

REPORT FROM THE EXECUTIVE

1 CONSTITUTION

- 1.1 This item of business was referred by the Executive on 23 June 2010 to Extraordinary Council with a recommendation relating to amendments to the Constitution. An extract of the key elements of the report of the Head of Finance and Head of Legal, Estates and Member Services to the Executive is attached at Appendix 1.
- 1.2 It is proposed that the Council **RESOLVES** that the amendments to the Financial Regulations be approved, with the appropriate pages of the Constitution reflecting this and the changes associated with the recent adjustments to officer roles. (HFS/HLEMS)

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SUBJECT: CONSTITUTION

1 DECISION BEING RECOMMENDED

- 1.1 That the Executive recommends to Full Council that the amendments to the Financial Regulations, as detailed in this report, be approved, with the appropriate pages of the Constitution reflecting this and the changes associated with the recent adjustments to officer roles.

2 REASON/S FOR RECOMMENDATION

- 2.1 To ensure that the Council's constitution reflects amendments to the Financial Regulations and recent organisational changes.

3 DISCUSSION

- 3.1 A number of pages in the Council's Constitution can now be re-issued to reflect the changes to Senior Management Team roles that took effect on 1 June 2010. At the same time it would be appropriate for the Council to consider amendments to the Financial Regulations (which form part of the Constitution) so that they reflect aspects that are becoming increasingly significant and can impact on financial management.
- 3.2 The Financial Regulations provide the framework for managing the Council's financial affairs and form part of the Constitution. The Head of Finance, as the Council's Chief Finance Officer, is responsible for ensuring that the Financial Regulations and financial limits are regularly reviewed and kept up to date.
- 3.3 As part of this year's review, amendments are proposed to the Regulations to reflect the following arrangements which are becoming increasingly significant and can impact on financial management:-
- Partnership arrangements – as partnerships are becoming more frequent ways of delivering services, a section has been added to include the requirement to adhere to the Council's Partnership Guidance.
 - External Funding – grant funding can have significant ongoing implications for the Council and a section has been added to identify the key internal controls that need to be in place when bidding for funds or accepting grant funding.
 - Work for Third Parties – although not yet a financially significant area, a section has been added in order to ensure that any future proposals are properly considered.
- 3.4 The Payment of Accounts section has been reorganised because of the increasing use of the on-line procurement system

- 3.5 The following changes to the financial limits are proposed:-
- 3.6 Supplementary Estimates - Chief Finance Officer's Approval limit increased from £5,000 to £15,000 and Leader's approval limit increased from £40,000 to £50,000. Any decisions on supplementary estimates will continue to be reported to the Executive on a quarterly basis.
- 3.7 Virements between Revenue Budgets - Leader's approval limit increased from £40,000 to £50,000.
- 3.8 Virements between Capital Budgets - Chief Finance Officer's approval limit increased from £40,000 to £50,000.
- 3.9 A copy of the Financial Regulations pages of the Constitution identifying amendments is appended. Unlike the situation with the Financial Regulations, the changes in Senior Management Team roles only involves the replacement of role titles/duties over the appropriate pages. A copy of the complete Constitution showing the title changes has been placed in the Members' Library.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To not update the Financial Regulations which could mean that the requirement for key internal financial controls is not made clear and the Regulations are out of date.

5 RISK IMPLICATIONS

- 5.1 To conduct its business efficiently, the Council needs to ensure that it has sound financial management policies in place which are strictly adhered to. Part of this process is having a set of Financial Regulations which are up to date and clearly set out the overarching financial management arrangements. The Financial Regulations are supported by detailed procedure manuals and link with other documents, such as the Contract Procedure Rules, Schemes of Delegation and Codes of Conduct to provide proper stewardship of public funds.

Financial Regulations

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In the following Regulations all amounts quoted shall be net of Value Added Tax.

