



West Berkshire Council
Constitution

Part 11
Financial
Rules of Procedure

April 2007

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11.1 Introduction

11.1.1 Procedures

Any organisation with a large financial turnover needs to lay down the procedures to be observed in its financial dealings. Such procedures are especially necessary in the case of a local authority which is limited by legislation in what it is able to do, is subject to statutory audit and must account for its actions and stewardship to the general public.

11.1.2 Section 151 of the Local Government Finance Act 1972

Section 151 of the Local Government Finance 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.

The Head of Finance or nominated officer shall for the purposes of Section 151 of the Local Government Act 1972 be responsible, under the general direction of the Executive, for the proper administration of the Council's financial affairs.

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11.1.3 Statutory Responsibility of Head of Finance or Nominated officer and Others

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The Head of Finance or nominated officer (Section 151 Officer) has a statutory responsibility for ensuring that adequate systems and procedures exist to account for all income due to, and expenditure made on behalf of, the Council and that controls operate to protect the Council's assets from loss, waste, fraud or other impropriety.

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The Head of Finance or nominated officer shall discharge that responsibility in part by the issue and maintenance of these Financial Rules of Procedure.

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The Council is responsible for the adoption of its Budget and Policy Framework. The Executive is responsible for implementing the Budget and Policy Framework, which includes regulating and controlling the finances of the Council.

Heads of Service are individually responsible for the proper financial management of resources allocated to their operational areas through the budget-making process, and for the identification of all income arising from the activities within those areas. This responsibility includes the accountability for and control of staff, and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores. Each Head of Service shall in consultation with the Head of Finance or nominated officer devise and implement controls and procedures as are necessary in accordance with these Financial Rules of Procedure.

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It is the Head of Finance or nominated officer who will take ultimate responsibility for ruling on the controls and procedures which each Head of Service puts in place.

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11.1.4 Purpose of Financial Rules of Procedure

The purpose of these rules is therefore to set down in one document, for the benefit of Members and Officers, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the Council. They do not over-ride the requirement to observe statute, including EC Directives, in everyday matters.

These Financial Rules of Procedure apply to all areas of the Council and should be read in conjunction with the rest of the Council's Constitution.

11.1.5 Financial Rules as Applying to Schools (Fair Funding Scheme)

In relation to Schools operating under the Council's Fair Funding Scheme the basis for advice and guidance to governors and head teachers is contained in these Financial Rules and also in the Council's Contract Rules of Procedure.

Under West Berkshire's Scheme of Local Management for Schools (Fair Funding), governors will be required to observe certain financial conditions relating to:

- arrangements for the management of delegated expenditure, in particular for authorising expenditure, or transactions involving commitments to expenditure;
- the keeping and auditing of accounts and records (including school funds);
- the provision to the LEA of copies of accounts and records (including school funds) and any other relevant documents and information that the LEA may, from time to time, require from the governing body.

11.1.6 Emergency Situations

The provision of these rules does not prevent the Council acting through the Chief Executive, Corporate Director(s) or Heads of Service from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to the action being reported as soon as practicable to the appropriate authority.

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The provision of these rules does not prevent the Council acting through the Chief Executive, Corporate Director(s) or Heads of Service from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to their action being reported as soon as practicable to the appropriate authority.

11.1.7 Purpose of Financial Rules of Procedure

The purpose of these rules is to ensure that:

- Heads of Service remain within their budget and only spend what they have in their budget;
- Heads of Service maintain adequate commitment records;
- Heads of Service monitor their budgets;
- where there are any problems with overspend or failure to perform these problems are reported at the earliest opportunity;
- Heads of Service should have effective reporting arrangements from their budget holders;
- Corporate Directors should have effective reporting arrangements from their Heads of Service.

11.1.8 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.1.9 Non-Compliance with Rules

The Head of Finance or nominated officer must, after consultation with the relevant Head of Service, report to the Executive any non-compliance with the Financial Rules that come to their attention.

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11.1.10 Approval of Head of Finance or **Nominated officer**

Where matters are to be considered by the Executive that in any way affect the finances of the Council or that require the supply of financial information by the Head of Finance or nominated **officer**, the Head of Finance or nominated **officer** must be notified by the Head of Service concerned, in sufficient time, to enable the Head of Finance or nominated **officer** to report. This means that the Head of Finance or nominated **officer** or a nominated representative must approve all financial implications on all committee reports.

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11.1.11 Interpretation of Rules

Any doubt as to the interpretation of these regulations must, if unresolved after consultation with the Chief Executive, be referred to the Executive.

11.2 The Legal Framework

11.2.1 Powers of the Monitoring Officer

The Monitoring Officer has powers under Part 3 of the Local Government Act 2000 to conduct investigations which will include investigations into any breach of these Financial Rules of Procedure, and to report these breaches to the Standards Committee.

11.2.2 Current Regulations

The Statutes and Statutory Instruments and Regulations which currently affect these rules are as follows:

- Local Government Finance Act 1972 – Section 151 requires every local authority to make arrangements for the proper administration of its financial affairs and requires the local authority to ensure that one of its Officers has responsibility for the administration of those affairs.
- The Accounts and Audit Regulations 1996 – Section 4 requires the accounting system, the form of its accounts and supporting accounting records to be determined by the responsible Financial Officer who shall ensure that the accounting systems determined by them are observed and that the accounts and supporting records of the body are maintained in accordance with proper practices and kept up to date.

