

BROMSGROVE DISTRICT COUNCIL
FINANCIAL REGULATIONS
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1. INTRODUCTION

- 1.1 Bromsgrove District Council’s Executive Cabinet is responsible for regulating and controlling the Council’s finances and ensuring that sound financial management policies are in place and are adhered to. Part of this process is the establishment and maintenance of financial regulations which set out the Council’s financial responsibilities, policies and procedures.
- 1.2 Financial regulations are subject to annual review. This edition of the regulations will apply from August 2006 and supersedes all previous editions.
- 1.3 Where values appear in these regulations, they are the same as the thresholds in the Council’s Contract Procedure Rules:
 - (i) Value A - up to £14,999;
 - (ii) Value B - over £15,000-£29,999;
 - (iii) Value C - £30,000- £75,000; and
 - (iv) Value D - £75,001 to £144,371.
- 1.4 Additionally, a benchmark value for write offs has been established:
 - (i) < £1,000 – Head of Financial Services;
 - (ii) £1,000 - £2,500 – Head of Financial Services & Portfolio holder; and
 - (iii) > £2,500 – Executive Cabinet.
- 1.5 Financial regulations apply to every member and officer of the Council and anyone acting on its behalf. As a modern Council, Bromsgrove encourages innovation, providing this is within the framework laid down by these regulations, and the necessary risk assessment and approval safeguards are in place.
- 1.6 The Executive Cabinet and the Senior Management Team should maintain a written record of occasions where decisions have been taken under delegated powers, in accordance with the Scheme of Delegations.
- 1.7 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, properly authorised, provides value for money and achieves best value.

- 1.8 The Senior Management Team is responsible for ensuring that all staff are aware of the content of these financial regulations and other internal regulatory documents and that they are complied with.
- 1.9 The Council's statutory finance officer ("S151 Officer") is the Corporate Director (Resources) who works closely with the Head of Paid Service (Chief Executive). To avoid repetition in this document, references to the Corporate Director (Resources) may also be taken to read "Corporate Director (Resources) in conjunction with the Chief Executive Officer" as appropriate.

2. FINANCIAL MANAGEMENT

- 2.1 Financial Management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.
- 2.2 The full Council is responsible for approving the policy framework and budget within which the Executive Cabinet operates.
- 2.3 The Executive Cabinet is responsible for proposing the policy framework and budget to the full Council, and for discharging executive functions in accordance with the policy framework and budget. Executive Cabinet decisions can be delegated to a committee, a portfolio holder, an officer, or any combination thereof.
- 2.4 The Corporate Director (Resources) will for the purposes of Section 151 of the Local Government Act 1972 be the statutory responsible officer for the proper administration of the Council's financial affairs. Other statutory duties arise from the Local Government Finance Act 1988, the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2003.
- 2.5 The Corporate Director (Resources) will be the responsible officer for making reports under Section 114 of the Local Government Finance Act 1988, the text of which is reproduced in Appendix 1. This relates to any unlawful expenditure, unlawful action resulting in a loss, or unlawful entry in the Council's Accounts.
- 2.6 Devolved financial management arrangements exist within the Council, however it remains essential for the Corporate Director (Resources) to retain a corporate overview, especially when matters of major financial impact are being considered. In this context it will be the responsibility of the appropriate Service Business Manager to ensure that the Head of Financial Services (together with other necessary consultees) is consulted at an early stage to ensure that financial implications are fully contained in reports to any Executive Cabinet, committee or full Council meeting.
- 2.7 The Corporate Director (Resources) will be responsible for advising on the financial, organisational and accounting procedures throughout the Council. Service Business Managers will consult with the Corporate Director (Resources) before introducing any accounts, documents or procedures relating to payment of employees, cash, the keeping of stores, the collection of income or any other accounting matters. Policies on the retention and destruction of financial records will be approved by the Corporate Director (Resources).

- 2.8 Service Business Managers will comply with the requirements of the Corporate Director (Resources) to ensure that as far as possible arrangements are made to separate internal financial checks and different officers carry out the following functions:
- (i) provide information regarding sums due to or from the Council and calculate, check, record and examine these; and
 - (ii) in the case of payments, certify documents for payment.
- 2.9 Service Business Managers will submit to the Corporate Director (Resources) as required all information which the latter considers necessary for costing and accounting purposes and will afford to the Corporate Director (Resources) access to all accounts, records and documents. The Head of Financial Services will be responsible for supplying financial information to Service Business Managers in an agreed form and frequency.
- 2.10 The Corporate Director (Resources) will submit the statutory Statement of Accounts of the Council to the Executive Cabinet for adoption by the Council as soon as possible after the end of the financial year and to comply with any statutory requirements.
- 2.11 In the context of performance management, all staff will ensure that best value is pursued in the delivery of all services and shall continuously seek improvement in the quality, efficiency and effectiveness of services.

3. FINANCIAL PLANNING AND RISK ASSESSMENT

- 3.1 The Council will establish a strategic policy framework to incorporate the main issues facing the Council and to match policies with resources. In terms of financial planning, this will involve consideration of the Council's priorities and promises, and commitments and forecasts for three years, including the annual capital and revenue budget. The annual budget may then be seen as the first year of a rolling three year programme.
- 3.2 An essential part of the planning process is the continuous operation of systems for identifying and evaluating all significant strategic and operational risks facing the Council. This must include a risk assessment of the Council's priorities and promises, budget plans, programme options and service plans involving the proactive participation of the Executive Cabinet, Service Business Managers, Middle Managers and all officers associated with the planning and delivery of services. The Corporate Director (Resources) will obtain Executive Cabinet approval of the corporate risk management strategy and will promote and coordinate risk management activity throughout the Council.
- 3.3 The Senior Management Team will submit to the Executive Cabinet annual proposals for schemes for capital and revenue developments, including an indication of the priority of the schemes. All proposals will be submitted in accordance with the Project Management Framework protocol.
- 3.4 Capital and revenue budgets will be considered jointly so that the future impact of current proposals can be assessed, including the extent to which current capital expenditure commits or frees future resources.
- 3.5 The proposals will distinguish between already approved policies and those where expenditure is foreseen but not yet approved.
- 3.6 The Corporate Director (Resources) will report to the Executive Cabinet details of the level of resources required to service these proposals, in the context of the overall financial strategy of the Council, and the accomplishment of strategic objectives.
- 3.7 The Executive Cabinet will consider the provisional programme and make a general determination of amendments to be made following detailed consideration of the estimates.

4. THE BUDGETARY SYSTEM

4.1 General

4.1.1 The Head of Financial Services will be responsible for establishing, in consultation with Service Managers, a timetable for the preparation of each year's estimates. This timetable will be agreed by the Executive Cabinet in September of each year and will be constructed to ensure that the Council will meet its statutory obligations in respect of setting its local levies. This will allow the Council to meet annually to consider its annual estimates and determine the level of its local tax.

4.1.2 The Head of Financial Services will determine, with consideration of internal and external reporting requirements, the form in which the revenue and capital estimates will be prepared.

4.2 Preparation of Revenue Budgets

4.2.1 Revenue Expenditure

4.2.1.1 Revenue budgets must be prepared within the resource allocation limits prescribed by the Council.

4.2.1.2 Budgets must be prepared in conformity with all instructions on budgeting issued by the Head of Financial Services. It is the responsibility of the Head of Service to ensure that detailed budget preparation takes place, that the amounts included are realistic, and that there has been correct application of budget conventions and procedures.

4.2.1.3 The Head of Financial Services will at all times monitor the preparation of the revenue and capital estimates and will collate the resultant budgets for submission to and consideration by the Executive Cabinet.

4.2.1.4 In addition, the Head of Financial Services will submit a statement of the requirements of the precepting authorities and a recommended level of Local Council Tax for the year.

