

Section 1 - Financial Procedure Rules

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PART A FINANCIAL REGULATION POLICY (1.0)

Background

- 1.1 Section 151 of the Local Government Act 1972 *requires that “Every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs”.*
- 1.2 The person with overall responsibility for Bromsgrove District Council financial affairs under the act, the Chief Financial Officer (CFO) or Section 151 Officer is the Director of Finance and Resources. Bromsgrove District Council uses the Chartered Institute of Public Finance (CIPFA) guidance in defining the role of their Director of Finance and Resources:
- is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority’s strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority’s financial strategy; and
 - must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- 1.3 To deliver these responsibilities the Director of Finance and Resources:
- must lead and direct a finance function that is resourced to be fit for purpose; and
 - must be professionally qualified and suitably experienced.
- 1.4 The 1988 Local Government Act makes a requirement to have a designated qualified Deputy S151 Officer to act on their behalf in his/her absence or if requested by the Director of Finance and Resources to do so. The role designated as Deputy S151 Officer is the Financial Services Manager.
- 1.6 The Financial Procedure Rules apply to every Member and Officer of the Council and anyone acting on its behalf.

Purpose

- 1.7 The purpose of the Financial Procedures Rules are:
- Promote best value and improve service delivery;
 - Set out procedures for employees and members to meet the Council’s expected standards;

- Demonstrate that controls are in place.

Controls

- 1.8 The Financial Procedure Rules consist of this policy, the Financial Regulations and the financial guidance. All employees and Members are required at all times when engaged on Council activities to comply with these documents as applicable.

PART B FINANCIAL REGULATIONS (2.0)

- 2.1 All Members and Officers must comply with these Financial Procedure Rules all times as applicable.
- 2.2 All Members and Officers must at all times when engaged on Council activities act in the interest of the Council.
- 2.3 All activities must comply with legislation, approved service plans and other Council policies or procedure documents.
- 2.4 All activities must seek to achieve value for money.
- 2.5 Managers must ensure that there are controls in place for every system under their management.
- 2.6 Adequate records must be kept for all transactions in all systems.
- 2.7 Members and Officers have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provide value for money and achieves best value.
- 2.8 The Chief Executive, Directors, Auditors and other Officers designated by them should have unrestricted access to all assets and records held on behalf of the Council.
- 2.9 Members, Officers and others acting on behalf of the Council are required to have proper regard to the advice and guidance issued by the Director of Finance and Resources on the Financial Procedure Rules.
- 2.10 Every report to Members require approval by the Director of Finance and Resources, or a nominee designated by the Director of Finance and Resources, setting out the financial implications of the recommendation(s) proposed.
- 2.11 The Council's expectation of propriety and accountability is that Members and staff at all levels shall lead by example in ensuring adherence to financial and legal requirements, rules, procedures and practices.
- 2.12 Members and staff at all levels shall act in accordance with the Council's anti-fraud and anti-corruption policies.
- 2.13 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) that it comes into contact with, shall act towards the Council with integrity and without thought or actions involving fraud or corruption.
- 2.14 The Council's Scheme of Delegation is the formal record of delegation of financial decision making.

PART C FINANCIAL GUIDANCE

3.0 Urgent decisions

- 3.1 In accordance with the Council's Scheme of Delegation to Officers the Chief Executive and in his absence the Directors, are empowered to take all necessary decisions in cases of emergency.
- 3.2 Any decisions made under the 'urgent decision' arrangements shall be reported to Council.
- 3.3 Nothing in these finance procedure rules shall prevent expenditure required to meet immediate needs caused by a sudden emergency to which the Civil Contingencies Act 2004 applies, provided that such expenditure shall be reported as soon as possible to the appropriate Cabinet member and the Cabinet.

4.0 Income charging policy

- 4.1 Local authorities have a wide discretion to levy charges for services. Where charges can be set at the discretion of the Council Directors should comply with the income and charging principles, including:
- a) The Council should aim to charge for all services where it is appropriate to do so, unless there are conflicting policies or legal reasons not to do so.
 - b) The Council should (subject to market conditions) aim to maximise income from fees and charges by ensuring that the full cost of provision and enforcement is recovered, unless there are contrary policies, legal or contractual reasons.
 - c) Decisions to subsidise services, or to not make a charge for a service should be clearly linked to Council objectives, and the potential income that is not earned must be a consideration in the decision.
 - d) Where the Council continues to subsidise the cost of services provided to customers, the level of subsidy should be clearly understood by the Service unit.
 - e) Charges must be linked to both service and strategic objectives and must be clearly understood.
 - f) The direct implications of charging for residents, and the indirect implications for public, private and voluntary sector partners should be clearly understood.
 - g) Any concessionary scheme should be based on ability to pay and be applied in a consistent and transparent approach across all Council services.
 - h) Where appropriate annual inflationary uplifts will be applied through the budget setting process, this will be agreed by Members as part of the budget setting process.

5.0 Income collection

5.1 The Director of Finance and Resources shall agree arrangements for the collection of all income and approve procedures and systems. In order to achieve this, the following controls must be followed:

- a) All income due to the Council is identified, charged correctly and billed promptly.
- b) All money received by an employee on behalf of the Council is paid without delay to the Director of Finance and Resources or to a nominated Officer or into the Council's specified bank account and is properly recorded.
- c) All receipts given for money should be on an official receipt form.
- d) All income is collected from the correct person, at the right time using the correct procedures and appropriate stationery and effective recovery action to pursue outstanding sums is taken within defined timescales.
- e) A formal approval process for write-offs of uncollectable debts should be followed using the criteria detailed below.
- f) Personal cheques shall not be cashed out of money held on behalf of the Council.
- g) All income received shall be receipted immediately.
- h) Officers shall record all cash received immediately; its use for either personal or official purposes is strictly forbidden.
- i) All paying in records shall be retained securely in line with the Council's policies on the retention of documents.

5.2 The Director of Finance and Resources has determined the following authorisations for writing off uncollectable debt:

Value	Recommendation	Examined/ Approved	Authorised
Credit balances	Income Officer Rent & Welfare Officer Locality Officer Housing Database Officer Revenue Officer Benefits Overpayments Officer	Appropriate Service Supervisors/ Team Leaders	Appropriate Service Managers
Debts up to £100	Income Officer Rent & Welfare Officer Locality Officer	N/A	Appropriate Service Supervisors/ Team Leaders.