11.2.3 Accounting Records - Section 4

Section 4 also requires that the accounting records required by the Financial Officer will be sufficient to show the Council's transactions and to enable the responsible Financial Officer to ensure that any statement of accounts, incoming expenditure account, balance sheet or record of receipts and payments and additional information to be provided by way of notes to the accounts comply with the Accounts and Audit Regulations 1996.

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In particular this means that accounting records must contain:

- Entries from day to day of all sums of money received and expended by the body and the matters to which the incoming expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the body; and

- a record of incoming expenditure of the body in relation to claims made or to be made by them for contribution grant or subsidy from any Minister of the Crown a body to whom such a Minister may pay sums out of monies provided by Parliament or a Community Institution.

Section 4 also requires that the accounting controls systems ensure that the financial transactions of the Council are recorded as soon and as accurately as reasonably possible, that there are measures in place to enable the prevention and detection of inaccuracies and fraud and there is the ability to reconstitute any lost records.

Section 4 also requires that the duties of Officers dealing with financial transactions are identified and the division of responsibilities of those Officers are identified in relation to significant transactions and that procedures for uncollectable amounts including bad debts will not be written off except with the approval of a responsible Financial Officer or a member of staff nominated by the responsible Financial Officer.

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11.2.4 Accounting Regulations – Section 5

Section 5 of the Accounts and Audit Regulations 1996 requires the Council to maintain an adequate and effective internal audit of its accounting records on control systems. Any Officer or Member of the Council shall, if Internal Audit requires, make available such documents of the Council which relate to its accounting and other records as appear to Internal Audit to be necessary for the purpose of the audit. Internal Audit shall also be supplied with such information and explanations that Internal Audit considers necessary for that purpose.

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11.2.5 Review of the Systems of Internal Control – Regulation 4

Regulation 4 of the Accounts and Audit Regulations 2006 requires the Council to carry out a review of the effectiveness of the system of internal control. The results of this review, contained in the Annual Governance Statement, are considered by the Governance and Audit Committee.

11.2.6 Review of the System of Internal Audit – Regulation 6

Regulation 6 of the Accounts and Audit Regulations 2006 require the Council to carry out a review of the effectiveness of the system of internal audit. This review is conducted by the Finance and Governance Group, and the results reported to the Governance and Audit Committee.

11.2.7 Local Government Finance Act 1988 – Section 114

The person having responsibility for the administration of the financial affairs of the Council will report to the Council if they have reason to believe that the Council or any part of the Council:

- has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful, or
- has taken or is about to take a course of action which if pursued to its conclusion would be unlawful and likely to cause loss or deficiency on the part of the Authority, or

- is about to enter an item of account the entry of which is unlawful.

Under Section 114 of the Local Government Finance Act 1988, the person having responsibility for the administration of the financial affairs of the Council will make a report if it appears to him/her 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.

11.2.8 Local Government and Housing Act 1989 - Section 5

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It is the duty of the Council to designate one of its Officers to be “the Monitoring Officer” and that Officer is responsible for performing the duties under Section 5 of the Local Government and Housing Act 1989. The Monitoring Officer cannot be the Section 151 Officer.

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11.2.9 Duties of Monitoring Officer

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It is the duty of the Monitoring Officer, if at any time they believe that a proposal, decision or omission by the Authority, the Executive, or any Committee, Sub-Committee or Officer of the Authority has given rise to, or is likely to give rise to a contravention by the Authority, the Executive or any Committee, Sub-Committee or Officer of the Authority of any enactment or rule of law or any code of practice or maladministration or injustice, to prepare a report to the Authority which in the first instance shall go to the Standards Committee.

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Schedule 5 of the Local Government Act 2000 amends Section 5 of the Local Government and Housing Act 1989 so that the Monitoring Officer may not be the Head of Paid Service.

It is the duty of the Monitoring Officer in preparing any report to the Standards Committee or to Council to consult so far as is practicable with the Section 151 Officer of the Authority.

11.3 Accounting and System Development

11.3.1 Accounting Procedures

All accounting procedures and records of the Council and its Officers shall be determined by the Head of Finance or nominated officer in consultation, where necessary, with the appropriate Head of Service concerned. Such procedures shall have regard to Section 151 of the Local Government Act 1972 and shall be in accordance with the Accounts and Audit Regulations for the time being in force and such other statutory provisions which affect the financial affairs of the whole Council or any specific service.

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11.3.2 Responsibility of Head of Finance or Nominated officer

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The Head of Finance or nominated officer shall be responsible for the compilation of the main accounting records (including the provision of centralised costing and stores accounting) for the Council.

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The Head of Finance or nominated officer may from time to time issue written “financial instructions” dealing with detailed procedures to be followed in certain matters. Such instructions shall be issued after consultation with the Heads of Service affected.

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The Head of Finance or nominated ~~officer~~ shall be responsible for the maintenance of a management information system, ~~the General Ledger.~~

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11.3.3 Allocation of Accounting Duties

The following principles shall be observed in the allocation of accounting duties by all employees or consultants engaged by the Council:

- The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

11.3.4 Consultation with Head of Finance or ~~Nominated officer~~

The Head of Finance or nominated ~~officer~~ shall be consulted at feasibility study or initial outline specification stage (whichever is the earlier), and approve the final design or selection of any computer system likely to have an impact on corporate financial or finance - related systems, including accounting, payments, stocks, stores, payroll and income.

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Notwithstanding consultation at the feasibility study stage, the Head of Finance or nominated ~~officer~~ shall also agree the final design of the proposed controls within any such system, prior to its production and implementation.

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No feeder computer system shall be linked into any corporate financial system without prior consent or authority of the Head of Finance or nominated ~~officer~~.