1. FINANCIAL ADMINISTRATION

- 1.1 The Head of Finance ~~Audit and Performance Management~~ is the Chief Finance Officer in accordance with Article 12 of this Constitution.
- 1.2 The Chief Finance Officer is responsible for the proper administration of the Council's financial affairs for the purposes of Section 151 of the Local Government Act 1972. In the absence of the Chief Finance Officer, the ~~Chief Finance Officer will nominate a deputy. Financial Services Manager will act as Deputy Section 151 Officer.~~
- 1.3 As the Council's financial and economic adviser, the Chief Finance Officer shall report to the Council with respect to the level of financial resources proposed to be utilised in each financial year and shall keep it informed with respect to the Council's finances and financial performance.
- 1.4 The Chief Executive, ~~Corporate Directors~~ Deputy Chief Executive and Heads of Service (~~known as~~ Senior Management Team 'SMT') shall be responsible for the accountability and control of staff, and the security, custody and control of all other resources including plant, buildings, materials, cash and stores in accordance with the Scheme of Delegations.
- 1.5 The Chief Executive and ~~Corporate Directors~~ Deputy Chief Executive shall be responsible for ensuring that their Heads of Service comply with these Financial Regulations and Heads of Service shall inform the Chief Finance Officer of any matter within their responsibility which is liable materially to affect the finances of the Council before any provisional or other commitment is incurred or before reporting thereon to the Council.
- 1.6 The Financial Regulations will apply to all ~~financial activities~~ expenditure carried out by the Council.
- 1.7 Where ~~the Chief Executive, Corporate Directors or Heads of Service~~ a member of SMT proposes:-
 - (i) a new policy, or
 - (ii) a variation of existing policy, or
 - (iii) a substantial variation in the means or time-scale of implementing existing policy

which affects or may affect the Council finances, they shall submit a report to the Council.

- 1.8 In these Regulations the term Council shall include any Committee reporting to the Council duly authorised to exercise such functions and the term SMT will mean any individual member of SMT.
- 1.9 In these regulations, where there is reference to members of SMT, the responsibility may have been delegated.

2. ACCOUNTING ARRANGEMENTS

2.1 The Chief Finance Officer shall:-

- (i) make satisfactory accounting arrangements for all financial transactions of the Council in consultation, where necessary, with the ~~Chief Executive and Corporate Directors~~SMT;
- (ii) make safe and efficient arrangements for the receipt and payment of the Council's money;
- (iii) review such arrangements periodically.

3. FINANCIAL PLANNING AND CONTROL

Capital Programmes

- 3.1 The Senior Management Team shall submit annually to the Council a capital programme for the next ~~five~~three years or longer period if required by the Council.
- 3.2 The Programme shall distinguish between items previously approved and not previously approved by the Council and show the probable additional costs accruing from each scheme. The Programme will indicate the decision making arrangements for each item, including what further approval is required.
- 3.3 The programme shall be submitted to the Council annually, with recommendations as to priorities.
- 3.4 Estimates of capital payments shall be prepared by ~~SMT~~Heads of Service in consultation with the Chief Finance Officer.
- 3.5 Items in an approved Programme, unless reserved to Council, may be proceeded without the further approval of the Council subject to Para 3.6 below. ~~Expenditure on all other items in the approved capital~~Otherwise, expenditure programme must not be incurred until the specific approval of the Council has been obtained, following the submission of a report from ~~SMT the Chief Executive, Corporate Directors or Head of Service~~ responsible and the Chief Finance Officer

upon the capital costs and subsequent revenue costs of the project.
For large projects, whole life costings will need to be included.

- 3.6 Following the approval of capital projects in accordance with Para 3.5 tenders may be invited and accepted, (subject to compliance with Contract Procedure Rules), without further reference to the Council.
~~provided all necessary partnership funding and Government approvals are in place.~~

~~3.7 Any variation to the approved start of scheme shall be approved by the Executive.~~

- 3.7 The substitution of a new capital project for one already included in an approved capital programme shall only be approved by the Executive following the submission of a report by ~~SMT~~the appropriate Corporate Director or Head of Service and the Chief Finance Officer.