Bromsgrove District Council
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Value	Recommendation	Examined/ Approved	Authorised
	Revenue Officer Benefits Overpayments Officer		
£101 - £2,000	Income Officer Rent & Welfare Officer Locality Officer Revenue Officer Benefits Overpayments Officers	N/A	Appropriate Service Managers
Debts over £2,000	Income Officer Rent & Welfare Officer Locality Officer Revenue Officer Benefits Overpayments Officers	Service Managers	Director o Finance and Resources - Section 151 Officer Financial Services Manager (Deputy Section 151 Officer). Head of Customer Access and Financial Support
Debts remitted by Magistrates or where a term of imprisonment has been served	Income Officer Rent & Welfare Officer Locality Officer Revenue Officer Benefits Overpayments Officer	N/A	Appropriate Service Managers
Insolvency proceedings Administration Order (where claim has been formally acknowledged	Income Officer Rent & Welfare Officer Locality Officer Revenue Officer Benefits Overpayments Officer	N/A	Appropriate Service Managers
Debtor is deceased no prospect of dividend from estate	Income Officer Rent & Welfare Officer Locality Officer Revenue Officer Benefits Overpayments Officer	N/A	Appropriate Service Managers
Debt matching agreements	Appropriate Service Managers		Director of Finance and Corporate Resources

Value	Recommendation	Examined/ Approved	Authorised
Cases of hardship or discretionary write offs	Appropriate Service Managers		Director of Finance and Corporate Resources in conjunction with the Portfolio Holder for Finance and Enabling.

6.0 Orders for goods, works and services

- 6.1 Orders shall not be issued for goods, work or services unless the cost is covered by an approved budget. No payment will be made without an authorised order, unless otherwise agreed by the Director of Finance and Resources or Financial Services Manager.
- 6.2 All orders given on behalf of the Council shall be approved in electronic or written form in accordance with signatory limits. All orders are to be authorised by Officers nominated by the appropriate Head of Service who shall be responsible for official orders issued from his or her Service.
- 6.3 The key controls for ordering and paying for work, goods and services are:
- a) All works, goods and services are ordered only by appropriate persons and recorded.
 - b) All works, goods and services shall be ordered in accordance with the Contracts Procedure rules unless they are purchased from internal sources within the Council.
 - c) Works, goods and services received are checked to ensure they are in accordance with the order.
 - d) Payments are authorised by Officers who can certify that goods have been received to price, quantity and quality.
 - e) All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
 - f) All appropriate payment documents are retained and stored for the defined period in accordance with the Bromsgrove District Council Records Management Policy'.
 - g) All expenditure is accurately recorded against the right budget and any exceptions corrected.
 - h) That processes are in place to maintain the security and integrity of data for transacting business electronically.

7.0 Payments

- 7.1 Individual Officers shall ensure that payments are authorised by appropriate Officers who can certify that goods and services have been received and that price, quantity and quality are in accordance with the initial order.
- 7.2 Heads of Service shall maintain for their area a list of Authorised Officers showing their signing levels with specimen signatures, this is to be held on the Council intranet. This list should be reviewed at intervals to ensure is up to date and accurate and any changes being reported promptly.
- 7.3 Where an electronic file contains multiple payments, an Officer may authorise the whole file with one signature if his or her authorised limit is at least the value of the highest individual amount within that file.
- 7.4 References to certification and authorisation are deemed to include those made online within a system where the identity of the user is verified using the system's identification protocols.
- 7.5 Once certified, all accounts paid through the centralised payment system must be passed to the Payments Section that shall ensure that the required payment is made to the correct person by the agreed method of payment and that all expenditure including VAT is accurately recorded against the correct budget.
- 7.6 Requests for payment shall be rejected by the Senior Payments Officer unless certified by an Officer who has the appropriate level of authority.
- 7.7 The use of feeder systems to generate payments will only be allowed if the Director of Finance and Resources is satisfied that the data integrity of the corporate financial system would not be compromised and that the feeder system works in accordance with these financial procedures.
- 7.8 Invoices do not need specific authorisation for payment in an electronic system where the invoice matches the authorised order and goods receipt, and all three are correctly entered into the system.
- 7.9 In accordance with the Public Contract Regulations 2015 and the Late Payment of Commercial Debts Regulations 2013, and to maximise performance under the contract; the Council has to process all undisputed invoices within 30 days of receipt. The same shall apply to contractors in respect of any subcontractor arrangements applied under the applicable Council contract(s). All Council contracts shall contain provisions to this effect. All accounts received must be date stamped with the day of receipt. In the event of a claim for damages/interest for late payment, the amount will be charged to the budget of the Directorate responsible.
- 7.10 The Director of Finance and Resources shall ensure that all appropriate payment documentation is retained for the required period of time in accordance with the Bromsgrove District Council Records Management Policy.

8.0 Salaries, wages, pensions, travel and subsistence

- 8.1 Heads of Service shall maintain for their area a list of Authorised Officers showing their signing levels with specimen signatures, this is to be held on the Council intranet. This list should be reviewed at intervals to ensure is up to date and accurate and any changes being reported promptly.
- 8.2 All claims for payment of allowances, subsistence, travelling and expenses must be submitted within two months of the period they relate to on the approved form, duly certified in a form approved by the Director of Finance and Resources with all required supporting evidence including receipts for expenses where appropriate. Any exceptions shall require individual certification by both the Director and the Head of Service.
- 8.3 The certification of claims by or on behalf of a Director or Head of Service shall be taken to mean that the Certifying Officer is satisfied that the journeys and the expenses incurred were necessary and authorised as being in line with the council's policies on travel and subsistence claims.
- 8.4 The Senior Payroll Officer shall ensure that all appropriate payroll documents are retained for the required period of time in accordance with the Council Records Management Policy.

9.0 Imprest accounts

- 9.1 The Financial Services Manager will authorise provision of a cash or bank imprest account to meet minor expenditure on behalf of the Council.
- 9.2 The Financial Services Manager will maintain a record of all advances made and reconcile to the Council's main financial system.

In summary Officers operating an imprest account will comply with the following procedures:

- a) Obtain and retain vouchers to support each payment from the imprest account including official VAT receipts where appropriate.
- b) Make adequate arrangements in their office for the safe custody of the account including vouchers and any other supporting documentation.
- c) Produce upon demand by the Financial Services Manager cash and all vouchers to the total value of the imprest account.
- d) Record transactions promptly.
- e) Reconcile and balance the account at least monthly with reconciliation sheets to be signed and retained by the imprest holder.
- f) Provide the Financial Services Manager with a certificate of the value of the account held at 31st March each year.
- g) Ensure that the imprest is never used to cash personal cheques or to make personal loans.