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11.4 Internal Audit and Internal Control

11.4.1 Regulations

The Head of Finance or nominated ~~officer~~ shall in accordance with the Accounts and Audit Regulations 1996, arrange for a continuous and current internal audit of all activities of the Council.

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11.4.2 Role of Internal Audit

Internal Audit will assist Heads of Service and Senior Managers in the effective discharge of their responsibilities by giving assurance on financial and management control systems, identifying weaknesses, giving advice on how to resolve financial and management problems and improve control, investigating suspected irregularities and by undertaking Value for Money (VFM) reviews and management studies.

11.4.3 Accounts and Audit Regulations required by the Secretary of State

Under Section 23 of the Local Government Finance Act 1982, the Accounts and Audit Regulations 1996, as amended by the Accounts and Audit (Amendment) (England) Regulations 2001, specify that any Officer or Member of the Council will, if the Section 151 Officer requires, make available documents of the Council which relate to their accounting. Other records, as appear to the Section 151 Officer necessary for the purpose of Internal Audit, will be supplied together with any such information and explanation as the Section 151 Officer considers necessary for that purpose.

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11.4.4 Powers of Internal Audit Staff

The Head of Finance or nominated officer being the authorised Internal Audit staff are empowered to enter at reasonable times any premises or land and require employees to produce Council property and records under their control.

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11.4.5 Role and Responsibilities of Internal Audit

Internal Auditors will at all times respect confidentiality.

Internal Audit will be carried out in accordance with the Code of Practice for Internal Audit in Local Government (as revised) issued by CIPFA.

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On the conclusion of each internal audit review, Internal Audit will submit a report and recommendations (if any) to relevant Corporate Directors, the Head of Finance or nominated officer, Head of Service as appropriate and the Service Manager concerned. The Head of Service is responsible for agreeing an action plan to implement any recommendations. Corporate Directors and the Chief Executive will, through the performance management process, monitor progress on implementation of agreed recommendations.

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Internal Audit will follow up implementation of recommendations. Recommendations will be followed up six months after the issue of the final audit report.

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Internal Audit will report twice a year to Corporate Board, and the Governance and Audit Committee on the outcome of audit work and progress in implementing audit recommendations. Internal Audit will confirm whether the policies and procedures approved by the Council are in place and being maintained throughout the Council's operations.

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The Chief Internal Auditor will produce an annual report for the Governance and Audit Committee that will give an opinion on the effectiveness on the Council's System of Internal Control.

11.4.6 Irregularities with Regard to Council Functions

Where matters arise which involve or are thought to involve irregularities (cash, stores, assets of the Authority or its clients) in connection with the functions of the Authority, the Corporate Director and Head of Service concerned must ensure that the Head of Finance or nominated officer is notified immediately. They must obtain advice from the Head of Finance or nominated officer regarding investigations to be conducted. Where there is a possibility of criminal proceedings any interviews should be conducted under guidance from the Head of Finance or the Chief Internal Auditor.

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A decision to refer matters to the Police will be taken by the Head of Finance or nominated officer following consultation with the Head of Legal and Electoral Services, Human Resources or any other appropriate officer.

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Internal Audit must report details of any financial irregularities to the next available meeting of Corporate Board. The Head of Finance or nominated officer will recommend whether a report is needed to the Governance and Audit Committee (and the Head of Finance or nominated officer in consultation with the Monitoring Officer will decide if a report is needed to the Standards Committee).

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11.5 Treasury Management

11.5.1 Activities of Treasury Management

All Treasury Management activities will be carried out in accordance with the CIPFA "Revised Code of Practice for Treasury Management in Local Authorities 1996" and the "Treasury Policy Statement" as currently approved by the Council's Executive.

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All money in the hands of the Council shall be aggregated for the purposes of Treasury Management.

11.5.2 Executive Decisions Involving Finance

All Executive decisions on borrowing, investment or financing is delegated to the Head of Finance or nominated officer who are required to act in accordance with CIPFA's Revised Code of Practice for Treasury Management in Local Authorities 1996 and the "Treasury Policy Statement" as currently approved by the Council's Executive.

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11.6 Banking Arrangements

11.6.1 Arrangements with Council's Bankers

All arrangements with the Council's bankers must be made by or under arrangements approved by the Head of Finance or nominated officer, who is authorised to operate such banking accounts, including Girobank and Credit Card Company accounts and other electronic transactions as he/she may consider necessary. No other Officer has authority to open a bank account without prior specific written delegation of that authority by the Head of Finance or nominated officer.

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11.6.2 Cheques

Cheques to be drawn on the Council's banking accounts will bear the facsimile signature of the Head of Finance or nominated officer or be signed by the Head of Finance or nominated officer or any other Officer authorised to do so and they will be crossed A/C Payee only.

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All cheques, other than those drawn on authorised imprest accounts, shall be ordered only on the authority of the Head of Finance or nominated officer, who shall make proper arrangements for their safe custody.

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11.7 Trust Funds and Private Funds

11.7.1 Responsibility of Officers

Officers administering any funds (Trust or Private) on behalf of others shall declare all such funds to the Head of Finance or nominated officer and shall deposit all securities etc., relating to such funds, with the Head of Finance or nominated officer unless the deeds otherwise provide.

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11.7.2 Funds Held by Schools

All funds held by Schools shall be declared to the Board of Governors.

Deleted: In respect of Social Service establishments, new sums of money received on behalf of Clients shall be reported promptly to the appropriate Area Provider Office.

11.7.3 Funds Held on Behalf of Others

All funds held on behalf of others (Trust or Private) shall be subject to an annual audit, which shall be undertaken by a suitably qualified person. A copy of all audit

reports and the final accounts shall be made available, on request, to Internal Audit for information. In respect of Schools, the audit report and the findings shall be presented to the School Governors.