4.2.1.5 The Executive Cabinet will submit its recommended budget proposals to the Council according to the annually agreed timetable as approved by Executive Cabinet and to comply with any statutory requirements.

4.2.2 Capital Expenditure

- 4.2.2.1 All capital estimates shall be prepared by Chief Officers and Heads of Service in a form laid down by the Head of Financial Services. Individual schemes shall be required to have a business case identifying the business benefits and full financial consequences of the scheme. Such business cases shall be subject to the approval of Cabinet and the Council before inclusion in the Capital programme and before any related expenditure shall be incurred. The content of the capital programme will be recommended to the Council by the Cabinet.
- 4.2.2.2 Variations to the capital programme shall take place in accordance with procedures laid down by the Cabinet, in so far as they are within the powers delegated to Cabinet, and otherwise in accordance with procedures laid down by Council or with the approval of Council.
- 4.2.2.3 For any capital scheme a report shall be made to the Cabinet setting out specific capital scheme proposals and shall give for each scheme (in accordance with the project management methodology):
- (i) why the scheme is required;
 - (ii) the estimated capital cost(s);
 - (iii) the estimated revenue cost(s);
 - (iv) exploration of alternative options;
 - (v) how the project contributes to the Council's objectives / priorities; and
 - (vi) no detailed design work shall be undertaken prior to the report being approved.
- 4.2.2.4 Design work shall not take place on schemes which are not included within the approved capital programme unless written approval has been obtained from the Chief Executive and the Head of Financial Services. Expenditure shall not be incurred on feasibility studies for any other schemes in excess of amounts to be prescribed from time to time by the Head of Financial Services.
- 4.2.2.5 The acceptance of tenders shall take place in accordance with the Contract Procedure Rules. Once tenders have been accepted, these will become the figure to be included in the capital programme, replacing any previous estimate.
- 4.2.2.6 The financing of the capital programme, whether by borrowing, leasing or other arrangements, shall be determined by the Head of Financial Services in consultation with the Portfolio Holder for Financial Services.

4.3 Authority to incur expenditure

- 4.3.1 For revenue budgets, provided that Contract Procedure Rules have been complied with and subject to any specific exclusion, the inclusion of any item in the approved revenue budget and set out in detail in the budget book (other than a contingency provision which will be controlled by the Corporate Director (Resources) will constitute authority to incur expenditure. This must be in line with the budget headings (a combination of both subjective and service) as set out in the budget book.
- 4.3.2 For capital budgets, authority to incur expenditure will follow various stages, from initial feasibility through to project implementation, which will ensure that all projects are considered in detail, including both capital and revenue implications. Funding for each

stage will be specifically agreed by the Executive Cabinet/Council in accordance with agreed procedures and only when the Council through its budget approval process agrees the allocation of funds will the project be included in the current funded capital programme.

4.3.3 Providing Standing Orders, Contract Procedure Rules, Financial Regulations and any Council Instructions for the time being in force have been complied with, inclusion of any items in the approved funded capital expenditure programme shall be deemed to imply:

- (i) sanction for the Service Manager concerned to spend the capital sums provided for projects included in the programme for the current financial year; and
- (ii) authority for the Service Manager concerned:
 - (a) to take steps to enable land required for the purpose of the programme to be acquired in due time, subject to the Council having approved the financing of the capital programme.
 - (b) to proceed with the preparation of plans and other preparatory work, the acceptance of tenders and the pre-ordering of materials or equipment for which there is a long delivery period in connection with schemes, initial expenditure on which is included in the following financial year(s).

4.3.4 Where it appears that any capital project will not be completed within the financial year for which approval has been granted, approval of Full Council must be sought for the carrying-forward of the budget into the next financial year. This requirement does not apply where the planned timescale of the capital project has from the outset encompassed more than one financial year.

4.3.5 Where it appears that any capital project estimate will be exceeded, it shall be the duty of the Service Manager concerned, after joint consultation with the Corporate Director (Resources) and the Head of Financial Services, to inform the Executive Cabinet at the earliest opportunity.

4.3.6 Any proposal involving the adoption of a new policy or the variation or extension of existing policy which may or does affect the Council's finances will be submitted initially to the Executive Cabinet for consideration and subsequent approval by full Council. The proposal will include a comprehensive report justifying the project, outline any revenue and capital implications and include the comments of the Corporate Director (Resources). The proposal will take into consideration any provisions for virement in accordance with paragraph 4.5.

4.3.7 Expenditure considered essential to meet the sudden needs of an emergency or disaster (referable to section 138 of the Local Government Act 1972) may be incurred on the joint approval of the Chief Executive Officer and Corporate Director (Resources) in consultation with the appropriate Executive Cabinet member(s). It will be reported to the next meeting of the Executive Cabinet.

4.4 Budgetary control

4.4.1 Allocated budgets will be cash limited, with budgetary monitoring undertaken by each Portfolio holder under the overall guidance of the Executive Cabinet, such responsibility

being devolved on a day to day basis to nominated budget holders for their own areas of activity. Service Managers will be responsible for controlling and achieving income and expenditure within their area, and will take any permitted action necessary to avoid exceeding their budget allocation, alerting the Corporate Director (Resources) and Head of Financial Services to any problems.

- 4.4.2 The Head of Financial Services, in conjunction with nominated budget holders and will ensure as far as practicable that systems are available which will provide such financial information as is required to enable budget holders to satisfactorily monitor budgets. Budget holders will receive monthly statements of expenditure and income showing budget v actual to ensure those with budgetary responsibility are aware of the financial position of their service. Variations to be discussed with nominated accountants and action plans to be in place to manage budgets effectively.
- 4.4.3 The Head of Financial Services will ensure that the appropriate Executive Cabinet member(s) Portfolio holders are provided with budgetary control information relevant to their sphere of responsibility, on a monthly basis and in accordance with agreed policy. Any significant variations should be discussed by the portfolio holder with Heads of Service and budget holders.
- 4.4.4 The Head of Financial Services will report budgetary performance to Performance Management Board on a quarterly basis.

4.5 Virement

- 4.5.1 The virement rules below cover the transfer of resources between approved budget heading (both subjective and Service area) within the approved budget. Virements do not create additional overall budget liability. Heads of Service are expected to exercise their discretion in managing their budgets responsibly and prudently. Virements will be consistent with the aims, objectives and priorities of the Council and with any changes in policy.
- 4.5.2 Virement will be restricted to extensions of existing policies/ schemes and will not be used for new policies/schemes not previously considered by the Council. Overspend on a particular budget head may be met by virement of budgetary provision from an underspent budget head, subject to the following paragraphs in this section, thereby avoiding the need for supplementary budget approval.
- 4.5.3 Virements between revenue and capital budgets are not permitted.
- 4.5.4 Virements between revenue income and revenue expenditure will not be permitted.
- 4.5.4 Virement amounts up to £5,000 between budget headings as set out in the Council's Budget Book may be carried out by the appropriate Service Manager(s) in consultation with his/her Head(s) of Service and notified to the Head of Financial Services.
- 4.5.5 Virements between £5,001 and £15,000 between budget heading in the Council budget book may be carried out by the Head(s) of Service in consultation with the Head of Financial Services.
- 4.5.6 Virements between £15,001 and £100,000 will be subject to prior approval by the Executive Cabinet.

- 4.5.7 Virements over £100,001 will be subject to prior approval of full Council.
- 4.5.8 There will be no virement into or out of salary costs budgets without the approval of the Executive Cabinet.
- 4.5.9 Virements required due to exercising financial administration of the budgets e.g. setting up of new cost centres to enable more efficient budget monitoring may be carried out by the Head of Financial Service in consultation with or at the request of Heads of Service providing that the original purpose of the budget is remains unchanged and there is no transfer between budget headings.
- 4.5.10 Any exceptions to the above rules must be approved by the Executive Cabinet.