- h) Ensure that the only payments into the account are the reimbursement payments and any notes/coinage relating to purchases made by a cash advance from the imprest account.
- i) Ensure income due to the Council is collected and banked as provided in accordance with the Council's Financial Procedure Rules and not through an imprest account.
- j) On leaving the Council's employment, ceasing to be entitled to hold an imprest advance or no longer requiring an imprest advance, Officers must request that the Financial Services Manager close the account. All funds and account documentation should be returned to the Financial Services Manager.
- k) A bank imprest account cannot become overdrawn.
- l) Submit a claim for reimbursement at least monthly or return a nil claim.

10.0 Banking arrangements and Government Procurement cards

- 10.1 All arrangements with the Council's bank concerning the Council's bank accounts and for the ordering and issue of cheques shall be made by, or under arrangements approved by, the Director of Finance and Resources. The Director of Finance and Resources shall be authorised to open and operate such banking accounts, as he or she may consider necessary. This authority shall include the power to give the necessary directions to the bank as to signatures for withdrawals.
- 10.2 Apart from payments from Government Procurement cards, petty cash, imprest accounts, the normal method of payment due from the Council shall be by BACS or cheque. Direct debit and periodical payment arrangements shall require the prior agreement and authorisation of the Director of Finance and Resources.
- 10.3 All cheques and cheque stationery shall be ordered only on the authority of the Director of Finance and Resources who shall be satisfied that proper arrangements are in place for their safe custody. Where the signature is printed on the cheque by a Council system, the signature shall be that of the Director of Finance and Resources.
- 10.4 The Director of Finance and Resources shall be responsible for authorising the issue of Government Procurement cards and determining spending limits. Cardholders are required to comply with the policy issued by the Director of Finance and Resources regulating the use of corporate credit cards as shown in Appendix B. Purchases must be made in accordance with the Contract Procedure rules. This policy will include the requirement for cardholders to provide the Senior Payments Officer with a receipt and complete the online system with details of all items purchased including the general ledger code this is due by 17th of each month.

11.0 Preventing financial irregularities

- 11.1 All Officers are required under their contractual obligation to report financial irregularities at the earliest opportunity to their Manager or Director of Finance and Resources. The Director of Finance and Resources will report financial irregularities to the Chief Executive, Cabinet and the Audit, Standards and Governance

Committee. Providers of services are required to highlight financial irregularities immediately as stipulated under the contract procedure rules.

- 11.2 The Director of Finance and Resources, in conjunction with audit, will determine the scope of any internal enquiries or investigations, subject to consultation with the relevant member of the Management Team.
- 11.3 The Director of Finance and Resources, in consultation with the relevant member of the Management Team, will decide whether any matter under investigation should be referred for Police investigation and take recovery action as appropriate on such matters.
- 11.4 The Director of Finance and Resources will inform the Chief Executive and Monitoring Officer if a suspected irregularity occurs involving staff who are his or her responsibility.
- 11.5 All staff and members must report financial irregularities to the Director of Finance and Resources.
- 11.6 The Director of Finance and Resources will advise the relevant Director if the outcome of an audit investigation indicates improper behaviour by a member of staff; or the Monitoring Officer if the outcome of an audit investigation indicates improper behaviour by an Elected Member. The Director or Monitoring Officer will then instigate the relevant disciplinary/standards procedure.

12.0 Money laundering

- 12.1 The Director of Finance and Resources is appointed as the Money Laundering Reporting Officer (MLRO). This Officer shall ensure that all staff likely to receive payments from the public, businesses or professions are aware of the authority's responsibilities under the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and any other relevant acts and regulations, such as the Terrorism Act 2000 and Anti-terrorism, Crime and Security Act 2001.
- 12.2 The MLRO shall receive reports from staff about suspicious payments of any value for any purpose and payments in cash in excess of £10,000 including in aggregate.
- 12.3 The MLRO shall report any instance of suspected money laundering to the serious organised crime agency.

13.0 Asset management

Introduction

- 13.1 The asset management section of the Council's Financial Procedure Rules provides a framework of principles, minimum requirements, levels of authority and delegations to ensure that the Council's asset portfolio is managed effectively to achieve maximum value for money.

Overarching principles

13.2 A set of overarching principles govern the operation of this section of the Council's Financial Procedure Rules.

13.3 These are:

Property

- a) All property owned or leased by Bromsgrove District Council is held corporately.
- b) The Director of Finance and Resources, in conjunction is responsible for ensuring that the occupation of all Bromsgrove District Council property by Directorates or other tenants is in the interests of the Council as a whole.
- c) The Director of Finance and Resources has the authority to intervene in property matters to protect Bromsgrove District Council's overall interests.
- d) Resolution of disputes on property matters is overseen by the Chief Executive.
- e) All property transactions should be referred to the Director of Finance and Resources who shall seek the comments of all interested parties, including relevant Cabinet members, Directorates and local members, before the decision is taken to proceed. All decisions must be taken in accordance with the delegations set out in this section of the Council's Financial Procedure Rules, the functions scheme, and the decision making procedures set out in the Council's Constitution.
- f) Occupation of property is subject to health and safety legislation provided to employees through mandatory training.

General

- g) Capital investment on assets must be linked to priorities identified through the corporate planning process using a clear and objective prioritisation policy.
- h) Capital investment must be directed to obtain maximum benefit from available resources, taking account of economy, efficiency and effectiveness.
- i) Revenue implications of capital investment must be considered, including the revenue costs of any borrowing required, and spend to save funding may be available to pump prime investment that can demonstrate a clear financial pay back.

Acquisitions and improvements to assets

13.4 Before an asset is acquired or improved the need for investment must be clearly identified and appraised.

13.5 Prior to allocation of resources a business case must be prepared and approved by the relevant Director.

- 13.6 The Director of Finance and Resources will present the scored business case to the Management Team. Where the acquisition proposed is part of the annual budget setting process the Management Team will make recommendations to Cabinet for inclusion in the Medium Term Financial Strategy. Where the proposal is outside of the budget setting process the approval will follow the Council's virement procedures provided that the capital budget approved by Council is not exceeded.
- 13.7 The use of compulsory purchase powers must be approved by Cabinet.

