the collection of these sums are set out in legislation, regulation and good practice guidance. There are documented procedures and a timetable for tax calculation, billing, refunds, recovery and enforcement that accord with statutory requirements and the Council's own regulations.

J2 Chief Finance Officer

J2.1 The Chief Finance Officer is responsible for the collection and recovery of Council Tax and Non-Domestic Rates. They should ensure that accounting procedures are in place to support the correct treatment and presentation of transactions in the Council's accounts.

J3 Head of Revenues and Benefits

J3.1 The Head of Revenues and Benefits is responsible for the day-to-day management of the Council Tax and Non-Domestic Rates systems. They should ensure that:

- All transactions, records and accounts are calculated accurately, completely and promptly. They should be supported by evidence and handled only by authorised Officers.
- Adequate separation of duties is in place to enable the work of one Officer to be checked by another.
- Accounting procedures reflect the correct treatment and presentation of transactions in the Council's accounts.

K: COUNCIL TAX SUPPORT and HOUSING BENEFIT

K1 Introduction

K1.1 The Council is responsible for paying Council Tax Support and Housing Benefit to entitled claimants. It is also responsible for guarding against fraud and investigating where it is suspected. The Council receives subsidy from the Government to pay for most of the Benefits. It has to demonstrate sound administration and accurate payment to prove its entitlement to subsidy.

K1.2 All benefit transactions must be legitimate, appropriate and in accordance with relevant verification framework regulations.

K2 Chief Finance Officer (Section 151)

K2.1 The Chief Finance Officer is responsible for the payment of Council Tax Support and Housing Benefit. They should ensure that accounting procedures are in place to support the correct treatment and presentation of transactions in the Council's accounts and subsidy claims.

K3 Head of Revenues and Benefits

K3.1 The Head of Revenues and Benefits is responsible for the day-to-day management of the Council Tax Support and Housing Benefit systems. They should ensure that:

- All transactions, records and accounts are calculated accurately, completely and promptly. They should be supported by evidence and handled only by authorised Officers.
- Adequate separation of duties is in place to enable the work of one Officer to be checked by another.
- Overpayments are dealt with in accordance with the Council's policy and recovery is efficient and effective.
- All fraud prevention and detection is in accordance with statute, professional guidance and the Council's FPR's and other policies.

L: EXTERNAL ARRANGEMENTS

L1 PARTNERSHIPS

L1.1 Introduction

L1.1.1 The Council provides a distinctive leadership role for the community and brings together the contributions of a variety of stakeholders. It must also act to achieve the promotion or improvement of the economic, social and environmental well-being of its area.

L1.1.2 Partnerships play a key role in delivering community strategies and delivering the shared vision of services, based on user needs.

L1.1.3 A partner is defined as being either an organisation (public or private) undertaking, part funding or participating in a project or a body whose nature or status gives it a right or obligation to support the project.

L1.1.4 This section of the FPR's sets out the financial implications of working in partnership with external organisations.

L1.2 Executive

L1.2.1 The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

L1.2.2 The Executive 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 Executive remains accountable for them to Full Council.

L1.2.3 The Chief Executive or delegated Officer shall represent the Council on partnership and external bodies, in accordance with the Scheme of Delegation.

L1.3 Chief Finance Officer (Section 151)

L1.3.1 The Chief Finance Officer is responsible for: -

- Ensuring that the accounting arrangements to be adopted relating to partnerships and joint arrangements are satisfactory.
- Promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- Considering the overall corporate governance arrangements and legal issues when arranging contracts with external bodies.

- Ensuring that the risks have been fully appraised before agreements are entered into with external bodies. They should advise on effective controls to ensure that resources are used efficiently and effectively.
- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

L1.4 Directors and Heads of Service

L1.4.1 Directors and Heads of Service are responsible for: -

- Ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- Carrying out risk management appraisals, prior to entering into an arrangement with an external body, in accordance with procedures specified by the Chief Finance Officer.
- Ensuring that partnership agreements do not impact adversely on the services provided by the Council.
- Ensuring that partnership agreements and arrangements are properly documented, and information provided to the Chief Finance Officer to enable a note to be entered into the council's Statement of Accounts concerning material items.
- Maintaining a register of all contracts entered into with external bodies, in accordance with procedures specified by the Chief Finance Officer.

L2 EXTERNAL FUNDING

L2.1 Introduction

L2.1.1 External funding can be an important source of income to the Council, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.

L2.1.2 The Council shall seek to maximise its resources by attracting external funding where appropriate. However, in some instances, available funding may be linked to tight specifications and may not be sufficiently flexible to link to the Council's strategies.

L2.2 Chief Finance Officer (Section 151)

L2.2.1 The Chief Finance Officer is responsible for: -

- Ensuring that any match funding requirements are considered prior to entering into an external agreement and that adequate future revenue budgets are in place to meet these requirements.
- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- Ensuring that all audit requirements are met.

L2.3 Directors and Heads of Service

L2.3.1 Directors and Heads of Service are responsible for ensuring that: -

- Funds are acquired only to meet the priorities approved in the Policy Framework by the Council.
- Any match funding requirements are considered prior to entering into an external agreement and consulting with the Chief Finance Officer to ensure that adequate future revenue budgets are in place to meet these requirements.
- Key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Accountable body are clearly understood.
- All claims for funds are made by the due date and income received in accordance with the agreement.
- The project progresses in accordance with the agreed project outline and that all expenditure is properly incurred and recorded in the Council's accounts.

L3 WORK FOR THIRD PARTIES

L3.1 Introduction

L3.1.1 Current legislation enables the council to provide a range of services to other bodies. Such work may enable a Service area to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is within current legislation.

L3.1.2 Contracts for the work should be drawn up using guidance provided by the Assistant Director of Legal Services and the Chief Finance Officer to the Council. The proposals should be costed properly in accordance with guidance provided by the Chief Finance Officer.

L3.1.3 Guidance with regard to the financial aspects of third-party contracts and the maintenance of the contracts register should be followed.

L3.2 Executive

L3.2.1 The Executive is responsible for approving contractual arrangements for any work carried out by the Council for third parties or external bodies in addition to the normal business. This responsibility can be delegated to the Senior Leadership Team (Directors) of the Council.

L3.3 Chief Finance Officer (Section 151)

L3.3.1 The Chief Finance Officer is responsible for issuing guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

L3.4 Directors and Heads of Service

L3.4.1 Directors and Heads of Service are responsible for ensuring that: -

- Approval is obtained before any negotiations for the work are concluded.
- Contracts operate to the benefit of the Council and do not impact adversely upon the services provided for the Council.
- No contract is subsidised by the Council.
- The Service area has the appropriate expertise to deliver the contract.
- Appropriate insurance arrangements are put in place.
- Wherever possible, payment is received in advance of the delivery of the service to the third party.
- The Council is not put at risk from any bad debts.
- All contracts are properly documented and appropriate information given to the Chief Finance Officer to enable a note to be entered into the Statement of Accounts.