- 3.8 Expenditure on capital projects not included in a capital programme shall not be incurred without the specific approval of the Council, following the submission of a report by ~~SMT~~the Chief Executive or appropriate Corporate Director or Head of Service and the Chief Finance Officer on the costs, funding and subsequent revenue costs.

- 3.9 The Chief Finance Officer shall advise as to, and in appropriate cases shall determine, the method of financing capital expenditure on approved capital projects, subject to statutory and financial constraints.

Annual Revenue Estimates and Budgetary Control

- 3.10 Draft estimates are to be prepared by the SMT for submission to Council. Estimates shall be submitted within such limits as may have been previously specified by the Council.
- 3.11 No proposal by an officer to incur any cost, debt or liability or to reduce the amount of any income shall be considered by the Executive unless adequate notice is given to the Chief Finance Officer. The Chief Finance Officer may require the submission of a joint report (including estimated costs) to the Executive based on the information received by him/her.
- 3.12 As soon as practicable after the end of each financial year, the Chief Finance Officer shall submit to the Council the Council's final accounts together with such supporting data as the Chief Finance Officer and the Chief Executive consider necessary and such further information as the Council may require.

Supplementary Estimates

- 3.13 ~~The Chief Executive, a Corporate Director, Head of Service~~No officer or Committee of the Council shall ~~not~~ incur expenditure which cannot

be met from the amount provided in the revenue estimates under a head of estimate (including any virement) unless a supplementary estimate has been approved.

- 3.14 Supplementary Estimates may be used where additional financial commitments cannot be met from virements and arise from the following:-
- Unavoidable legal requirements arising from current service plans, including the need to publish statutory notices.
 - External legal costs arising from actions brought by or against the Council or incurred in respect of public enquiries.
 - Other inescapable costs or income reductions that could not have been foreseen and arise from current service plans.
- 3.15 Requests for supplementary estimates ~~once approved by the relevant Corporate Director or Chief Executive~~ shall be submitted to the Chief Finance Officer and:-
- The Chief Finance Officer shall have the authority to grant approval for sums up to £15,000.
 - The Chief Finance Officer shall have authority to grant approval, following consultation with the Leader of the Council, for sums up to £50,000.
- 3.16 Any decisions on Supplementary Estimates will be reported to the Executive with the quarterly budget monitoring reports.

Virement

- 3.17 Virement' is the financing of an increase in expenditure or a reduction in income in one head of the approved revenue budget from another head in the revenue budget.
- 3.18 A Head of Service, in consultation with the Chief Finance Officer, may approve aggregate virements of up to £5,000 within a Head of Service's budget.
- 3.19 ~~A Corporate Director, in consultation with t~~Ihe Chief Finance Officer, may approve aggregate virements of up to £10,000.
- 3.20 Virement outside these limits up to £50,000 is a matter for the Chief Executive and Chief Finance Officer in consultation with the Leader of the Council -or, in the Leader's absence, the Deputy Leader. ~~Virements above £50,000 der, up to £40,000, and above that~~ must be referred to the Executive.

- 3.21 No proposal for virement between the revenue estimates for which different Heads of Service ~~or Corporate Directors~~ are responsible shall take place unless the Heads of Service ~~or Corporate Directors~~ whose estimates will be affected have been consulted and agree or the virement has been approved by the ~~SMT~~ Senior Management Team in accordance with the limits within this regulation.
- 3.22 ~~The Chief Executive and Corporate Directors, in consultation with the~~ Chief Finance Officer may approve virements between capital projects up to 25% (maximum £~~4050~~450,000) of the capital programme budget. Any decisions on virements will be reported to the Executive with the quarterly budget monitoring reports.
- 3.23 All proposals for virement shall be put in writing.
- 3.24 Written details of any virement authorised by ~~SMT~~ the Chief Executive or a Corporate Director shall be sent to the Chief Finance Officer within 10 working days of their authorisation.
- 3.25 Nothing in these rules shall prevent the Executive when dealing with an emergency planning situation from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to S138 of the Local Government Act 1972 or the Civil Contingencies Act 2004, subject to such action being reported to Council as soon as appropriate.