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11.7.4 Value Added Tax

Officers who are responsible for the administration of Trust or Private funds shall be responsible for ensuring that all Value Added Tax is correctly accounted for, and shall have due regard to the treatment of Value Added Tax on donated funds (as detailed in Section 15 of the Finance Act 1972).

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11.7.5 Investment

Officers shall be responsible for ensuring that Trust and Private Funds are appropriately invested for the benefit of the fund. Advice as to the most appropriate method of investment will be obtained from the Head of Finance or nominated officer.

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11.7.6 Officer Involvement

Officers must declare an interest and absent themselves from any managerial involvement in any trusts or private funds from which they or their family could directly or indirectly benefit.

11.8 Financial Planning “Accounting” and the Budget Process

11.8.1 Financial Strategy

The Head of Finance or nominated officer shall prepare annually a financial strategy for the Council for a short (one year), and medium term (three to four year) period. This will be reported to Corporate Board and the Executive. It will set out the parameters for the budget build process for the coming year in the light of likely grant settlement, service pressures, available balances, and consultation with clients and partners of the Council. The Budget and Policy Framework will be approved by Council.

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11.8.2 Asset Management Strategy

The Head of Property and Public Protection or nominated officer will produce and maintain an Asset Management Strategy to feed into the annual Capital Programme.

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11.8.3 Capital and Revenue Budgets

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with Corporate Board. The Budget and Policy Framework will be approved by Council.

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11.8.4 Capital Programme

Heads of Service and their nominated budget holders, in consultation with the Head of Finance or nominated officer, shall jointly prepare for consideration by Corporate Board and the Executive, a draft Capital Programme, and revenue income and expenditure budgets. These must be prepared in accordance with the policies and timescales determined by the Executive. The Budget and Policy Framework will be approved by Council.

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11.8.5 Submission to Executive

Corporate Board and the Executive must consider the strategic effect of these estimates and programmes upon the Council's financial and other resources. After any necessary amendments they must be submitted by the Executive to the Council for approval within the required legislative timetable, and with a recommendation of the overall general fund budget requirement and the Council ~~Tax~~ to be levied for the coming financial year.

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11.8.6 Approval of Estimates

The estimates, once approved by the Council shall become the Council's Revenue Budget and Capital Programme for the next financial year.

Approval of the annual estimates by the Council will confer authority on the Executive, Committees, Corporate Directors and Heads of Service of the Council to incur revenue expenditure so provided subject to compliance with the relevant provisions of the Contract Rules of Procedure.

11.9 Revenue Expenditure - Control

11.9.1 Budgetary Control

Corporate Directors and the Chief Executive must ensure, through the performance management scheme, that their Heads of Service are managing their budgets, including commitments, appropriately by requiring regular reports from their Heads of Service.

11.9.2 Role of Heads of Service

Budgets are allocated to Heads of Service to enable them to deliver services approved by Members through the relevant Service Plan. It is the responsibility of each Head of Service to ensure that the budgets for which they are responsible are used to deliver the Service Plan and are not overspent. Where budget pressures indicate that overspending may occur, then the Head of Service must apply the rules set out under cash limited budgets below.

Heads of Service are responsible for allocating responsibility for managing each cost centre within their service. They must inform the Head of Finance or ~~nominated officer~~ of the allocation and any changes as soon as they occur.

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Heads of Service must ensure, through the Performance Management Scheme, that their managers who are budget holders are properly trained in budget management and apply adequate budgetary control through local commitment ~~accounting~~ by requiring regular reports from budget holders.

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11.9.3 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.9.4 Monthly Statements

The Head of Finance or ~~nominated officer~~ will provide each Head of Service and each Budget Holder with monthly statements of receipts and payments under each cost centre. Budget Holders must provide the Head of Finance or ~~nominated officer~~

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with written confirmation each month that this information is correct, as this information forms the basis of reporting to Corporate Board and the Executive.

11.9.5 Cash Limited Budgets

Budgets are limited to the net annual budget for the relevant service. The Council maintains a general reserve which is to be used in exceptional circumstances where there is an uncontrollable overspend position at the end of the financial year. Therefore, Heads of Service must ensure that they and their budget holders do not overspend their service budgets.

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Revenue Expenditure may not be incurred which cannot be met from the amount provided in the revenue budget under the Service for that Head of Service to which the expenditure would be charged.

The Head of Service can present overspend to the relevant Corporate Director who can consider whether the overspend can be contained within the overall service grouping. The Corporate Director and Head of Service will then report to Corporate Board for consideration and approval. Corporate Board need to take a view on what is a significant overspend in terms of the overall budget for the Council and anything which they consider significant should be reported to the Executive. Approval will only be given in exceptional circumstances. In all cases Contract Rules of Procedure must be complied with. The approval of the additional expenditure budget may include provision for the repayment of the overspend.

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11.9.6 Exceeding Cost Centre Estimate

Heads of Service may authorise expenditure which would otherwise exceed the estimate for a cost centre, provided that the expenditure:

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A virement is a transfer from one budget head to another budget head.

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- can be met from savings or under spending on other cost centres within the same service with the exception of windfall increases in income or decreases in expenditure;
- will not constitute Capital Expenditure or result in:
 - (a) a change in the level of service provision; or
 - (b) a commitment to incur expenditure in future years; or
 - (c) a change in policy; or
 - (d) a breach of the Council's Workforce Strategy.
- is not a virement from a support service recharge code.
- is notified in the prescribed form to the Head of Finance or nominated officer who may if he/she considers that the expenditure is significant, require a report to be submitted to the Executive.