4.6 Supplementary estimates

- 4.6.1 Any proposal to vary annual estimates by incurring expenditure not provided for in the original estimates and which cannot be met by virement in accordance with Financial Regulation 4.5, will be referred in writing by the appropriate Service Manager to the Head of Financial Services prior to its inclusion in any report to be considered by the Executive Cabinet. Such a proposal will be indicated on the meeting agenda.
- 4.6.2 The Executive Cabinet may approve a request for a supplementary estimate, and request approval of Full Council for use of the Council's general or earmarked balances.
- 4.6.3 All supplementary estimates granted constitute approval to incur expenditure.
- 4.6.4 Any proposed changes to the budgets resulting from new external funding must be discussed and agreed in advance of spending with the Head of Financial Services.

4.7 Treatment of year-end balances

- 4.7.1 Executive Cabinet may approve the carry forward of underspends carried forward for one off items of required funding. These decisions will be taken in the context of the Council's overall net expenditure outturn position, the existing policies and priorities of the Council and Medium Term Financial Plan.

5. ORDERS FOR WORK, GOODS AND SERVICES

5.1 General

- 5.1.1 Orders will only be for Council related work, goods and services and will be placed in accordance with applicable Contract Procedure Rules covering estimates, quotations and tenders.
- 5.1.2 The Senior Management Team will ensure that ordering officers have due regard to the Council's Procurement Strategy, the need to obtain best value (both in regard to current Council functions and also when considering procurement options for future service delivery), and any current requirements to obtain goods/services by electronic means.

5.1.3 Every officer and member of the Council has a responsibility to declare any links or personal interests they may have with suppliers or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.

5.1.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of council contracts.

5.2 Compliance with Environmental and other Policies

5.2.1 All orders placed will take account of the Council's sustainability policies and commitments. These seek to minimise the environmental impact of goods and services. Where appropriate suppliers will be asked to highlight any environmentally significant features of their goods and services such as life expectancy, energy efficiency, source of timber, recyclability.

5.2.2 All orders placed will take into account other Council policies where applicable, for example Equality and Diversity.

5.3 Format of orders

5.3.1 All written orders for goods and services will be issued on printed and consecutively numbered official order forms, the design of which will be subject to the approval of the Head of Financial Services. An official order form should be completed for all purchases and raised at the time of the order.

5.3.2 Orders and copy orders will be completed in sufficient detail to identify accurately the materials, work or service required and will specify where applicable the quotation, contract or other agreement, the price agreed and the approved budget expenditure code against which costs will be charged.

5.3.3 Budget expenditure codes will only be entered by the nominated budget holder, or by an officer with the budget holder's written authority.

5.3.4 Split ordering to avoid having to obtain quotations or tenders is forbidden.

5.4 Certification of orders

5.4.1 Orders will be signed by the appropriate Service Business Manager, nominated budget holder or other authorised senior officer. The Accountancy Section will receive and retain an up to date list of specimen authorised signatures and will be immediately notified of any changes.

5.4.2 Ordering officers will obtain the countersignature of their line manager before committing any expenditure in which they may have an interest, for example attendance on a training course, booking of accommodation.

5.5 Retention of orders

5.5.1 A copy of the signed official order along with any applicable documentation to justify the purchase will be retained by the appropriate budget holder for two years, plus the current year.

5.5.2 All copies of any spoilt orders will be retained and marked as “cancelled”.

5.6 Corporate purchasing

5.6.1 Each order will conform with the directions of the Corporate Director (Resources) with regard to the use of any corporate purchasing arrangements and the standardisation of goods and materials. Corporate purchasing arrangements may be desirable for IT equipment, mobile phones and office furniture, etc. Contract Procedure Rules must be followed for all corporate purchases.

5.7 Security of orders

5.7.1 It will be the responsibility of Service Business Managers to ensure that blank official orders are ordered in accordance with approved procedures and securely held in a locked stationery store. Inclusive official order numbers in pads of 50 will be recorded in a register and maintained by the Central Administration Section.

5.7.2 Order pads will only be issued to nominated budget holders who will confirm receipt by signing in the register maintained for the purpose.

5.7.3 The budget holder will be responsible for the safe custody and authorised use of all blank official orders once signed for.

5.8 Verbal orders

5.8.1 In cases where goods, materials, works or services are required urgently and where delay would cause either loss to the Council or endanger public health or safety, then the order may be placed verbally by an authorised officer. All such orders must be confirmed with a written order clearly marked “confirmation” and in accordance with the budgetary control provisions outlined in 5.3.

6. PAYMENT OF ACCOUNTS

6.1 Method

6.1.1 Apart from petty cash or other payments from advance accounts, the method of payment will be by cheque, BACS or other instrument drawn on the Council’s account.

6.2 Responsible officer

6.2.1 All payments made on behalf of the Council, with the exception of petty cash payments or other payments from advance accounts, will be made by the Head of Financial Services.

6.2.2 The Head of Financial Services will be entitled to rely on (but may challenge) the certification of authorised officers and will be empowered to pay all accounts so certified. Authorised officers should ensure that where appropriate, adequate supporting documentation is retained with the order/invoice in order to provide a satisfactory audit trail to justify the reason for the payment.

6.3 Certification for payment

- 6.3.1 In this section, references to signing, certifying and authorising relate to both manual and secure electronic means via the Agresso Financial Management System . All accounts for payment will be signed by the appropriate Service Manager, nominated budget holder or other authorised senior officer. Service Managers will ensure that as far as possible a separation of duties exists between the ordering of goods and certification of invoices and that if possible the certification of invoices is carried out by a more senior officer. Each officer certifying an invoice for payment will only certify expenditure against budget heads for which he is responsible, or for which he has delegated authority. The Accountancy Section will be notified of all officers so authorised, will receive and retain a list of specimen signatures and will be notified immediately of any changes.
- 6.3.2 All invoices received at any office of the Council must be forwarded immediately to the Accountancy Section for registration on the Agresso Financial Management system. Similarly all credit notes must be immediately forwarded to the Accountancy section and not retained within Service areas.
- 6.3.3 Payments will only be made on proper tax invoices (when applicable) which display the word "invoice" and the VAT registration number. Any payments made on proforma invoices must be followed up by the issue of a proper tax invoice.
- 6.3.3 In certifying a payment certifying officers will satisfy themselves that:
- (i) the works, goods or services to which the account relates have been carried out, received, examined and approved, are fit for the purpose and where appropriate comply with predetermined standards;
 - (ii) the relevant Standing Orders have been complied with;
 - (iii) the relevant expenditure has been properly ordered, authorised or incurred, is properly chargeable to the correct expenditure code and is within the relevant estimate provision;
 - (iv) the invoices correspond to delivery notes/goods received notes where appropriate, are arithmetically correct and discounts, allowances, credits and tax are correct;
 - (v) an appropriate entry is made on the hard copy order to prevent possible future duplicate payments;
 - (vi) the account has not previously been passed for payment; and
 - (vii) appropriate entries have been made in inventories and stores records.
- 6.3.5 Payments will only be processed if there are original handwritten initials and signatures in the authorisation boxes (i.e. photocopied signatures are not acceptable).
- 6.3.6 Any copy of an invoice produced prior to payment, for example a file copy, will be scored through and marked to clearly identify it as a copy.
- 6.3.7 To comply with VAT requirements, where it is necessary to amend an invoice, it must either be returned to the supplier, or a credit note/supplementary invoice should be

requested prior to payment being made. The use of correcting fluid etc to amend invoices is forbidden.

6.4 Urgent processing

6.4.1 Certified invoices due for payment but which require payment in advance of normal processing may in exceptional circumstances be processed through the urgent payment system with the approval of the Head of Financial Services.

7. TRAVELLING, SUBSISTENCE AND FLEXIBLE WORKING HOURS

7.1 Approved forms

7.1.1 All claims for travelling and subsistence payments and adjustments to the staff flexible working hours scheme will be made only on forms approved by the Head of Human Resources and Organisational Development.