Property

- 13.8 Property is to be used efficiently, effectively and economically with due regard to legislative requirements.
- 13.9 The occupation and use of property by a Directorate is subject to the Director of Finance and Resources approving all material changes to property, including change of use, appropriations, granting/taking of interests, alterations or additions. Such changes must then be reported to the Financial Services Manager for correct accounting treatment and apportionment of charges.
- 13.10 The Director of Finance and Resources has the authority to undertake reviews of the property portfolio, or parts of it, to determine if it is optimised in terms of its utilisation, cost and value and within this to challenge the retention or use of existing properties occupied by Directorates or other tenants.

Disposals

- 13.11 Land, property and any other assets which are surplus to operational need are either to be reallocated to meet alternative needs or disposed of in line with statutory requirements and/or Bromsgrove District Council policies.
- 13.12 Directorates shall notify the Director of Finance and Resources of:
- a) Any property (or part) that is:
 - Vacant.
 - Held against a future operational need.
 - Not used for the principal purpose for which it is held.
 - Likely to be surplus to requirements (with estimated timescale).
 - b) Any statutory/process issues relevant to its disposal (e.g. prescribed consultation processes, reference to the Secretary of State, etc.).
 - c) Any other issues which need to be considered prior to disposal.
- 13.13 The Cabinet must be informed of any surplus property to enable it to declare as surplus, and further agree to the marketing of any surplus assets.

Treatment of capital receipts

- 13.14 All capital receipts from disposals are deemed to be a corporate capital resource available for allocation in line with corporate priorities.

Financial Procedure Rules

- 13.15 All of the protocols set out in the Council's Financial Procedure Rules and the Financial Guidance (Part 3) and Chief Executive Schemes of Delegation must be adhered to. No transaction should be approved unless specific budgetary provision is identified, except where the purchase is approved under the authority given in Paragraph 3.0 for urgent decisions.

14.0 Audit

- 14.1 The Director of Finance and Resources has responsibility for maintaining an adequate and effective internal audit service. This service has been delegated to the Worcestershire Internal Audit Shared Services (WIASS).
- 14.2 The Director of Finance and Resources shall maintain strategic and annual audit plans that take account of the relative risks of the activities involved. He/she shall liaise with the Management Team on the audit strategy and plan.
- 14.3 WIASS is responsible for providing the Audit, Standards and Governance Committee with regular assurance reports that highlight any areas of concern regarding the effectiveness or level of compliance with agreed systems of internal control.
- 14.4 WIASS shall submit an annual report to the Audit, Standards and Governance and Standards Committee detailing internal audit activity for the previous year and reporting significant findings and areas of concern.
- 14.5 WIASS shall provide a regular summary to the Leader, Chairman of Audit, Standards and Governance Committee and relevant Cabinet Member(s) of audit review reports following sharing of the detailed reports with Directors before hand.
- 14.5 The Director of Finance and Resources is responsible for producing an Annual Governance Statement for inclusion with the annual Statement of Accounts based on assurances provided by WIASS and also on risks and areas for improvement identified by Management Team.
- 14.7 Officers shall ensure that internal and external auditors are provided with:
- a) Access at reasonable times to premises or land used by the Council.
 - b) Access at reasonable times to any employee or employees.
 - c) Access to all assets, records, documents, correspondence and control systems relating to any matter or business of the Council.
 - d) Any information and explanation considered necessary concerning any matter under examination.

- 14.8 Officers must account for cash, stores or any other Council property under their control and produce such items for inspection if required by WIASS.
- 14.9 Officers are required to consider and respond to audit reports and audit recommendations within two weeks.
- 14.10 Officers must ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.
- 14.11 Where an appropriate response to audit recommendations has not been made within the agreed period, the Director of Finance and Resources shall refer the matter to the Chief Executive and/or the Audit, Standards and Governance Committee.
- 14.12 Officers are responsible for notifying the Director of Finance and Resources or WIASS immediately in writing/electronic medium of any suspected or alleged fraud, theft, irregularity, improper use or misappropriation of Council property or resources. Pending investigation, all necessary steps should be taken to prevent further loss and secure records and documents against removal, destruction or alterations.
- 14.13 The Director of Finance and Resources is to investigate promptly all apparent, suspected or reported irregularity or fraud he/she becomes aware of. He/she shall report his/her findings to the Chief Executive to discuss and agree appropriate legal proceedings and/or disciplinary action, consulting with the relevant member(s) of the Management Team as appropriate.
- 14.14 Officers are responsible for ensuring that new systems for maintaining financial records, or records of assets, or changes to such systems are discussed and agreed with the Director of Finance and Resources prior to implementation.
- 14.15 Officers are responsible for ensuring that all paperwork and systems are up to date, kept securely and are made available for inspection by audit.
- 14.16 Officers shall ensure that all fundamental systems and other financial systems are reconciled on a regular basis and that records are up to date and available for audit inspection when required.

15.0 Revenue budget management

- 15.1 The Financial Services Manager shall prepare and review annually a long term financial plan and strategy to provide an estimate of resources available to the Council and identify budget pressures.
- 15.2 Proposed budgets over periods of one year or longer shall be prepared by Directors, in consultation with the Director of Finance and Resources, for consideration by the Cabinet, having regard to the views of the Overview and Scrutiny Committees, before submission to Council.
- 15.3 The Cabinet shall recommend an annual budget to Council that includes the following:
- a) Annual capital and revenue budget.

- b) Proposed contingencies, general reserves and specific reserves.
 - c) Council Tax requirement.
 - d) Treasury Management Policy and borrowing limits.
 - e) The Director of Finance and Resources statutory declaration on budget setting.
- 15.4 Budget management ensures that resources allocated by Members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continual process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism to call to account Managers responsible for defined elements of the budget.
- 15.5 The structure and format of the revenue budget should be sufficient to permit effective financial management.
- 15.6 The overall budget setting process for both revenue and capital is controlled by the Director and Finance and Resources.
- 15.7 Budgets will be distributed to budget holders for consultation. Budget holders will work with Finance staff to prepare detailed income and expenditure estimates for the forthcoming year taking into account known service level changes, contractual commitments and financial constraints.
- 15.8 Budget holders should provide information on any legislative changes, statutory duties, demographic changes, which impact upon service trends and activity levels to inform the financial planning and budget setting process.
- 16.0 Capital budget management**
- 16.1 The Cabinet shall, following the submission of proposals by the Management Team, recommend to Council:
- a) A capital programme for each financial year.
 - b) A future indication of a capital programme over a four-year period.
 - c) The recommended funding method for each capital project (including the use of prudential borrowing, capital receipts, revenue or other financing methods).
- 16.2 Following the approval of a capital programme, and subject to any conditions specified in that programme, or specified by the relevant Cabinet member, the relevant Director shall take all appropriate action to carry into effect the approved schemes, within the budget and timescale agreed in the capital programme. Any material variation in cost or timescale shall be reported to the Cabinet.
- 16.3 Cabinet Members will monitor capital expenditure once budgets are approved by Council.