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11.9.7 Carry Forward of Under and Overspends

Genuine provisions for liability as recognised by the CIPFA Code of Practice on Local Authority Accounting in the UK must be accounted for in accordance with this guidance. Where budget holders wish to carry forward any unspent monies into the next financial year, then they must provide a business case to the Head of Finance. These cases will be assessed against the relevant accounting guidance and the explanations provided in the case. The final decision for the carry forward of under spends is for the Head of Finance.

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Overspends are not permitted to be carried forward; all known overspends where no action can take place to rebalance budgets should be corrected via service investments and approved by the Council when setting the next financial year's budget.

11.9.8 Coding of Expenditure and Income

All expenditure and income must be charged / credited to the cost centre and appropriate account code to which it relates. Miscoding expenditure / income distorts the Council's financial information and, therefore, may result in disciplinary action being taken against the Officer responsible.

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with the Corporate Board.

Journal transfers may only be made if they have been approved by the budget holder charged with the expenditure.

Budget holders may only charge expenditure against budgets for which they are responsible.

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Overspends, approved through additional expenditure budgets on budgets, may be carried forward to allow "repayment" on terms set out when the additional expenditure budget was approved.

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11.10 Capital Expenditure - Control

11.10.1 Council Approval of Capital Strategy and Programme

Council's approval of the Capital Budget – The Budget and Policy Framework constitutes authority for:

- expenditure to be incurred in the budget year and the schemes included for the budget year and for the previous years to the extent that provision has already been made;
- expenditure for advance site acquisition, design fees and other associated preliminary expenditure but only if an appropriate budget allocation has been approved in the relevant year within the Capital Strategy and Programme.

11.10.2 Variations to the **Approved Capital Strategy and Programme**

The Council's five year Capital Strategy and Programme, which forms an integral part of the Council's Budget and Policy Framework, is generally agreed in February or March by Council. Additional expenditure requests are seen as extraordinary and, with some limited exceptions, need to be approved by the Executive (see paragraph 11.10.4). Additional Invest to Save bids are considered in a different way (see paragraph 11.10.3). Moving funding for approved projects between years within the five year Capital Strategy and Programme is permitted under some circumstances (see paragraph 11.10.5). It is also permitted to vire funding between approved capital projects within the financial year.

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11.10.3 Additional 'Invest to Save' Bids

As part of the Council's Efficiency Programme capital investment is often used to improve the efficiency of the Council's operations. Short to long term capital investment is therefore often made to deliver long term revenue savings. Proposals that involve 'investing to save' will generally be considered as part of the annual review of the Capital Strategy and Programme.

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Where opportunities are identified in year to deliver revenue savings, these opportunities will be considered on their merits in the following manner.

- The relevant Head of Service will prepare a report, in consultation with the Section 151 Officer for consideration by Capital Strategy Group.
- If the report is endorsed by Capital Strategy Group and the relevant Portfolio Holder, the Head of Service will be able to activate the recommendations in the report and this decision will be authority for completion of any contractual documentation.
- If the proposal involves capital expenditure above £50,000 the Executive must consider and approve the proposal.
- No more than a total of £250,000 'Invest to Save' bids may be made in any one financial year beyond those already agreed by Council as part of the Capital Strategy and Programme, but excluding those bids requiring Executive approval.

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11.10.4 Other Additional Expenditure Requests

Any other requests for additional capital expenditure (excluding items in paragraphs 11.10.3) outside the agreed Budget and Policy Framework will first be presented to Capital Strategy Group for consideration. If agreed they will be referred to Corporate Board and then to the Executive for approval.

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11.10.5 Moving Expenditure Between Years within the Capital Strategy and Programme

- In general expenditure on capital schemes can only occur during the year for which approval was given by Council as part of the Capital Strategy and Programme.
- In exceptional circumstances and with the endorsement of the relevant Portfolio Holder (relevant Shadow Portfolio Member to be advised for information), following consideration by Capital Strategy Group, a scheme which has been approved in a later year(s) of the Capital Strategy and Programme may be brought forward, provided:
 - sound reasons for so doing are accepted by Capital Strategy Group or
 - future viability or delivery of the scheme is in question.
- No more than £250,000 of such schemes may be brought forward in any financial year.
- Approval of the scheme will be delegated to the relevant Corporate Director/Head of Service as Project Sponsor in consultation with the Section 151 Officer. The Corporate Director/Head of Service will have authority to enter into any contractual documentation relating to the scheme/project.

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 The following rules apply with regard to viring budgets between approved schemes.¶
 <#>Up to £50,000 – the Head of Service must approve the virement. Capital Management Group should be informed through their monthly monitoring of the capital budget.¶
 <#>£50,000 - £100,000 – following endorsement by the relevant portfolio holder, the relevant Corporate Director in consultation with the Section 151 Officer may vire a budget between schemes, approved in the Capital Strategy and Programme. The Corporate Director or Project Sponsor must inform Capital Management Group of the virement as part of its monthly monitoring arrangements. ¶
 <#>£100,000 - £500,000 – the relevant Corporate Director in consultation with the Section 151 Officer and the relevant portfolio holder (shadow portfolio member to be informed for information) may vire a budget, provided a report has been considered by Capital Management Group. ¶
 <#>Over £500,000 – the relevant Corporate Director/Head of Service in consultation with the Section 151 Officer must prepare a report for Capital Management Group. If Capital Management Group is content with the virement request it will be presented to Corporate Board and then to the Executive for approval.¶
 In all cases set out above, once relevant authority has been obtained, the Project Sponsor/Head of Service/Corporate Director shall have authority to enter into any contractual documentation relating to the scheme.¶

11.11 Contracts

11.11.1 Rules of Procedure

All Officers must adhere to the Council's Contract Rules of Procedure (see Part 12) relating to contracts and to these Financial Rules of Procedure before they enter into any contract.