7.2 Certification

7.2.1 All travelling and subsistence claims and flexible working hours adjustment sheets will be signed by the appropriate Service Business Manager or other senior officer authorised to do so. The Accountancy Section and Payroll will be notified of all officers so authorised, will receive and retain a list of specimen signatures, and will be notified immediately of any changes.

7.2.2 Certifying officers will normally be the claimant's line manager who will ensure to the best of their knowledge that:

- (i) travelling and subsistence claims relate to journeys made and expenses properly and reasonably incurred whilst carrying out official duties, in accordance with current Personnel policy and procedural guidance; and
- (ii) flexible working credits/debits are accurately recorded on Wintime or local procedures, in accordance with current Council policy.

7.3 Payment of Travelling and Subsistence Claims

7.3.1 Certified claims will be forwarded to the Payroll Section within five working days following the end of the month to which the claim relates for payment through the salaries and wages system.

7.3.2 Payments to Members will be made by the Payroll Section upon receipt of the prescribed form duly completed and submitted within five working days following the end of the month to which the claim relates.

8. ADVANCE ACCOUNTS

8.1 Provision

8.1.1 The Head of Financial Services will provide advance accounts for appropriate officers of the Council. Advance accounts will be used for the purpose of providing petty cash for incidental purchases. Such accounts will be maintained using the imprest system.

8.1.2 Petty cash floats/imprest will only be raised following the approval of the Accountancy Section who record and reconcile all accounts held. Officers will obtain a holding account code for each imprest/float from the Accountancy Section.

8.2 Operation

8.2.1 Individual payments from advance accounts will be limited to 20% of the value of the account or £50 whichever is the lesser. All payments will have the prior agreement of the account holder and will be supported by a receipted voucher (VAT receipt where appropriate), certified in accordance with Regulation 6.3.

8.2.2 No advances will be used by account holders other than for official purposes.

8.2.3 Staff will be required to ensure any imprests are regularly reimbursed.

8.3 Security

8.3.1 An officer to whom an advance is made will:

- (i) be personally responsible for ensuring the proper use of and safe custody of the money advanced;
- (ii) be able to justify to the satisfaction of the Head of Financial Services the continuing need for an advance account and the level of imprest amount held;
- (iii) be liable to produce upon demand to the Head of Financial Services authorised representative cash or vouchers to the total of the advance together with a certificate of the state of the imprest account; and
- (iii) on leaving the employment of the Council, be liable to account to the Head of Financial Services for the amount advanced.

8.3.2 The Head of Financial Services will:

- (i) maintain a record of advances made; and
- (ii) examine the vouchers and receipts retained by officers in substantiation of payments and reimburse as often as may be necessary the amounts expended.

8.4 Annual statement of value

8.4.1 An annual statement of value of each imprest will be certified by the appropriate Service Manager or their authorised representative and submitted to the Head of Financial Services.

9. SALARIES AND WAGES

9.1 Responsible officer

9.1.1 The Head of Financial Services will make arrangements to pay all salaries, wages and allowances properly payable by the Council to its employees and Members.

9.1.2 In accordance with agreed procedures, each Service Manager will notify the Head of HR and OD immediately in writing of all matters affecting the payment of salaries, wages and emoluments, and in particular:

- (i) appointments, resignations, dismissals, suspensions, secondments, retirements and redundancies;
- (ii) absences from duty for sickness or other reason apart from approved leave;
- (iv) changes in remuneration other than normal increments and pay awards; and
- (v) any information necessary to maintain records of service for superannuation, income tax, national insurance and the like.

9.1.3 Each Service Manager will forward a clearance certificate to the Payroll Section within 2 working days of receiving formal notice that an employee's employment will be terminating, to ensure any debts incurred by the employee have been repaid e.g. car loan/lease car, post entry training expenses, leave taken over entitlement etc.

9.2 New appointments

9.2.1 Appointments of all employees will be made in accordance with the prevailing policies, regulations, and protocols of the Council and the approved establishment, grades and rates of pay, and within any statutory requirements.

9.2.2 Where temporary staff are engaged on a self employed basis, prior advice will be sought from the Head of Human Resources & Organisational Development and Head of Legal and Democratic Services as appropriate, in order to protect the Council from any employment liabilities (for example tax, national insurance) which may arise.

9.3 Approved forms

- 9.3.1 All timesheets, overtime approvals and other pay documents will be in a form as prescribed by the Head of Hr & OD.

9.4 Certification

- 9.4.1 All timesheets, overtime approvals or other pay documents will be signed by a Service Manager or other senior officer authorised to do so. The Payroll and Accountancy Section will be notified of all authorised officers, will receive and retain a list of specimen signatures, and will be notified of any changes.

10. CONTRACTS FOR BUILDING, CONSTRUCTIONAL OR ENGINEERING WORK

10.1 Compliance with Contract Procedure Rules

- 10.1.1 All contracts relating to building, constructional or engineering work made by the Council or on its behalf will comply with the Council's Contract Procedure Rules.

10.2 Register

- 10.2.1 Service Managers, in consultation with the Procurement Section, will maintain a register of all formal contracts relevant to their activities in a form specified by the Head of Financial Services, and will enter a record of payments to contractors and of all contract fees and related professional fees.

- 10.2.2 The Head of Financial Services will maintain a record of payments made to contractors and tax deducted, including copies of vouchers sent to the Inland Revenue regarding gross payments made to holders of CIS5 and CIS6 tax certificates.

10.3 Certification

- 10.3.1 All contract payments will only be made if a valid contract exists, and only on a certificate issued and signed by the appropriate Service Manager or other senior officer authorised to do so. The Accountancy Section will be notified of all authorised officers, will receive and retain a list of specimen signatures and will be notified immediately of any changes.

- 10.3.2 Where payment is to the holder of a CIS4 registration card, payment will only be made if the card is valid. Tax will be deducted in accordance with legal requirements.

10.4 Variations

- 10.4.1 Contract variations will be authorised in writing by the appropriate Service Manager or his authorised representative in charge of the contract. A note of the financial effects of any variation must be recorded with the contract documentation either before or immediately after the issuing of the instruction.

- 10.4.2 Variation orders issued verbally on site must be confirmed in writing within two working days, see 5.8.1 above.

10.5 Final certificates

- 10.5.1 The final certificate of completion of any contract will not be issued until the appropriate Service Manager has completed a detailed statement of account and all relevant documents. The appropriate Service Manager will be responsible for ensuring the adequate checking of final accounts .
- 10.5.2 The Head of Financial Services will, to the extent considered necessary, examine contract final accounts and will be entitled to make all such enquiries and receive such information and explanations as required in order to be satisfied as to the accuracy of the accounts.

10.6 Reporting of excess costs

- 10.6.1 If during the course of any contract there are indications that costs are likely to exceed the approved contract sum, the Head of Financial Services and Corporate Director (Resources) will be informed immediately and a report containing an explanation will be submitted to the next Executive Cabinet.
- 10.6.2 All cases where final costs have exceeded the approved contract sum will be reported to the Executive Cabinet following agreement of the final account.

11. Procurement of Consultancy Services

11.1. Introduction

- 11.2 The purpose of these guidelines is to set out the procedures to be followed within the Council for procuring consultancy services.

11.2 Definition of Consultants

- 11.2.1 In these guidelines "consultancy services" means any professional service provided by any person or organisation to the Council including but not limited to;

11.2.2 Legal services

11.2.3 Accountancy and Financial Services

11.2.4 Technical Consultancy Services

11.2.5 IT Consultancy Services

11.3. Contract Procedure Rules

- 11.3.1 Under the Contract Procedure Rules, a Head of Services is authorised to accept the lowest tender for the supply of services to the Council. Where a Head of Service wishes to accept a tender other than the lowest he/she shall first obtain the consent of the Corporate Director Resources and record the reasons for not accepting the lowest tender.