Maintenance of Reserves

- 3.26 It is the responsibility of the Chief Finance Officer to advise the Council on prudent levels of reserves for the Authority, including those earmarked for specific services.

Carrying Forward Revenue Provisions

- 3.27 The Chief Finance Officer may authorise the carrying forward of any unspent budget into the next financial year if satisfied that it has not been possible to incur the estimated expenditure during the year. The Chief Finance Officer shall report the budgets carried forward to the Council as soon as is practicable after the end of each financial year.

4. ORDERS FOR WORKS AND GOODS

- 4.1 Every Head of Service shall be responsible for all orders issued on their behalf.
- 4.2 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments such as subscriptions, rent or rates, for petty cash purchases or such other exceptions as the Chief Finance Officer may approve.

4.3 Petty cash reimbursements can be made through payroll and will be paid with the monthly salary or claimed at the Cash Office. Claims from the Cash Office are limited to amounts up to £35.

4.4 Approval must be obtained from the Chief Finance Officer for exceptions to para 4.2 and 4.3.

4.5 All orders shall be made using the ~~prescribed on-line~~ procurement system prescribed by the Chief Finance Officer in accordance with approved procedures. ~~In certain exceptions, standards order forms may be used, with the agreement of the Chief Finance Officer.~~

4.6 Orders shall indicate clearly the nature and quantity of the works, goods or services required and any contract, estimate and authorisation.

4.7 All orders shall be authorised in accordance with the Scheme of Delegations, as set out in the Authorised Signatories Lists.

~~3.28 All copies of orders shall show the cost centre involved and the estimated amount chargeable.~~

~~3.29 All orders shall be raised via the purchase order system in accordance with procedures approved by Chief Finance Officer.~~

~~3.30 All manual orders shall bear the personal signature of a Head of Service or other authorised officer, in accordance with the Scheme of Delegations.~~

~~3.31 All electronic orders shall be authorised on-line by a Head of Service or other authorised officer, in accordance with the Scheme of Delegations.~~

4.8 Before authorising an order, the Head of Service or authorised officer shall be satisfied, by means of competitive quotations or otherwise, that it will obtain the best value for the price to be paid, that the order complies with the Contract Procedure Rules and that there is sufficient budget to cover the costs.

5. PAYMENT OF ACCOUNTS

5.1 There are two processes for authorising payments, depending on whether the on-line procurement system was used. In all cases, the following apply:

5.2 The Chief Finance Officer shall be responsible for the examination, verification and certification of the related invoices. The Chief Finance Officer shall make such checks, arithmetical and otherwise, as are

- deemed necessary and shall be given all information and explanations as are required.
- 5.3 The Chief Finance Officer shall be responsible for ensuring that internal controls and procedures are in place for the payment of accounts.
- 5.4 The Chief Finance Officer shall be responsible for ensuring that duplicate payments are not made.
- 5.5 All invoices for payment shall be certified by the Chief Finance Officer or other authorised officer.
- 5.6 Only invoices which the Chief Finance Officer is satisfied are in order shall be paid.
- 5.7 The Chief Finance Officer is responsible for providing advice and instruction on the most economical means of making payment, including by electronic transfer or procurement cards.
- 5.8 Payment of Accounts where on-line procurement system used
- 5.9 Each Head of Service shall be responsible for ensuring that all discounts have been recorded in the order.
- 5.10 Each Head of Service shall be responsible for ensuring that the electronic order is updated when goods or services are received in line with the current procedures.
- 5.11 Payment of Other Accounts
- 5.12 Each Head of Service shall be responsible for the examination, verification and certification of the related invoices.
- 5.13 Each Head of Service shall be responsible for ensuring that all discounts have been deducted.
- 5.14 Each Head of Service shall be responsible for showing on each invoice, in a manner approved by the Chief Finance Officer, the relevant order number, the estimate head to be charged and the initials of the persons responsible for checking (a) the prices charged, (b) that goods have been received, and (c) that payment has not previously been authorised.
- 5.15 All invoices for payment shall be certified by a ~~Corporate Director~~, Head of Service or other officer authorised by the Head of Service to the extent approved by the Chief Finance Officer in writing. The Chief Finance Officer shall maintain an up to date list of officers authorised to certify invoices for payment.