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11.12 Official Orders

~~Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments (rent + rates), petty cash purchases, or such exceptions as the Head of Finance or nominated Officer may approve. Orders must clearly state the quantity of the goods and nature of the work or services and whether covered by contract or an agreed price and discounts specified therein or an estimated value. No payment will be made to suppliers without a purchase order having been raised.~~

11.12.1 Raising a Purchase Requisition

~~The Head of Service shall nominate those Officers eligible to raise Purchase Requisitions on the Council's financial system. The Finance system converts the Purchase Requisition into a Purchase Order upon the approval of the Budget Holder or nominated Authorising Officer.~~

11.12.2 Placing an Order

~~Unless you have a budget an order cannot be placed. Placing an order commits the Council to spending the money.~~

~~All official orders for goods and services must be raised using the Council's Financial System. Exceptions to this requirement require written approval from the Head of Finance or nominated Officer.~~

~~The Council's Finance system will generate the appropriate commitment accounting record of outstanding orders. Verbal orders must not be made except as a matter of genuine urgency and must be confirmed immediately with a written order produced through the Council's Finance System.~~

~~Other than in cases of genuine emergency, No supplier shall be asked to provide goods or services before a purchase order has been issued to them.~~

11.12.3 Regular Periodic Payments

~~Any circumstances causing the cessation or variation of a regular periodical payment must be notified immediately to the Head of Benefits and Exchequer or nominated officer.~~

11.12.4 Approval of Order

~~The ability to raise a requisition for goods or services and the subsequent approval and creation of the Order must only be undertaken by Officers nominated by the Head of Service (11.9.2 refers). Nominations shall be notified in writing to the Head of Finance or nominated Officer.~~

~~Goods properly supplied or work done without an official order due to a genuine emergency must be covered as soon as possible by a confirmation order.~~

~~Whenever practicable the duties of requisitioning goods or services and the subsequent confirmation of their receipt (goods received note process) shall not be performed by the Officer authorising the Order.~~

~~Each Head of Service shall be responsible for all orders issued from their Service.~~

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Officers should be aware that, the Council can be bound contractually by statements made by Officers appearing to have authority whether made in writing or orally. Officers must, therefore, take the greatest care not to commit the Council without authority or to hold themselves out as having authority which they do not have, otherwise they may be faced with disciplinary action by the Council, and/or action by the External Auditor. Correspondence or conversation need not bind the Council if they are expressed to be subject to confirmation or subject to contract.¶ Where informal quotations are obtained from specialist firms for the purpose of advising the Executive of the likely cost of a project which is to be approved, it must be remembered that the Contract Rules of Procedure will still require the proper procedure to be observed when later obtaining official tenders.¶ Whenever the Council is committed to expenditure or income under any contract or agreement, the Head of Finance or nominated Officer must (in the absence of an arrangement with him/her to the contrary) be informed in writing, and any appropriate documents shall be made available for inspection by the Head of Resources or nominated Officer should he/she so desire.¶ ~~<#>Register of Contracts¶~~ The Head of Finance or nominated Officer must make arrangements for a register of all contracts and the payments made under those contracts.¶ ~~<#>Legal Liability¶~~ ... [1]

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11.13 Goods Received Process

~~The Head of Service or Delegated Officer shall ensure that the Corporate Finance System is promptly updated when goods or services are received. Before completing the Goods Received Note process the verifying Officer shall, save to the extent that the Head of Finance or nominated Officer may otherwise determine, be satisfied:~~

- ~~• that the goods have been duly received examined and approved as being in accordance with the specification or match the official order and are satisfactory;~~
- ~~• that the works done or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard;~~
- ~~• that the proper entries have been made in the inventories or stores records, where appropriate;~~
- ~~• that the Council's purchasing guidance has been followed.~~

11.14 Payment of Accounts

11.14.1 Payment of Invoices

It is the Council's policy to pay all invoices within 30 days of invoice date. It is therefore the responsibility of all staff to assist Central Payments Team in ensuring invoices can be processed for payment as soon as possible through full compliance with all the relevant financial procedures.

11.14.2 Other Payment Requests

Payment requests shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.

11.14.3 Destination of Invoices

Invoices for payment must be sent in the first instance to the Exchequer Service's Central Payments Team. Such invoices must be made out by creditors themselves and must not be made out by any Officer of the Council.

11.14.4 Amendments and Deletions

Amendments to or deletions from an invoice must only be made in exceptional circumstances and must be authorised by the Head of Finance or nominated officer. Where changes are required they must be made in ink of a distinctive colour and initialled by, or on behalf of the Head of Service, and the reasons, if not obvious, briefly stated on the invoice. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the supplier. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies.

11.14.5 Payment of Invoices

The Head of Finance or nominated officer shall pay all invoices and other payment requests which they are satisfied are in order, apart from petty cash imprest accounts or Local Bank Accounts.