11.3.2 These guidelines take effect subject to the above provision in the Contract Procedure Rules and other guidance contained in the Council's Constitution.

11.3.4 In practice this means that before a consultant is engaged, the Head of Service must be satisfied that, inter alia, :

11.3.4.1 that budget provision is available for the costs of the consultant; and

11.3.4.2 where it is the intention to accept a tender other than the lowest, the Head of Service shall first obtain the consent of the Corporate Director Resources and record the reasons for not accepting the lowest tender.

11.4 Grounds for Engaging the Consultants

11.4.1 Consultants may be engaged by the Council in any of the following circumstances:

11.4.1.1 Where there is a lack of in-house skills available (e.g. perhaps through a shortage of staff or where the Head of Service is satisfied that the necessary expertise does not exist in-house)

11.4.1.2 There is a short timescale required for the particular piece of work and existing staff would not be able to accommodate the workload required

11.4.1.3 The nature of the work/outcome sought requires an independent view; or

11.4.1.4 The consultant can do the specific work task to a higher quality standard and more economically than if undertaken in-house.

11.5. Competitive Procurement

11.5.1 Whenever practicable a competitive process should be used in the procurement of consultancy services. This is set out in the Contract Procedure Rules. identify the procedures for procurement of services including conditions for any departure from the Contract Procedure Rules.

11.6. Alternative Procurement Procedures

11.6.1 When it is not practicable for the use of a competitive procurement procedure and it is proposed to engage a consultant without a competitive process the following applies:

Contract Value less than £75,000

11.6.1.1 Where the estimated value of the contract is less than £75,000 the written approval of the relevant Head of Services should be obtained to the appointment.

11.6.1.2 The written approval should record the reason why it was necessary to appoint a consultant without a competitive process, the reason for the selection of the consultant and the likely costs (whether a fixed fee, estimated fee or hourly rate).

Contract value between £75,000 and the Public Services Contract Regulations Threshold

11.6.1.3 Where the likely value of the contract is £75,000 or more then in addition to the Head of Service's consent the consent of the Chief Executive and Head of Financial Services should be obtained.

11.6.1.4 A Pro forma Recording the Reasons for the Decision and allowing for authorised is attached at Annexe 1 to these Guidelines. Officers may wish to use this when this is intended to procure using this method.

11.7 Preparation of brief

11.7.1 Whether it is intended to engage a consultant a brief should first be prepared in as much detail as is practicable at the time. The brief should clear the following:

11.7.1.1 Background to the project

11.7.1.2 Project aims and objectives together with clear specifications of the work to be done

11.7.1.3 Expected outcome or deliverables and quality of work required

11.7.1.4 The project timetable

11.7.1.5 the department's own contribution to the project

11.7.1.6 Day to day reporting requirements

11.7.1.7 Relevant source documents available for inspection

11.7.1.8 Requirements and timetable for submitting proposals by the Consultant

11.7.1.9 The named project manager and telephone number for enquiries

11.8 Variations

11.8.1 During the course of consultancy arrangements they often arises a need to vary the brief of the consultant to respond to circumstances unforeseen.

11.8.2 A Variation or series of Variations up to a value of £10,000 may be authorised by the Head of Service.

11.8.3 A Variation which either on its own or when aggregated with previous variations exceed £10,000 requires the authorisation of the Head of Service together with the Chief Executive and Head of Financial Services.

11.9 EU Public Procurement Considerations

11.9.1 Most consultancy services constitute a service for the purposes of the Public Services Contract Regulations 1993. Where ever the estimated value of the contract exceeds the threshold (which is currently £144,371) the regulations apply and the contract must be let in accordance with the public procurement rules. The Head of Financial Services will advise on the procedures to be followed and in cases of doubt will decide whether a contract falls within the public procurement rules.

11.10 Procurement of Legal Services

11.10.1 All legal services (including instruction of Counsel) shall be procured on behalf of the Council by the Head of Legal and Democratic Service.

11.10.2 In view of the nature of the procedure for instructing Counsel it is not practicable for the procedures outlined at paragraphs 5 and 6 to be applied. Therefore instruction of Counsel shall be carried out in accordance with such additional procedures as may be advised by the Head of Legal and Democratic Services from time to time

Annex 1

Pro Forma Approval Form

Authorisation for the Appointment of Consultant

Name of Consultant:

Reason to Use Consultant:

Reason for Choice of Consultant:

Costs of Consultant:

Requested by.....

Approved by

Head of Service

For Contracts with a Value in Excess of £75,000

Approved by.....

Chief Executive.....

Head of Financial Services.....

12. INCOME

12.1 Responsible officer

- 12.1.1 The Head of Financial Services will be responsible for ensuring that prompt and proper arrangements exist for the collection, custody, control, disposal and accounting of all cash and remittances due to the Council.
- 12.1.2 Budget officers will notify the Head of Financial Services of all sums due to the Council in respect of payment for goods and services or other transactions involving the receipt of money in a manner as prescribed by the Head of Financial Services.
- 12.1.3 All sums due from sundry debtors will be raised promptly by Service Units via the debtors module of the Agresso System (or for revenues related debts via the Academy system). Responsibility for the prompt and thorough recovery of debts rests with the appropriate Debtors officer. Whenever appropriate, payment in advance should be obtained as this improves the Council's cashflow and also avoids the time and cost of administering debts.

12.2 Paying in

- 12.2.1 All money received by an officer on behalf of the Council will be paid into one of the Council's Cash Offices without delay, or if instructed by the Head of Financial Services, direct to the Council's bank account.
- 12.2.2 No deduction will be made from sums due to the Council.
- 12.2.3 Officers paying into a bank account must enter a reference to the debt or the origin of the cash or cheque on the paying in slip.
- 12.2.4 Post-dated cheques will not be accepted by the Council .

12.3 Official receipts

- 12.3.1 All official receipts, forms, tickets, vouchers and similar documents will be ordered, stored and issued in accordance with procedures approved by the Head of Financial Services
- 12.3.2 No receipt given by an officer for money received will be in a form other than an official receipt.

12.4 Cashing cheques

- 12.4.1 No personal cheques will be cashed out of money held on behalf of the Council.

- 12.4.2 No third party cheques will be accepted by cashiers for the payment of any debt.
- 12.4.3 No Bromsgrove District Council cheques endorsed "Account Payee" will be accepted by cashiers in respect of any outstanding debt unless there are any extenuating circumstances which have been considered and approved by the Head of Financial Services.

12.5 Transfer of remittances

- 12.5.1 Every transfer of money held on behalf of the Council from one member of staff to another will be evidenced by the signature of the receiving officer in a register or proforma maintained for this purpose.
- 12.5.2 Any blank cheques received and those which are not "Account Payee Only" will be crossed with an official stamp immediately on receipt as part of the post opening procedure.

12.6 Write offs

- 12.6.1 It will be the responsibility of Service Managers to promptly notify the Head of Financial Services of the need to write off any debt, giving details of the steps taken to recover the debt and valid reasons for the write off. A "debt" may be classified as:
- (i) an individual amount for an individual debtor; or
 - (ii) the cumulative amount of several related debts for an individual debtor, (for example all business rates arrears or all outstanding trade refuse payments).
 - (iii) an amount "due to the Council arising through the provision of a service by the Council or by way of a sanction, Council tax or NNDR debts" or an amount held on the Agresso sundry debtors module or the Academy system
- 12.6.1 Authorisation to the write off of an individual debt is detailed in paragraph 1.4.
- 12.6.2 The write off of an individual debt greater than £2,500 will require the authorisation of the Executive Cabinet.
- 12.6.3 In all cases, due consideration will be given during the write off process to the ongoing provision of the service and any other Council services being provided to the debtor.