- 5.16 Each Head of Service is responsible for ensuring that invoices are sent for payment within the prescribed deadlines.

6. TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES

- 6.1 Payments to Members, including co-opted Members of the Council or its Committees who are entitled to claim allowances, will be made by the Chief Finance Officer upon receipt of the prescribed form duly completed by the Member.
- 6.2 All claims by employees for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified, in a form approved by the Chief Finance Officer.
- 6.3 For employees, the certification by or on behalf of a~~Corporate Director or~~ Head of Service shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

7. IMPREST ACCOUNTS (PETTY CASH FLOATS/CASH FLOATS)

- 7.1 The Chief Finance Officer shall provide such imprests as she/he considers appropriate for such employees of the Council as may need them for the purposes of defraying petty cash and other expenses.
- 7.2 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the Council as provided elsewhere in these Regulations.
- 7.3 Payments shall be limited to minor items of expenditure and to such other items as the Chief Finance Officer may approve and shall be supported by a receipted voucher to the extent that the Chief Finance Officer may require.
- 7.4 An employee responsible for an imprest account or cash float shall, if so requested, give to the Chief Finance Officer a certificate as to the state of the account or float.
- 7.5 The Chief Finance Officer shall be responsible for checking from time to time that there are arrangements for cash floats to be properly and securely maintained.
- 7.6 Before leaving the employment of the Council or otherwise on ceasing to hold an imprest or float, an employee shall account to the Chief Finance Officer for the amount advanced and the Head of Service shall ensure that this happens.

~~8.~~ CASH FLOATS

- ~~8.1 The Chief Finance Officer may advance such sums by way of cash floats as are deemed reasonable by the Chief Finance Officer.~~
- ~~8.2 The Chief Finance Officer shall be responsible for checking from time to time that there are arrangements for cash floats to be properly and securely maintained.~~
- ~~8.3 An employee responsible for a cash float shall, if so requested, give to the Chief Finance Officer a certificate as to the state of the float.~~
- ~~8.4 Before leaving the employment of the Council or otherwise on ceasing to hold a float, an employee shall account to the Chief Finance Officer for the amount advanced and the Head of Service shall ensure that this happens.~~

8. CONTRACTS AND PAYMENTS

- 8.1 Heads of Service ~~and, in the case of formal contracts, the Head of Legal, Estates & Member Services,~~ shall inform the Chief Finance Officer as soon as possible of all contracts, agreements, awards, or other instruments involving the payment or receipt of money by the Council.
- 8.2 Where contracts provide for payment to be made by instalments, the Chief Finance Officer shall arrange for the keeping of a contract register to show the state of account on each contract between the Council and the contractor, together with any other payments and any relating professional fees.
- 8.3 Payments to contractors on account of contracts shall be made only on a certificate issued by the Head of Service supervising the contract.
- 8.4 Subject to the provisions of the contract in each case, every extra or variation shall be authorised in writing by the appropriate Head of Service.
- 8.5 Any variation or other increase in cost in excess of £10,000 shall be reported to the Chief Finance Officer and Chief Executive as soon as practicable.
- 8.6 The Head of Service, in consultation with the Chief Finance Officer and Chief Executive, shall report to the Executive as soon as possible on any capital project over £10,000 which is likely to exceed the approved cost by more than 25% or £40,000, whichever is less.
- 8.7 Where the contract includes a retention, the final payment certificate of completion of for the any contract ~~(or, in the case of the Institution of Civil Engineers' Conditions of Contract, the maintenance certificate)~~ shall not be made until the Head of Service has produced to the Chief Finance Officer a detailed statement of account and all relevant

documents required and the Chief Finance Officer has approved the amount to be certified.