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Orders, including copy orders retained by the service, must clearly state the quantity of the goods and nature of the work or services and whether covered by contract or an agreed price and discounts specified therein or an estimated value.¶
Stocks of unused order pads held in Service Units must be securely held by a designated Officer.¶
<#>Signing of Order¶
Orders originating from each Service Unit must be signed only by Officers nominated by the Head of Service, nominations shall be notified in writing to the Head of Finance or nominated Officer together with a specimen signature. Goods properly supplied or work done without an official order, and not the subject of a formal contract, must be covered as soon as possible by a confirmation order.¶
Each Head of Service shall be responsible for all orders issued from their Service Unit. ¶

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Accounts for payment shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.¶
<#>Issuing an Order¶
The Head of Service or Delegated Officer issuing an order shall be responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from sources in his/her Service Unit(... [3]

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The Head of Finance shall ensure that appropriate arrangements are in place for ensuring that invoices received in the Central Payments Team are matched against official orders. Payment of invoices shall only be made when:

- the ordering Service has confirmed that the goods have been duly received, examined and approved;
- the prices are in accordance with the order;
- the payment is in accordance with Council Policy and legally payable;
- the account is correct, and that VAT is properly accounted for where appropriate;
- the item has not been previously passed for payment and is a proper liability of the Council.

The normal method of payment of money due from the Council shall be by cheque, electronic transfer or other instrument drawn on the Council's bank account by the Head of Finance or nominated officer.

11.14.6 Examination of Accounts

The Head of Finance or nominated officer may at their discretion examine the verified accounts passed for payment, as to their compliance with the minutes and Council regulations, contracts, accepted tenders or other authorities and for this purpose shall be entitled to receive such information and explanation as may be required.

11.15 Local Bank Accounts - Imprest / Petty Cash Accounts

11.15.1 Imprest / Petty Cash Advances

The Head of Finance or nominated officer will provide imprests and petty cash advances, where appropriate, to Officers for the purpose of defraying expenses. A receipt shall be signed in respect of each advance by the Officer concerned, who shall be responsible for accounting for monies. A receipt should be signed in respect of sub - floats issued to Officers.

11.15.2 Changes to Officers

Any changes to Officers responsible must be immediately notified to the Head of Finance or nominated officer. An outgoing imprest holder must reconcile the imprest to the total amount held, whilst the incoming responsible Officer should satisfy themselves that all is in order before accepting responsibility for the imprest.

11.15.3 Disbursements

Vouchers for disbursements must be obtained, and attached to claims for reimbursement. Claims must be properly certified and forwarded for payment to the Head of Finance or nominated officer at specified intervals, normally not exceeding one month. Nil returns will be forwarded to the Head of Finance or nominated officer if no reimbursement is required.

11.15.4 Security of Cash

Heads of Service are responsible for ensuring that all cash is kept in a safe and secure place and that bank accounts are reconciled on a regular basis, not less

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<#>Accounts Outstanding¶
 Each Head of Service shall send to the Head of Finance or nominated Officer, in accordance with the closedown timetable, schedules of all accounts outstanding relating to the previous financial year, and when such accounts are subsequently verified for payment, shall identify them accordingly.¶

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than monthly. A bank statement must be received at least monthly for all imprest bank accounts.

Heads of Service are advised for reasons of security that cash balances of greater than £250 should be kept in a bank account.

11.15.5 Use of Imprest Accounts

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Imprest accounts can be used for amounts up to £250:

- to pay for local purchases by cheque at the time of collection or delivery;
- to secure discounts or take advantage of special offers;
- to reimburse staff who have purchased small value items directly;

All such payments must be supported by VAT invoices or receipts.

11.15.6 Use of Imprest Funds

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Imprest funds must never be used to pay salaries, wages, or other employee expenses i.e., travel/subsistence and removal/relocation expenses, without the specific approval of the Head of Finance or nominated officer. Such payments may attract liability to Income Tax or National Insurance contributions and must therefore be made via the payroll system.

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11.15.7 Examination of Local Bank Accounts

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The Head of Finance or nominated officer may at their discretion examine and reconcile Local Bank Accounts and for this purpose shall be entitled to receive such information and explanation as may be required.

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11.16 Income

11.16.1 Collection of Monies

The framework and regulation of the collection of all monies due to the Council shall be subject to the approval of the Head of Finance or nominated officer and shall comply with these Financial Rules of Procedure.

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The Head of Finance or nominated officer's Head of Benefits and Exchequer or nominated officer shall be notified promptly of all monies due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Head of Finance or nominated officer shall have the right to inspect any documents or other evidence in this connection as they may decide.

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11.16.2 Invoicing for Sums Due

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Each Head of Service shall establish procedures to ensure that invoices are raised on the Council's Finance System in respect of work done, goods supplied, services rendered and all other amounts due to the Council. These procedures must ensure that all invoices due are raised promptly in order to assist recovery of the debts.

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11.16.3 Payment of Amounts Due

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All accounts rendered in respect of amounts due to the Council shall contain a statement that payment must be made direct to the Head of Finance or nominated

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officer and that cheques, money orders, and postal orders should be made payable to West Berkshire District Council.

All cheques, money orders and postal orders received in any Service Unit shall be crossed "West Berkshire District Council". Personal Cheques must not be cashed out of the money held on behalf of the Council.

11.16.4 Introduction of New Electronic Payment Facility

The Head of Finance or nominated officer shall be consulted at an early stage on any proposals to introduce a new electronic payment facility. No such facility shall go live without the specific authorisation of the Head of Finance or nominated officer.

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11.16.5 Payments made to Service Units

Each Head of Service shall be responsible for the prompt collection of such cash income as may be due to the Council from activities within their service area and must make proper arrangements for receipting, holding and banking of this income.

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11.16.6 Change Money

The Head of Finance or nominated officer shall advance such sums as they may deem necessary to each collecting Officer for the purpose of change money, and the existence of the sums shall be verified periodically.