- 16.4 If a project has not started within the specified timeframe, being two years behind the intended start date it will require resubmitting before proceeding.
- 16.5 Any report for a project or policy of a capital nature shall include details of:
- a) The estimated cost of the proposal.
 - b) Any phasing of the capital expenditure.
 - c) The proposed method of financing, whether by loan, revenue or otherwise.
 - d) The effect on the revenue estimates in the first and subsequent years.
 - e) The additional staff and grades required both initially and ultimately.
 - f) An assessment and measurement of the need for the scheme and the benefits it will produce.
 - g) A technical and financial appraisal of the alternative approaches to meeting the need. (larger projects only)

17.0 Budgetary Control

- 17.1 Each Director shall be responsible for monitoring the revenue and any capital budget relevant to his/her Directorate to ensure that such budgets are properly spent and not exceeded.
- 17.2 Any new proposal or variation which would materially affect the finances of the Council shall require approval by the Cabinet. Any budget virements must comply with the Council's scheme of budget virement
- 17.3 The Council operates within an overall annual cash limit. As a result all individual budgets are cash limited. Each budget holder is required to operate within the cash limit.
- 17.4 Directors shall monitor spend and income against budgets monthly and ensure, so far as practicable, that expenditure in excess of their net approved budgets is not incurred without prior approval. If actual income is expected to be below budget, this must also be actively managed.
- 17.5 If it appears to a Director that his/her overall cash limited budget may be exceeded, he/she shall report the details as soon as practicable and identify mitigating action. The overall position is then reported to the Cabinet.
- 17.6 Action plans must be put in place by each Directorate at an early stage in the financial year in order to manage potential overspendings (e.g. due to additional spending or below target income). Directors must ensure Officers adhere to the savings targets and take mitigating action if delivery is deemed to be at risk.
- 17.7 It is the duty of Directors to ensure that responsibility for budgetary control is clearly allocated to appropriate Officers in their Directorates. Directors shall nominate a Budget Manager for each cost centre. As a general principle budget responsibility

should be aligned as closely as possible to the decision-making processes that commits expenditure.

- 17.8 Budget Managers are accountable for their budgets and the level of service to be delivered and must understand their financial responsibilities. Budget Managers should be responsible only for income and expenditure that they can influence.
- 17.9 Budget Managers are required to;
- a) Follow an approved process for all expenditure.
 - b) Ensure that income and expenditure are properly recorded and accounted for.
 - c) Ensure that expenditure is committed only against an appropriate budget head.
 - d) Monitor performance levels/levels of service in conjunction with the budget and necessary action is taken to align service outputs and budget.
 - e) Monitor and control the gross expenditure budget position.
 - f) Investigate and report significant variances from approved budgets.
- 17.10 The Director of Finance and Resources shall establish an appropriate framework of budgetary control, monitored and reported through the financial system.
- 17.11 The Director of Finance and Resources shall provide Directors, budget holders and Cabinet members with monthly financial management information reports in line with the Forward Plan.
- 17.12 The Director of Finance and Resources shall ensure that each Director has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
- 17.13 The head of management accounts and corporate finance shall provide financial management training courses that all budget managers must attend.

18.0 Virement

- 18.1 The Council operates a scheme of budget virement. This enables budget holders to manage budgets with a degree of flexibility within the overall policy framework determined by the Council.
- 18.2 Head of Service have authority to vire expenditure between individual budget heads in accordance with the virement policy.
- 18.3 Key controls for the virement policy are:
- a) Any variation from this policy requires the approval of Council.
 - b) That the overall budget is developed by Cabinet and approved by Council. Directors and budget holders are authorised to incur expenditure in accordance with the estimates contained within the annual budget. The rules

below cover virement; that is switching resources between budget heads. For the purposes of these rules a budget head is considered to be the standard service sub-division as defined by CIPFA. The scheme applies equally to a reduction in income as to an increase in expenditure.

- 18.4 All virements must be entered onto the finance system for approval by an authorised Officer. There will be no virements below £5,000 unless authorised by the Director of Finance and Resources or Financial Services Manager.
- 18.5 All virements below £20,000 and within a single Cabinet Member Portfolio and a single Directorate budget must be approved by the Head of Service and the Financial Services Manager. Capital and corporate budgets up to £20,000 will require the approval of the Financial Services Manager. All virements above £20,000 and up to £40,000 must be approved by the Director of Finance and Resources following consultation with the relevant Director and Portfolio Cabinet Member. All virements of above £40,000 shall be reported in the budget monitoring report provided to Cabinet.
- 18.6 There will be no virements from salary budget to other types of expenditure without approval from Cabinet.

19.0 Insurance and risk management

- 19.1 All organisations, whether they are in the private or public sector, face risks to people, property and continued operations. Risk is defined as the chance or possibility of loss, damage or injury caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk.
- 19.3 Insurance has been the traditional means of protecting against loss, but this cannot be seen as the complete answer. By reducing or even preventing the incidence of losses (whether they result from crime or accident), the Council shall benefit from reduced costs of providing insurance cover and shall also avoid the disruption and wasted time caused by losses and insurance claims.
- 19.3 Through half yearly performance monitoring Audit, Standards and Governance Committee should be kept informed of items listed on the corporate risk registers
- 19.4 The key controls for risk management and insurance are:
- a) Robust systems are in place to identify, assess, prevent or contain significant operational risks on an integrated basis and these systems are promoted throughout the organisation.
 - b) Acceptable levels of retained risk are identified and evaluated and arrangements are in place for their funding, either by internal provision or external insurance as appropriate.
 - c) Managers know that they are responsible for managing relevant risks and are provided with appropriate and timely information on claims experience and risk management initiatives relating to their areas of responsibility.

- d) Procedures are in place to investigate and process claims within required timescales.
 - e) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- 19.5 The Director of Finance and Resources shall effect all insurance cover and negotiate all claims in consultation with the relevant Officer where appropriate.
- 19.6 Heads of Service shall give prompt notification to the Director of Finance and Resources of all new risks, properties, vehicles and other assets that are required to be insured or any alterations affecting existing insurances.
- 19.7 Heads of Service shall promptly notify the Director of Finance and Resources in writing of any actual or potential loss, liability or damage or any event likely to lead to an insurance claim by or against the Council.