- 8.8 The Chief Finance Officer shall be entitled to make all such enquiries and receive such information and explanations required in order to be satisfied as to the accuracy of the final accounts to contracts.
- 8.9 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Head of Legal, Estates & Member Services for consideration of the Council's legal liability and the action to be taken decided by the Senior Management Team.
- 8.10 Where completion of a contract is delayed and the contract provides for liquidated damages to be payable for delayed completion, it shall be the duty of the Head of Service concerned, after consulting with the Head of Legal, Estates & Member Services and the Chief Finance Officer, to claim the liquidated damages unless it is otherwise agreed by the Head of Legal, Estates & Member Services and the Chief Finance Officer.

9. SALARIES AND WAGES

- 9.1 The payment of all salaries, wages, compensation and other emoluments to all employees or former employees of the Council shall be made by the Chief Finance Officer or under arrangements approved and controlled by him/her.
- 9.2 The relevant Head of Service shall notify the Chief Finance Officer~~Corporate Director (Internal Services) and/or Corporate Director (External Services) as soon as possible~~ and in the prescribed form of all matters affecting such payments, and in particular:-
 - (a) appointments, resignations, dismissals, suspensions, secondments, and transfers;
 - (b) absences from duty for sickness or other reasons, apart from normal annual leave;
 - (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - (d) information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 9.3 All time records or other pay documents shall be in a form approved by the Chief Finance Officer and shall be certified by the Head of Service or authorised Officer. The names of Officers authorised to sign such records shall be sent to the Chief Finance Officer together with

specimen signatures by the Heads of Service who shall advise the Chief Finance Officer of any changes.

- 9.4 If payments are to be made for additional duties, e.g. home deliveries, the work must have been completed before payment can be made. All instructions to make such a payment shall be in a form approved by the Chief Finance Officer and shall be certified by the Head of Service or authorised officer.

10. INCOME

- 10.1 The collection of all money due to the Council shall be under the supervision of the Chief Finance Officer.
- 10.2 Each Head of Service shall furnish the Chief Finance Officer with such particulars in connection with work done, goods supplied or services rendered and all other amounts due as may be required by the Chief Finance Officer to record correctly all such income due to the Council and to ensure the prompt rendering of accounts.
- 10.3 Where a credit note is to be issued in order to cancel or reduce an invoice raised by the Council, the Credit Note must be approved by the Head of Service or other officer authorised by the Head of Service to the extent approved by the Chief Finance Officer in writing.
- 10.4 Heads of Service shall notify the Chief Finance Officer promptly of all income due to the Council and of contracts, leases and other agreements and arrangements entered into by the Council and the Chief Finance Officer shall have the right to inspect all documents or other evidence in this connection in the possession of any employee.
- 10.5 The arrangements for the control of all receipt forms, tickets and other such documents which acknowledge sums received shall be approved by the Chief Finance Officer.
- 10.6 All money received by an employee on behalf of the Council shall without delay be paid to the Chief Finance Officer or, as directed, to the Council's bank account. No deduction may be made from such money save to the extent that the Chief Finance Officer has specifically authorised in writing. Each employee who so banks money shall enter on the paying-in slip a reference to the cheque (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the cheque). On the reverse of each cheque, the employee shall enter such information to identify the transaction as instructed by the Chief Finance Officer.
- 10.7 Cheques for sums exceeding £2,000 shall be paid in at the main Cash Office at the latest on the next working day.

- 10.8 Collecting Officers should immediately pay in all cheques (irrespective of their value) to the main Cash Office, particularly if they have any doubt as to the credibility or credit worthiness of the customer or client making the payment.
- 10.9 The Chief Finance Officer shall ensure that all monies received are collected by the next Security collection, for payment into the Council's bank account.
- 10.10 Personally drawn cheques (and third party cheques) shall not be cashed out of the money held on behalf of the Council.
- 10.11 Every transfer of the Council's cash from one member of staff to another shall be recorded by the signature of the receiving employee to confirm the fact of the transfer and the amount transferred.