12.7 Money laundering

- 12.7.1 For the purposes of the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003, the Head of Financial Services will be the Council's Money Laundering Reporting Officer (MLRO) who will receive disclosures of suspected money laundering offences. The Council's Deputy MLRO is the Audit Services Manager.
- 12.7.2 Any payments in excess of £2,500 must be recorded and the details sent to the MLRO weekly.

- 12.7.3 Cash receipts exceeding €15,000 (approx £10,000) for goods or property must be reported immediately to the MLRO who will inform HM Revenue and Customs.
- 12.7.4 All suspicious payments (whatever the value or form of payment – cash, cheque, card, transfer, etc) must be reported immediately to the MLRO.

13. BANKING AND CHEQUES

13.1 Responsible officer

- 13.1.1 The Head of Financial Services will operate bank accounts to carry out the Council's banking transactions at the bank nominated by the Council, and will be responsible for the authorised operation of all bank accounts, bank transfers and the issue of all cheques on behalf of the Council.
- 13.1.2 No account will be opened on behalf of or including the name of the Council except on the authority of a resolution by the Council. Accounts will only be opened when authorised by the personal signature of the Head of Financial Services or other authorised officer.

13.2 Order and custody of cheques

- 13.2.1 Cheques will only be ordered on the authority of the Head of E Government & Customer Services, who will make proper arrangements for their safe custody.
- 13.2.2 Internal transfers of cheques will be recorded and a discharge of liability signature will be obtained.
- 13.2.3 Any necessary replacement cheques shall not be drawn until confirmation has been received in writing from the Council's bank that the original cheque has been "stopped".

13.3 Signatures

- 13.3.1 All cheques drawn on the bank accounts of the Council will bear the Head of Financial Services signature. All facsimile signatures will be checked at the time of printing.
- 13.3.2 All cheques and BACS payments exceeding £10,000 will require a second signature. A list of authorised signatures is maintained by the Accountancy Section.

14. TREASURY MANAGEMENT

14.1 Responsible officer

- 14.1.1 All money in the hands of the Council will be under the control of the officer designated for the purposes of Section 151 of the Local Government Act 1972, the Corporate Director (Resources), who will take all executive decisions on borrowing, lending, repayment and financing in line with current Council policy.

14.2 Records

- 14.2.1 The Head of Financial Services will be the Council's Registrar of bonds and mortgages and will maintain records of any borrowing and lending by the Council.

14.3 Best practice

- 14.3.1 All borrowing, lending and financing will be in accordance with the CIPFA publication "Treasury Management in the Public Services" (2001).
- 14.3.2 Should the Head of Financial Services wish to depart in any material respect from the main principles of this publication, the reasons will be disclosed in a report by that officer to the Council

14.4 Policy, strategy and reporting

- 14.4.1 A long-term treasury management policy statement will be adopted by the Council and thereafter its implementation and monitoring will be delegated to the Head of Financial Services.
- 14.4.2 At or before the start of the financial year the Head of Financial Services will report to the Executive Cabinet on the proposed treasury management strategy for the coming financial year.
- 14.4.3 The Head of Financial Services is responsible for ensuring that up to date treasury management practice statements are in place providing written guidance and instruction on routine operational activities.
- 14.4.4 The Head of Financial Services will report to the Executive Cabinet on the activities of the treasury management operation. This will include an annual report on treasury management for presentation by 30th September of the succeeding financial year.

15. INTERNAL AUDIT

15.1 Responsible officer

- 15.1.1 The statutory requirement for internal audit in local government is prescribed by the Accounts and Audit Regulations. The responsibility for maintaining an adequate and effective system of internal audit rests with the relevant body ie: the Council. This responsibility is formally delegated to the responsible officer appointed under Section 151 of the Local Government Act 1972. Accordingly, a system of continuous internal audit, under the control and direction of the Head of Financial Services will carry out an examination of the accounting, financial and other operations in so far as they have financial effects on the Council. Internal Audit effort will be co-ordinated with that of the Council's external auditors.

15.2 Internal Control

- 15.2.1 Internal Auditors are responsible for reviewing and advising on the Council's internal control systems. These systems need to ensure compliance with all applicable statutes, regulations and best practice guidance. Internal controls should also ensure that the risks

facing the Council are minimised and that public funds are properly safeguarded and used economically, effectively and efficiently, in accordance with the statutory and other authorities that govern their use.

- 15.2.2 Service Managers are responsible for managing risks and maintaining sound arrangements for planning, appraising, authorising and controlling operations in order to secure continuous improvement, economy, effectiveness and efficiency, and to achieve financial performance targets.

15.3 Rights of access

- 15.3.1 The Internal Auditors, as the authorised representative of the Head of Financial Services, will have authority:

- (i) to enter any land, building, vehicle or plant owned or used by the Council;
- (iv) to have access at all times to any record, document, contract or correspondence relating to the affairs of the Council, including those stored by mechanical, electric or electronic means;
- (iii) to possess or take copies of any record, document or correspondence;
- (vi) to require such explanations as are necessary from any Council officer concerning any matter under examination; and
- (vii) to require any employee of the Council to produce cash, stores or any other Council property under their control.

15.4 Standards

- 15.4.1 The Internal Audit Section will comply with all legislative requirements and guidelines issued reflecting best audit practice. The results of Internal Audit work will be reported annually and at such other times as are necessary to the Executive Cabinet and Audit Board.

15.5 Fraud and irregularity

- 15.5.1 The Audit Services Manager is responsible for maintaining and promoting the Council's Anti-fraud and Corruption Strategy.

- 15.5.2 Any officer who suspects that an irregularity is being or has been perpetrated concerning the Council's affairs shall immediately inform the necessary people, their Service Manager, Corporate Director, the Monitoring Officer, or the Head of Financial Services, who will investigate and report as necessary.

- 15.5.3 Any Member who suspects that an irregularity is being or has been perpetrated concerning the Council's affairs shall immediately inform the Chief Executive Officer, the Monitoring Officer and the Head of Financial Services, who will investigate and report as necessary.

- 15.5.4 Where criminal proceedings might be necessary the Chief Executive Officer in consultation with the Head of Financial Services and the Monitoring Officer will be responsible for deciding whether to refer a matter to the Police.

15.5.5 Any Member or officer who suspects that an irregularity concerning the Council's affairs is being or has been perpetrated by the Chief Executive Officer or the Head of Financial Services shall immediately inform the Monitoring Officer.

15.5.6 The Council has a whistleblowing policy (Confidential Reporting Code) which aims to:

- (i) provide confidential avenues for employees and others to raise concerns and receive feedback on any action taken;
- (ii) allow employees to take the matter further if they are dissatisfied with the Council's response; and
- (iii) reassure employees that they will be protected from reprisals or victimisation for whistleblowing in good faith.

16. INVENTORIES

16.1 Responsible officer

16.1.1 Service Managers will maintain an inventory of all significant items of plant, vehicles, machinery, equipment, tools, furniture and other movable property under their control.

16.2 Form and control

16.2.1 Inventories will be in a form approved by the Head of Financial Services.

16.2.2 Service Managers will be responsible for ensuring that inventories are continuously updated, and that appropriate action is taken on the discovery of deficiencies and surpluses. Attractive and portable items such as computers and cameras should be marked with security markings as belonging to the Council.

16.3 Write offs

16.3.1 Unserviceable inventory items of little value and items past their useful life will be written off under the written authority of a Service Manager.

16.3.2 Items that are to be written off, other than as a result of fair wear and tear, shall be done in accordance with guidance and limits stated in paragraph 1.4.

16.3.3 Disposal of written off inventory items will be the responsibility of Service Managers in consultation with the Head of Financial Services. This will be by competitive tender, public auction, or such other manner which is most beneficial to the Council.

16.4 Removal of property

16.4.1 The Council's property will not be removed or used other than in accordance with the ordinary course of the Council's business except in cases where specific direction or approval has been issued by the appropriate Service Manager.