20.0 Loans, leasing and investments

- 20.1 The Director of Finance and Resources shall report to Cabinet, on an annual basis, with recommendations to Council to determine the limits for the borrowing of monies.
- 20.2 The Director of Finance and Resources shall borrow as necessary to finance the approved capital programme and deal with all matters in connection with the raising or repayment of loans and is authorised to borrow for meeting expenses pending the receipt of revenues.
- 20.3 All investments and all borrowing shall be made in the name of the Council.
- 20.4 Directors/Heads of Service shall not enter into financial leasing arrangements except with the consent of the Director of Finance and Resources. Before entering into any lease agreement Directors shall submit details to the Financial Services Manager to enable a financial appraisal to be undertaken, including alternative financing options and implications for accounting treatment.
- 20.5 Loans to third parties will only be made in exceptional circumstances, and having followed the Council's decision making process.
- 20.6 The Director of Finance and Resources shall arrange the borrowing and investment activities of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's Treasury Management Policy Statement.
- 20.7 The Director of Finance and Resources shall prepare an annual strategy with regard to investments, borrowing and the repayment of external debt. These are set out in the Treasury Management Strategy approved by full Council before the start of the new financial year.
- 20.8 The Treasury Management Strategy will include the following:
- Prospects for the economy and for interest rates;

- Borrowing requirement and strategy;
- Investment policy and strategy;
- MRP statement;
- Prudential indicators for the next three years providing assurance that the Council's capital plans are affordable, prudent and sustainable; and
- The Treasury Management Policy Statement.

20.9 In addition, Cabinet will receive an annual treasury management report after the end of the financial year and will recommend to full Council for approval.

20.10 Cabinet will also receive treasury management reports as part of the budget monitoring updates.

21.0 Trust funds

21.1 The Director of Finance and Resources shall:

- a) Arrange for all trust funds to be held wherever possible in the name of the authority. All Officers acting as trustees by virtue of their official position, as declared in register of interest, shall deposit securities, etc. relating to the trust with the Director of Finance and Resources unless the deed otherwise provides.
- b) Arrange where funds are held on behalf of third parties for their secure administration approved by the Director of Finance and Resources and to maintain written records of all transactions.
- c) Ensure that trust funds are operated within any relevant legislation and the specific requirement for each trust.

22.0 Inventories and stocks and stores

22.1 The Director of Finance and Resources shall:

- a) Advise on the form, layout and content of inventory records to be maintained by the Council.
- b) Advise on the arrangements for the care and custody of stocks and stores in Directorates.

22.2 Heads of Service shall:

- a) Maintain inventories in a form approved by the Director of Finance and Resources to adequately record and describe all furniture, fittings and equipment, plant and machinery under their control.

- b) Carry out an annual check of all items on the inventory in order to verify location, review condition, ensure insurance cover is adequately provided and to take action in relation to surpluses or deficiencies.
- c) Ensure attractive and portable items, such as computers, cameras and mobile technology devices are identified with security markings as belonging to the Council and appropriately controlled and secured.
- d) Make sure that property is only used in the course of the Council's business unless the Director concerned has given permission otherwise.
- e) Directors have discretion to write off redundant equipment up to the value of £5,000, but must seek Cabinet member approval for write-offs in excess of £5,000. Directors shall seek independent quotations where it is not immediately obvious what the market value of the redundant item is.
- f) Make arrangements for the care, custody and recording of stocks and stores in Directorates.
- g) Ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- h) Ensure stocks are maintained at reasonable levels and subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- i) Write-off discrepancies of up to £5,000 and seek advice from audit on discrepancies above this limit.
- j) Record the reasons for the chosen method of disposing of redundant stocks and equipment if not by competitive quotation or auction.

23.0 Working for third parties

- 23.1 Current legislation enables the Council to provide a range of services to certain other bodies. Such work may enable the Directorate to maintain economies of scale and existing expertise. Arrangements must be in place to ensure that any risk associated with this work is minimised.
- 23.2 All proposals for the Council to undertake work for a third party shall be properly costed in accordance with guidance provided by the Director of Finance and Resources. Financial advice should be obtained from the Financial Services Manager on the cost of providing the service.
- 23.3 All decisions for the Council to undertake work for a third party shall be made in accordance with the Council's formal decision making processes and as set out in the Council's functions scheme and before any negotiations to work for third parties are concluded.
- 23.4 Officers must obtain legal advice on the implications of providing the proposed service to the third party. All contracts for providing work for a third party shall be drawn up using guidance provided by the Council's Legal Services team.

23.5 Officers shall ensure that:

- a) All contracts are properly documented and a register of all contracts to supply goods and services to third parties is maintained by each Directorate.
- b) Appropriate identity checks on the third party are carried out in accordance with the Council's Anti-Money Laundering Policy and Guidance.
- c) Appropriate insurance arrangements are in place for the third party work.
- d) The Council is not put at any risk of bad debts as a result of any third party work.
- e) Wherever possible, payment is received in advance of the delivery of the service under a third party contract.

Appendix A

Responsibilities under the Financial Procedure Rules

This Appendix provides details of responsibilities under the Financial Procedure Rules. It lists in a single place responsibilities that would otherwise be repeated in various sections of the Financial Procedure Rules. It confirms the overall responsibilities of the Council's Director of Finance and Resources, the Audit, Standards and Governance Committee and Members of the Management Team within the Financial Procedure Rules.

A1 Audit, Standards and Governance Committee responsibilities

- A1.1 Day to day responsibility for the Council's finances rests with Directors and their Managers as set out in these Financial Procedure Rules with some functions delegated to the Audit, Standards and Governance Committee.
- A1.2 Audit, Standards and Governance Committee shall oversee compliance with the Council's Financial Procedure Rules for those functions within their Terms of Reference. Management Team are responsible for ensuring those functions within their Terms of Reference operate within the Council's Financial Procedure Rules.