Writing off Outstanding Monies

- 10.12 The Chief Finance Officer is authorised to write off amounts due or claimed by the Council up to £5,000 and, after consultation with the Leader of the Council, between £5,000 and £15,000. Amounts over £15,000 must be reported to the Executive.
- 10.13 All proposals to write off monies shall be made in writing with reasons.

11. STOCKS AND STORES

- 11.1 Heads of Service shall be responsible for the care and custody of the stocks and stores in their respective service divisions or units.
- 11.2 Stocks shall not be in excess of normal requirements except in special circumstances with the approval of the Chief Finance Officer, ~~Chief Executive or Corporate Directors.~~
- 11.3 Heads of Service shall arrange for periodical test examinations of stocks by persons other than storekeepers and shall ensure that all stocks are checked in accordance with the programme approved by the Chief Finance Officer.
- 11.4 ~~Heads of Service and Corporate Directors~~SMT shall give the Chief Finance Officer such information as is required in relation to stores for the accounting, costing and financial records. Surplus materials, stores or equipment shall be disposed of by competitive tender or public auction except with the approval of the Chief Finance Officer in the case of items not exceeding £1,000 in value or that of the Chief Executive in any other case.

12. INVENTORIES

- 12.1 Inventories shall be maintained by ~~SMT~~~~All Heads of Service and Corporate Directors~~ and therein shall be recorded a sufficient description of furniture, fittings and equipment, plant and machinery, for which they are responsible. The extent to which the property of the Council shall be so recorded and the form in which the inventories shall be kept is to be determined by the Chief Finance Officer.
- 12.2 The ~~t Corporate Director or Head of Service~~~~SMT~~ shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly.
- 12.3 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the ~~Chief Executive, a Corporate Director or Head of Service responsible.~~~~SMT~~

13. ESTATES

- 13.1 The ~~Head of Legal, Estates & Member Services~~ ~~Corporate Property Officer~~ will maintain a record of all properties owned by the Council ~~and the Head of Legal, Estate & Member Services shall have the custody of all title deeds under secure arrangements.~~

14. SECURITY

- 14.1 Each Head of Service is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc under his/her control. The Chief Finance Officer shall be consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 14.2 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer.
- 14.3 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. The loss of any such keys must be reported to the Chief Finance Officer and relevant Head of Service immediately.
- 14.4 Each Head of Service in conjunction with the Head of Information and Customer Services shall within their department be responsible for maintaining proper security and privacy in respect of information held in any computer system or physical filing system.

15. INSURANCES

- 15.1 The Chief Finance Officer shall be responsible for the maintenance of insurance cover wherever appropriate for the Council's activities, the

negotiation of premiums and the keeping of such records as are necessary.

- 15.2 Each Head of Service shall tell the Chief Finance Officer of the extent and nature of all new risks to be insured, and of any alterations affecting insurable risks including partnership or contractual arrangements and the Chief Finance Officer shall notify the Head of Service immediately the insurance has been effected.
- 15.3 Each Head of Service shall immediately notify the Chief Finance Officer and the Head of Legal, Estates & Member Services in writing of any loss, liability or damage.
- 15.4 The Head of Legal, Estate & Member Services shall negotiate all claims in which legal issues are involved unless the Council's insurers are acting.

16. **AUDIT**

- 16.1 A continuous internal audit shall be arranged to carry out an examination of accounting, financial and other operations of the Council. The internal audit shall be under the control of the Chief Finance Officer who shall ensure it meets the requirements of Section 151 of the Local Government Act 1972.
- 16.2 The Chief Executive, ~~Corporate Directors~~Deputy Chief Executive and Chief Finance Officer or their authorised representative shall have authority to:-
 - (a) enter at all reasonable times on any Council premises or land;
 - (b) have access to all records, documents and correspondence relating to any financial and other transactions of the Council;
 - (c) require and receive such explanations as are necessary concerning any matter under examination and
 - (d) require any employees of the Council to produce cash, stores or any other Council property under their control.
- 16.3 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 Authority, ~~the Corporate Director or Head of Service~~SMT concerned shall forthwith notify the Chief Executive, the Chief Finance Officer and the Head of Legal, Estates & Member Services~~Monitoring Officer~~, who shall take such steps as are considered necessary by way of investigation, action and report.