16.4.2 Loan items of clothing, equipment etc. will be signed for by the recipient and returned when leaving the Council's employment.

17.7 LAND HOLDINGS

17.1 Responsible officer

17.1.1 The Head of Legal and Democratic Services will maintain a terrier of all land and properties owned by the Council and will maintain an asset register of the Council's land and property holdings with a value in excess of £5,000 in accordance with current accounting requirements.

17.2 Coverage

17.2.1 The land and property terrier will contain the following details:

- (i) purpose for which held;
- (ii) location;
- (iii) extent and plan reference;
- (iv) purchase details, including date of acquisition;
- (v) rents receivable/payable and rent review dates;
- (vi) reference to easements in deeds and
- (vii) other charges against the property such as repairing and insuring obligations.

17.3 Security

17.3.1 The Head of Legal and Democratic Services will keep all title deeds securely and will record all deeds temporarily removed.

17.3.2 The Common Seal of the Council will be kept in a safe place in accordance with the relevant section of the Council's Constitution.

17.4 Acquisitions

17.4.1 Any acquisition of land or property by the Council will comply with relevant legislation and current guidelines reflecting best practice.

- 17.4.2 The Head of Legal and Democratic Services and the Head of Financial Services in conjunction with the appropriate Portfolio holder will jointly exercise a delegation to deal with acquisitions under £10,000 and will advise the Local Ward Member before the decision is taken.
- 17.4.3 Routine acquisition of land or property above £10,000 will be authorised by a prior resolution of the Executive Cabinet.
- 17.4.4 For urgent acquisitions of £10,000 land or property, a meeting of the Executive Cabinet will be convened, and the advice of the Head of Financial Services will be sought before any decision is taken. The views of the local Ward Member will be sought.
- 17.4.5 The Head of Legal and Democratic Services will exercise a delegation up to £10,000 to deal with property management issues such as lease renewals and rent reviews. Property management issues and decisions above £10,000 will be taken in conjunction with the appropriate Portfolio Holder.

17.5 Disposals

- 17.5.1 Disposals of Council land or property will comply with relevant legislation and current guidelines reflecting best practice. In particular the Local Government Act 1972 S123 requires that disposals will be for the best consideration that can reasonably be obtained. Detailed guidance is given in Professional Guidance Note No. 2 (Disposals of land interests by Local Authorities) issued by the Valuation Liaison Group.
- 17.5.2 The Corporate Director (Resources) and in conjunction with the appropriate Executive Cabinet member will jointly exercise a delegation to deal with disposals under £10,000.
- 17.5.3 Routine disposal of land of an anticipated market value in excess of £10,000 will require the prior approval of the Executive Cabinet, who will consider a report by the Head of Legal and Democratic Services which will include the financial, legal and other consequences of the proposed disposal. Before reporting to Cabinet the matter must be considered by the Capital Asset Management Group (or such other corporate body as may have responsibility for the Asset Management Plan) and must adhere to the principles enshrined within the prevailing Asset Management Plan.
- 17.5.3 Terms shall not be finalised without the benefit of a current valuation from a qualified valuer with appropriate expertise. This is particularly important where negotiations are conducted with a single purchaser.
- 17.5.4 Disposals above £30,000 will be subject to the invitation of competitive bids. The land/property will be advertised on a scale and in locations calculated to reach the relevant sectors of the property market. Where land is to be disposed of by:
 - (i) auction - it should be subject to a reserve price not less than the valuer's current valuation; or
 - (ii) public tender or sealed offers - Contract Procedure Rules will be applied.
- 17.5.5 Where disposals are related to land where the proposed purchaser already has an existing interest, for example adjacent owner, lessor, tenant, sale by private treaty may be applicable and use may be made of estate agents appearing on an approved list.

17.5.6 Where an offer is accepted subject to contract and a higher offer is received before contracts are exchanged, the person who made the former offer shall be given the opportunity to increase it if it is proposed to accept the higher offer.

17.5.7 Negotiations with prospective purchasers should take place at the Council House or at the offices of the other party or their agents within normal office hours, with at least two officers present. Signed minutes shall be kept and points agreed confirmed promptly by exchange of correspondence. The progress of negotiations shall be regularly reported to the Head of Legal and Democratic Services and the Capital Asset Management Group.

17.5.8 In exceptional circumstances, if urgent disposal of £30,000 land or property is necessary, a meeting of the Executive Cabinet will be convened, and the advice of the Head of Financial Services will be sought before any decision is taken.

18. INSURANCE

18.1 Responsible officer

18.1.1 The Head of Financial Services will arrange all necessary insurances for the Council in accordance with agreed policy. A record of all properties and risks covered will be kept, and a review will take place at least annually to ensure that all the insurances remain adequate.

18.2 Claims

18.2.1 The Head of Financial Services will be responsible for dealing with all claims against or on behalf of the Council.

18.2.2 The appropriate Service Manager will notify the Head of Legal and Democratic Services and the Head of Financial Services immediately in writing of any loss, liability of damage or any other event likely to lead to a claim, and will provide full supplementary information relating to the claim within 10 working days. Where necessary, the appropriate Corporate Director, having consulted with the Head of Legal and Democratic Services, will inform the Police.

18.3 Cover

18.3.1 The appropriate Service Manager will immediately inform the Head of Financial Services in writing, of all new risks, properties or vehicles, and any material alterations to existing risks, properties or vehicles.

18.3.2 The appropriate Service Manager will consult the Head of Legal And Democratic Services in respect of the terms of any indemnity the Council is asked to give.

19. STOCKS AND STORES

19.1 Responsible officer

19.1.1 Service Managers will be responsible for the care and physical custody of the stocks and stores under their control, and for ensuring that such stocks and stores are not kept in excess of normal requirements.

19.2 Records

19.2.1 Stocks and stores records will be kept in a form to be agreed by the Head of Financial Services.

19.3 Stocktaking

19.3.1 Stocks and stores will be subject to periodic test checks by officers other than the storekeepers and all stocks and stores will be checked at least annually, to include a review of the level and condition of stock.

19.3.2 A certificate of value will be produced on the last day of each financial year and forwarded promptly to the Head of Financial Services within seven working days.

19.4 Write offs

19.4.1 Surpluses or deficiencies will be reported to the Service Manager and appropriate accounting action taken, subject to the approvals detailed in paragraph 1.4.

19.5 Surplus stocks

19.5.1 Service Managers will be responsible for the disposal of surplus stocks and stores subject to the agreement of the Head of Financial Services. This will be by competitive tender, public auction, or such other manner which is most beneficial to the Council. Any disposal of a single item of stock in excess of £2,500 will be reported to the Executive Cabinet.

20. SECURITY

20.1 Responsible officer

20.1.1 Service Managers will be responsible for the safe keeping and authorised use of all assets under their control.

20.2 Cash holding

20.2.1 Maximum limits of cash holdings will be agreed with the Head of Financial Services and will not be exceeded without written permission.

20.3 Keys

20.3.1 Keys held by Officers and nominated Members to the Council House property, including safes, cash boxes, strong rooms and computer terminals, security systems and any other secure item or area will be issued by the Head of Legal and Democratic Services to named individuals who will confirm receipt in a register and be responsible for their safe custody. The loss of any key will be reported to the Head of Legal and Democratic Services immediately.

20.3.2 The Head of Legal and Democratic Services will be responsible for ensuring that adequate security arrangements exist for keys to other Council owned property.

20.3.3 Service Managers will ensure that officers who leave the Council's employment or cease to be required to hold keys surrender their keys immediately.

20.3.4 Service Managers will retain master copies of all keys issued.

20.4 Identification cards

20.4.1 The Head of Human Resources & Organisational Development will be responsible for issuing identification cards to all permanent Officers and Members.

20.4.2 Service Managers will be responsible for making arrangements for issuing identification cards to temporary staff, visitors, trade workers etc, and ensuring that all personnel return their identification cards when they leave the Council's employment.