A2 Chief Financial Officer (Director of Finance and Resources) responsibilities

- A2.1 The Director of Finance and Resources has been appointed under Section 151 of the Local Government Act 1972 as the Officer with responsibility for the proper administration of the Council's financial affairs.
- A2.2 Reference in these Financial Procedure Rules to the Director of Finance and Resources shall be taken to include any Officer nominated by the Director of Finance and Resources to act on his/her behalf.
- A2.3 The Director of Finance and Resources shall be entitled to attend a meeting of any body on which Members are represented where matters affecting the financial affairs of the Council are being discussed.
- A2.4 The Director of Finance and Resources, under the general direction of Cabinet, is responsible for determining the basis for all accounting procedures and financial records for the Council and for exercising a check over all financial matters.
- A2.5 The Director of Finance and Resources is responsible for maintaining a continuous review of the Financial Procedure Rules and advising the Audit & Governance Committee and Council of any additions or changes necessary.
- A2.6 The Director of Finance and Resources is responsible for reporting, where appropriate, breaches of the Financial Procedure Rules or any other element of the Constitution that relates to the proper administration of the Council's financial affairs to the Council and/or Audit, Standards and Governance Committee.
- A2.7 The Director of Finance and Resources is responsible for issuing advice and guidance to underpin the Financial Procedure Rules.

- A2.8 The Director of Finance and Resources is responsible for maintaining adequate and effective audit arrangements for the Council and for ensuring that audit services complies with the public sector internal audit standards.
- A2.9 The Director of Finance and Resources is responsible for ensuring, in conjunction with the relevant member of the Management Team, that the Council's disciplinary procedures are followed where the outcome of an audit or other investigation indicates fraud or irregularity.
- A2.10 The Director of Finance and Resources is responsible for ensuring that any case of fraud or loss or financial irregularity or bribery or corruption discovered or suspected to exist which involves the Council's interest shall be dealt with in accordance with the Council's Anti-Fraud and Anti-Corruption Policy.
- A2.11 The Director of Finance and Resources is responsible for appointing Senior Officers to be the Council's Money Laundering Reporting Officer and Deputy to the Council's Money Laundering Reporting Officer.
- A2.12 The Director of Finance and Resources has overall responsibility for making payments on behalf of the Council.
- A2.13 The Director of Finance and Resources has overall responsibility for the Council's income and collection functions although this will be carried out by Hoople Ltd who will ensure the effective collection and recording of all monies due to the Council.
- A2.14 The Director of Finance and Resources is responsible for making payments to employees, former employees and Members on behalf of the Council.

A3 Corporate Management Team responsibilities

- A3.1 Members of the Management Team are responsible for ensuring that all employees are aware of the content of the Financial Procedure Rules and other internal regulatory documents and that they are complied with.
- A3.2 Members of the Management Team are responsible for consulting with the Director of Finance and Resources on any matter within their area of responsibility that is liable to materially affect the finances of the Council before any provisional or other commitment is incurred or before reporting the matter to a Cabinet member.
- A3.3 Members of the Management Team are responsible for supplying the Director of Finance and Resources with all information necessary for the proper administration of the Council's affairs.
- A3.4 Members of the Management Team shall allow the Director of Finance and Resources and his/her authorised representatives access to all documents and records on demand.
- A3.5 Members of the Management Team shall maintain a sound system of internal control.

- A3.6 Members of the Management Team are responsible for ensuring those functions within their Terms of Reference operate within the Council's Financial Procedure Rules.
- A3.7 Members of the Management Team are responsible for informing Cabinet members promptly if the Council's Financial Procedure Rules are not being complied with.

GOVERNMENT PROCUREMENT CARDS (GPC)

GUIDANCE FOR CARDHOLDERS

Contact Details

RBS Cardholder Helpline

Telephone: 0870 909 3702
Mon - Fri 8.00 a.m. - 6.00 p.m.
Sat 9.00 a.m. - 1.00 p.m.

Fax: 01702 278312

Lost or Stolen Cards

The Royal Bank of Scotland Card Loss Centre

Telephone: 0870 6000 459

Open 24 hours, 7 days a week.

Introduction

You have been selected to participate in the Government Procurement Card scheme (GPC). This scheme is designed to make it easier and more cost effective for employees to make low value purchases of goods and services for Council use. A low value purchase is not likely to exceed £250 and is likely to be substantially less. Using GPC you can purchase goods and services from suppliers who accept Mastercard.

We are implementing this new purchasing concept for lower value purchases because we feel it will help you to more quickly and easily obtain the goods and services you need to get your job done. It will reduce paperwork associated with the traditional purchase order process resulting in cost savings for the Council and a saving in time for you.

Your feedback will help us to fine-tune the scheme as we integrate it into our purchasing processes. If you have any comments or questions about the GPC scheme, please contact your Administrator who is:

Jordan Smith on 01527 64252 ext 2161
or
Payments on 01527 64252

You should contact immediately if your card is

- **Lost or Stolen**
- **Changes to current limits required**
- **Changes to Merchant Category Codes**
- **You are leaving us**
- **You Change your name or address**
- **You have a change of job**
- **You no longer require a GPC Card**

If your card is lost or stolen please also contact:

The Royal Bank of Scotland Card Loss Centre
Telephone: 0870 6000 459
24 hours, 7 days a week

What We Expect From You

- Your Purchasing Card is personal to you, no one else is authorised to use your card. Do not allow any other employee to use your card or quote its number when ordering.
- The card number should always be kept confidential.
- Do not share your PIN number with anyone.
- The card must be used in accordance with this user/procedure guide, and the Employee Agreement.
- It is to be used for business related purchases only, where there is not a more cost-effective way of making the purchase.
- The types and values of purchases must be within the limits set. You are responsible for achieving best value for money.
- You are responsible for ensuring the security of the card.
- The card must not be used to obtain cash back facilities offered when making authorised purchases.
- You are responsible for reporting its loss, theft or misuse to The Royal Bank of Scotland Card Loss Centre Telephone 0870 6000 459 and your Administrator as soon as you notice your card is missing.
- You will be asked to sign an Employee Agreement to this effect.
- Misuse of the card as determined by non-compliance with this cardholder guide may result in action being taken under the Council's disciplinary procedures. In such circumstances the Card Administrator has authorisation to cancel your card without further notice.
- Under no circumstance must the Card be used for paying an invoice.
- You will be responsible for keeping a record and receipts for all your transactions these must be entered onto the online system each time you use your card completing all of the fields including the Cost Centre and Account Code information. Failure to complete this will result in your card being cancelled.
- Full training and a user name password will be given to you so that you can use the online system to record any purchases you make utilising the card. If you forget your password please contact the Card Administrator.

What is a Purchasing card?