16.4 The Chief Finance Officer shall report direct to the Council, the Executive or Audit Committee on any matter which the Chief Finance Officer considers necessary.

16.5 The Audit & Performance Manager, in consultation with the Monitoring Officer, may report independently to the Executive, the Audit Committee or Council if the Audit & Performance Manager should consider this necessary.

17. BANKING ARRANGEMENTS AND CHEQUES

17.1 All arrangements with the Council's bankers concerning the Council's banking accounts and the issue of cheques shall be made by the Chief Finance Officer.

17.2 All new cheques shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.

17.3 Cheques drawn on the Council's bank accounts shall bear the facsimile signature of the Chief Finance Officer or shall be signed by the Chief Finance Officer or any other cheque signatory authorised by the Council.

17.4 The Chief Finance Officer shall be responsible for the negotiation of banking terms on behalf of the Council.

18. TREASURY MANAGEMENT

18.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice ('the Code') has been adopted and is deemed to be incorporated in these Financial Regulations.

The Council will create and maintain as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

18.2 The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular

circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

- 18.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs.
- 18.4 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive and for the execution and administration of treasury management decisions to the Chief Finance Officer who will act in accordance with the organisation's policy statement and TMPs and, as a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management..
- 18.5 The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 18.6 The following **Treasury Policy Statement** is adopted:-
 - (a) The Council defines its treasury management activities as: "The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
 - (b) The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly the analysis and reporting of treasury management activities will focus on their risk implications for the Authority.
 - (c) This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques within the context of effective risk management.

19. TRUSTS

- 19.1 All Trust fund accounts shall wherever possible be in the name of the Council.
- 19.2 All employees acting as trustees by virtue of their official position shall deposit all securities, etc relating to the trust with the Head of Legal.

| Estates and Member -Services unless the trust instrument otherwise requires

20. PARTNERSHIPS

20.1 The Council has a comprehensive Partnership Guidance for new and existing partnerships which covers a range of issues that need to be considered, such as the governance arrangements, risk and performance management and assessment of the value of the partnership.

| 20.2 ~~Each Head of Service~~SMT is responsible for ensuring that the Council's Partnership Guidance is adhered to for any new or existing partnerships and that any potential financial commitments arising from partnerships are identified and notified to the Chief Finance Officer before any agreements are signed.

21. EXTERNAL FUNDING

| 21.1 When applying for external funding, ~~each Head of Service~~SMT is responsible for ensuring that:

- The key conditions of funding and the responsibilities of the Council are clearly understood
- That funds are acquired only to meet the priorities of the Council
- Any match-funding or ongoing revenue costs are given due consideration prior to entering into long term agreements.
- The Chief Finance Officer is notified of any applications for external funding, the outcome of any applications and the amounts and dates that funds will be received.
- All claims for funds are made by the due date
- Any externally funded projects are progressed in accordance with agreed project timetable.

The Chief Finance Officer will record all external funding as notified.

22. WORK FOR THIRD PARTIES

| 22.1 When providing services to other bodies, ~~SMT~~~~each Head of Service~~ is responsible for ensuring that:

- Proposals are properly costed with assistance from the Chief Finance Officer and the service is not subsidised by the Council.
- The service is covered by a contract which is agreed with the Head of Legal, Estates and Member Services.

- Insurance arrangements have been considered with the Chief Finance Officer
- The department has the appropriate expertise and capacity to deliver the service and that such contracts do not impact adversely upon existing service delivery.
- The Chief Finance Officer is provided with appropriate information for the Statement of Accounts and to set up invoicing arrangements.
- The Council is not put at risk from any bad debts
- All contracts are properly documented