20.4.3 All Officers and Members will wear their identification cards at all times when on official premises.

20.5 Information and Communications Technology

20.5.1 The Head of E-Government & Customer Services will be responsible for the security of corporate data, and ensuring that adequate contingency arrangements exist which protect the Council's interests in the event of an ICT disaster.

20.6 Post opening

20.6.1 The Head of Legal And Democratic Services will be responsible for ensuring that secure post opening procedures exist to prevent:

- (i) items of mail being lost or stolen; and
- (ii) fraudulent documents entering the system.

20.6.2 Procedures will be documented and will include:

- (i) post opening by a minimum of two staff;
- (ii) post receipt / despatch in a secure area;
- (iii) date stamping of post received; and
- (iv) effective and timely document image processing.

20.7 Breaches of security

20.7.1 The appropriate Service Manager will immediately report breaches of security to their Corporate Director, who will consider the audit and insurance implications, take appropriate action and refer sufficiently serious cases to the Police.

21. MANAGEMENT OF INFORMATION

21.1 Responsible officer

21.1.1 All officers will be responsible for maintaining proper security and privacy of all information under their control including that held in computerised files. Proper consideration will be given at all times to the proper use of passwords to prevent unauthorised access to systems.

21.2 Data protection and Freedom of Information

21.2.1 The Head of Legal and Democratic Services will be nominated as Data Protection Officer and will be responsible for ensuring that the Council acts in accordance with the provisions of the Data Protection and Freedom of Information legislation.

21.3 Retention of documents

21.3.1 Service Managers will make arrangements for retaining official documents for the periods as listed at Appendix 2.

22. EXTERNAL ARRANGEMENTS

22.1 Introduction

22.1.1 Officers may represent the Council on partnerships and external bodies, in accordance with the scheme of delegation.

22.2 External Funding

22.2.1 The Head of Financial Services is responsible for ensuring that all funding notified by external bodies is received used for the intended purpose and properly recorded in the Council's accounts.

22.3 Work for Third Parties

22.3.1 The Executive Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.

22.3.2 Service Managers will ensure that:

- (i) any risks are minimised and such work is intra vires;
- (ii) a register is maintained of all contracts entered into with third parties;
- (iii) appropriate insurance arrangements are made;
- (iv) the Council is not put at risk from any bad debts;
- (v) no contract is subsidised by the Council;
- (vi) wherever possible, payment is received in advance of the delivery of the service;
- (vii) the Service Unit has the appropriate expertise to undertake the contract;
- (viii) all contracts are properly documented; and
- (ix) appropriate information is provided to the Head of Financial Services for final accounts purposes.

APPENDIX 1

LOCAL GOVERNMENT FINANCE ACT 1988

Section 114 Functions of responsible officer as regards reports

- (1) On and after the commencement day the person having responsibility for the administration of the financial affairs of a relevant authority under section 151 of the 1972 Act, section 73 of the 1985 Act or section 112, shall have the duties mentioned in this section, without prejudice to any other functions; and in this section he is referred to as the chief finance officer of the authority.
- (2) The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the authority, a committee or officer of the authority, or a joint committee on which the authority is represented:
 - (a) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
 - (c) is about to enter an item of account the entry of which is unlawful.
- (3) The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- (3a) It shall be the duty of the chief finance officer of a relevant authority, in preparing a report in pursuance of subsection (2) above, to consult so far as practicable:
 - (a) with the person who is for the time being designated as the head of the authority's paid service under section 4 of the Local Government and Housing Act 1989; and
 - (b) with the person who is for the time being responsible for performing the duties of the authority's monitoring officer under section 5 of that Act.
- (4) Where a chief finance officer of a relevant authority has made a report under this section he shall send a copy of it to:

- (a) the person who at the time the report is made has the duty to audit the authority's accounts, and
 - (b) each person who at that time is a member of the authority.
- (5) Subject to subsection (6) below, the duties of a chief finance officer of a relevant authority under subsections (2) and (3) above shall be performed by him personally.

- (6) If the chief finance officer is unable to act owing to absence or illness his duties under subsections (2) and (3) above shall be performed -
 - (a) by such member of his staff as is a member of one or more of the bodies mentioned in section 113(3) above and is for the time being nominated by the chief finance officer for the purposes of his section; or
 - (b) if no member of his staff is a member of one or more bodies, by such member of his staff as is for the time being nominated by the chief finance officer for the purposes of this section.
- (7) A relevant authority shall provide its chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed.
- (8) In this section:
 - (a) references to a joint committee are to a committee on which two or more relevant authorities are represented, and
 - (b) references to a committee (joint or otherwise) include references to a sub-committee.

N.B. For the purposes of Section 6 above, the Corporate Director (Resources) will be the nominated officer.

APPENDIX 2

Minimum period for retention of “financial” documents

Note: the following is based on the CIPFA Financial Information Service list which incorporates the results of a number of local agreements with HM Revenue and Customs.

Type of Document	Retention Period (Years)
Accountancy/Financial	
Budgetary monitoring reports	2 + current
Estimate working papers	2 + current
Financial ledgers (incl year end reports)	6
Grant claim records	6
Investment records	6 after maturity
Journals etc	6
Leasing records	2 + current
Statement of accounts	Retain indefinitely
VAT claims	6
VAT records	6
Bank Related Records	
Bank paying-in books/slips	6
Bank reconciliation papers	6
Bank statements	6
Cheque books and counterfoils	6
Cheque lists (creditors/payrolls)	2 + current
Cheques - cancelled	2 + current
Cheques – returned	2 + current
Loan records and correspondence	2 + current
Contracts	
Contract registers	Retain indefinitely
Final accounts:	
contracts executed under hand	6
contracts issued under seal	12
Successful tenders	6 after final payment
Unsuccessful tenders	Until final payment

Creditor Records

BACS records	6
Copy orders	6
Credit notes	6
Creditor invoices	6
Delivery notes	2 + current
Periodic payment records	6
Petty cash floats & imprest documentation	6

Income Records

Cash receipting reconciliation records	6
Collection and deposit books	6
Correspondence (income)	6
Debtor records (non-current accounts)	6
Miscellaneous income receipts	6
Receipt books & record of books issued	6
Sales records	6

Insurance Records

Insurance claims, correspondence	6
Insurance contracts – expired	Retain indefinitely
Insurance policy documentation	Retain indefinitely

Miscellaneous Records

Capital works monitoring reports	2 + current
Car leasing and mileage records	6 from end of lease
Car loans	6
Community Charge records (non-current)	6
Computer system documentation	2 + current
Council Meetings: reports and agendas	Retain indefinitely
Council Tax records (non-current)	6
Departmental files for Building Control, Planning, and Trees (for Latent Damage Act purposes)	16
Flexible Working Hours adjustments	1 + current
Inland Revenue documentation	6
Inventory records	6
Land charges records	Retain indefinitely
Members' statutory registers (non-current)	4
Minutes - Council meetings: reference copy	Retain indefinitely
Mortgages: records/correspondence (non-current)	2 + current
Postal remittance lists	2 + current
Road fund licence records	2 + current
Stock lists	2 + current
Travelling and subsistence claims	2 + current
Vehicle logs	2 + current
Vehicle/machinery leasing records	2 + current

Payroll

BACS records and output	3
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Building Society reports	3
Copy payslips	6
Correspondence	6
NI number changes	3
Overtime records	6
Payroll adjustment documentation	6
Payroll reconciliations	6
Part time employees' documentation	6
Pension records	Retain indefinitely
SSP and SMP records	4
Staff transfer and leaver records	6
Starters' forms	2
Tax and National Insurance records	6
Tax code notifications	2 + current
Timesheets	6
Union records	2 + current

Personnel

Personnel files (non-current)	6 + current
Staff contracts (non-current)	6
Unsuccessful candidates' job application forms	1