GPC cards is an alternative method to the current buying process of paying for low value, high volume goods or services. By simplifying transaction processing it assists purchasing efficiency and will save RBC time and money. The current indicated savings from the Audit Office equate to £28 per transaction however this does not include the paper and other associated print/environmental savings when the need not to produce orders, delivery note and invoices is taken into account.

The Purchasing card looks like any normal debit/credit card, but is a procurement card, which means your total balance on your monthly statement must be settled in full.

It also means that the supplier is paid much more quickly (typically 3 to 5 days) rather than waiting for us to settle their invoice.

The card can be used at any establishment displaying the Mastercard symbol, in the UK. But we are looking for you to use suppliers who are capable of providing VAT reporting to level 3, this to facilitate further efficiency savings as the banks monthly returns of purchases made can be used to reclaim VAT from HMC&R. We are currently working with the Bank and the Suppliers we most commonly use to increase their VAT reporting capabilities to level 3. Embossed on the card is the following:

Bromsgrove District Council
Your Name
Expiry Date
Card Number

Your Purchasing card offers the opportunity to improve both the focus and flexibility of purchasing procedures whilst reducing the volume of purchase orders, invoices and associated paperwork for small value purchases, improving the cost effectiveness of processing these types of transactions.

Your card is to be used for business expenditure only.

Controls

Each card has a maximum monthly expenditure limit and individual transaction limit.

Monthly Expenditure limit

The total amount you can spend on your card each month.

Transaction Limit

The total amount you can spend on any single purchase.

Both of these limits are inclusive of VAT and any carriage.

The limits were set on your card application form based upon your estimated spend pattern.

Merchant Category Group code blocking

A further control has been applied to your Purchasing card.

Each supplier capable of accepting your GPC card will be classified by a certain Merchant Category Group code. By the way of an additional control, any number of these codes can be blocked or left unblocked to ensure compliance with business policies and to mirror each cardholder's buying profile.

Please make a note of these limits/controls.

If you try to purchase goods and services that are outside of these limits, your transaction will be declined and could lead to embarrassment. If you can prove that your limits are unrealistic to your work or the purchases you have to regularly make using the card please discuss with your line manager prior to requesting any increase in same

As detailed above, if you try to use your card with a supplier whose Merchant Category Group code has been blocked on your Purchasing card, this will also lead to your card being declined.

If this occurs, please contact the Administrator immediately to discuss how your card can be updated to reflect your requirements.

Queries on Goods

Faulty or damaged goods supplied

If the cardholder rejects the goods purchased as unsatisfactory he/she should inform the supplier immediately, and try to reach an agreement to return the goods and obtain a refund. The Royal Bank of Scotland is unable to become involved in any disputes between purchaser and supplier over the quality or suitability of goods purchased.

The supplier should arrange for a credit (refund) to be made to The Royal Bank of Scotland Purchasing Card Account which will then appear on a subsequent statement. To aid reconciliation, we suggest the cardholder retains a record of the credit at the time the goods are returned, rather than waiting for the statement to arrive.

Please note that refunds from abroad may vary from the original transaction amount due to exchange rates.

Goods not supplied/wrong goods supplied

If an item is charged to the cardholder's account but the goods or services ordered have not been received or are incorrect, the cardholder should contact the supplier to confirm that the goods have been supplied or the correct goods are being despatched.

A refund can be claimed from the supplier only after allowing 60 days from the transaction date for delivery of the correct goods.

APPENDIX 1

Employee Agreement

- a) I, Hereby accept a Purchasing Card. As a cardholder I agree to comply with the terms of the attached policy regarding my use of the Card.
- b) I have received and understood that I am being entrusted with a corporate charge card and will be making financial commitments on behalf of the company. I understand that the RBC is liable to the card provider for all the charges made on the card.
- c) I agree to use this card for business purchases only and agree not to charge personal purchases. I understand that the RBC will audit the use of this card and report and take appropriate action on any discrepancies.
- d) I will follow the established procedures for the use of the card. Failure to do so will result in cancellation of my card and disciplinary actions, including termination of employment.
- e) I have been given a copy of the Purchasing Card Policy and User Guide and understand the requirements for the Card's use.
- f) I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organisational change, which cause my purchasing requirements to change, I agree to return my card and arrange for a new one, if appropriate.
- g) If the card is lost or stolen I agree to notify Royal Bank of Scotland immediately by telephone and the Card Administrator as soon as possible thereafter.

Employees Signature..... Date.....

Card Number.....

Card Administrators Signature..... Date.....

Appendix C

Glossary of terms

In the Financial Procedure Rules the words and phrases in the left hand column have the meaning given in the right hand column;

Asset	Something the Council owns that has value, such as premises, vehicles, equipment or cash.
Audit	A specialist team that examines, evaluates and reports on the adequacy of internal control systems.
Budget	A statement of the authority's plans for revenue and capital expenditure and income over a specified period of time.
Capital	Spending, usually on major assets like a building, where the benefit of the asset lasts for more than one year.
Capital Programme	A budget generally covering a 3-5 year period relating to items of capital expenditure.
Capital receipts	Proceeds from the sale of fixed assets, such as land or buildings.
Cash Limit	The most that can be spent in an area in one year.
CIPFA	The Chartered Institute of Public Finance and Accountancy is the leading professional accountancy body for public services in the UK. CIPFA has responsibility for setting good practice accounting standards for local government.
Gross Expenditure	The total cost of providing the Council's services before taking into account income from government grants and fees and charges for services.
Imprests	Bank and petty cash floats.
Internal Control	The systems of control that help ensure the Council's objectives are achieved in an economical, efficient and effective way and consistent with safeguarding the Council's assets.
Inventory	A list of equipment and furniture.
Money Laundering	The practice of engaging in financial transactions in order to conceal the identity, source, and/or destination of money.
Officer	A person employed or appointed as a member of staff.
Revenue budget	Budget relating to the day-to-day expenses associated with the provision of services.
Treasury Management	Management of the Council's cash balances on a daily basis, to obtain the best return while maintaining an acceptable level of risk.
Treasury Management Strategy	A document stating how the Council plans to borrow and optimise its return on its cash and investments in the coming financial year whilst ensuring the over-riding criterion of security of public money.
Virement	Transfers of budgets between one area and another.

Clarification of Post titles

Chief Executive	The Council's Head of Paid Service
Director of Finance and Resources	The Council's Chief Financial Officer (CFO) or Section 151 Officer
Financial Services Manager	The Council's Deputy Section 151 Officer