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11.16.7 Payment into Council Account

All monies received by an Officer on behalf of the Council shall, without delay, be paid to the Head of Finance or nominated officer. No deduction may be made from such money save to the extent that the Head of Finance or nominated officer may specifically authorise.

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Officers who bank money shall enter on the paying in slip and on the reverse of each cheque a reference to the related debt (receipt number or the name of the debtor) or otherwise indicate the origin of the cheque. The name of the originating Service/Section shall be recorded on the paying in slip.

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11.16.8 Issue of Receipts

Every sum received by a cashier or other Officer of the Council shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in the case of cheques other arrangements may only be established with the express approval of the Head of Finance or nominated officer.

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All official receipts, tickets, books and other cash tokens shall, except by special arrangements approved by the Head of Finance, be controlled and issued to Service Units by the Head of Finance or nominated officer, who shall keep a register of their receipt and issue. Departments shall keep proper records of the issue and use of all receipts, tickets and cash tokens.

11.16.9 Recording Receipt of Monies

Each Officer who receives monies on behalf of the Council, or for which they are accountable to the Council, shall keep records in a form approved by the Head of Finance or nominated officer.

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11.16.10 Transfer of Monies

Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer.

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11.17 Write-Offs - Income

11.17.1 Discharge of Debts

No debt due to the Council, after it has been correctly established, shall be discharged otherwise than by payment in full or by the writing-off of the debt or the unpaid portion of it, on the authority of the Head of Finance or nominated officer where:

- either:
 - (a) the debt is not enforceable or that attempted recovery is likely to involve expensive litigation with limited hope of success; or
 - (b) the cost of recovery would be disproportionate to the amount involved;
- the debt does not exceed £10,000 or in cases of bankruptcy or liquidation the full amount;
- Housing rent does not exceed £10,000.

Deleted: <#>Outstanding Transactions¶
 The Head of Service shall, in each year, in accordance with a timetable prepared by the Head of Finance or nominated Officer give to the Head of Finance or nominated Officer a schedule of outstanding transactions relating to income accruing in the previous financial year, and not yet brought into account.¶
<#>Credit of Income¶
 Income must be credited to income codes on the Council's General Ledger.¶

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11.17.2 Written-off Debts

Any debt written off in accordance with Rule 11.17.1 above shall be properly recorded on the Council's Financial System.

All other debts may only be written off following approval by the Executive.

Written off debts will be charged back to the originating budget.

Budget Holders will be provided with details of those debts where write off is appropriate. Such details are to include information on recovery action already taken.

In exceptional circumstances Corporate Board may recommend to the Executive that a debt should not be written off to the service budget but will be written off corporately.

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11.18 Charging for Services

11.18.1 Review of Service Charges

All Heads of Service shall review their charges for services at least annually with the object of ensuring that the income is increased by not less than the rate of inflation experienced by that service. Such review must be carried out as part of the Council's budget build process (the timetable for this is published each year).

11.18.2 Unmet Estimates

Where it appears that income targets as set out in the Council's estimates will not be met then the Head of Service shall either meet the shortfall from within the service budgets or apply for an additional expenditure budget.

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11.19 Salaries and Wages

11.19.1 Responsibility for Payments to Employees

The Head of ~~Benefits and Exchequer~~ or ~~nominated officer~~ shall be responsible for making arrangements for the payment of all salaries, wages, pensions, compensation and other payments to all current and former employees of the Council.

11.19.2 Notification of Relevant Matters

Heads of Service shall notify the Head of ~~Benefits and Exchequer~~ or ~~nominated officer~~ and the ~~Head of~~ Human Resources as soon as possible and in the ~~approved~~ form, of all matters affecting the payment of salaries and wages, and in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason apart from approved leave, changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records for compliance with Inland Revenue reporting on benefits provided to staff.

11.19.3 Appointment of Employees

Appointments of all employees shall be made in accordance with the regulations of the Council and the approved grades and rates of pay.

11.19.4 Externally Funded Posts

~~Before confirming an appointment to a fixed term contract, the recruiting manager must seek advice from HR to ensure the funding source from which the post is being funded is sufficient to cover the exit costs liability in the event of non renewal by reason of redundancy. The Council must not become liable to pay redundancy payments arising from externally funded appointments unless the post is essential and the Corporate Director and Portfolio Holder have confirmed that the directorate has the monies to cover the exit costs liability.~~

11.19.5 Timesheets & Overtime Claims

~~The Head of Service, or other authorised Officer, shall be responsible for the authorisation of all staff timesheets and overtime claims.~~

11.20 Travelling and Subsistence

11.20.1 Claims for Payment

All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made in a form approved by the Head of Finance or ~~nominated officer~~ and shall be submitted to ~~the~~ payroll section, duly ~~authorised~~.

The Head of ~~Benefits and Exchequer~~ or ~~nominated officer~~ shall make payments in accordance with Statute, Regulations, Schemes and Conditions of Service and any resolutions of the Council.

~~The authorisation by or on behalf of the Head of Service shall be taken to mean that the authorising Officer is satisfied that the journeys were authorised, the expenses~~

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Deleted: The names of Officers authorised to sign such records shall be sent to the Exchequer Manager by each Head of Service together with specimen signatures and shall be amended on the occasion of any change.¶

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Deleted: <#>Overtime, Sickness, Mileage Claims¶

The Head of Service, or other authorised Officer, shall be responsible for the certification of all returns for overtime worked, sickness absences, mileage claims and any payment for additional allowances for each of their employees. The Head of Service, or other authorised Officer is also responsible for the delivery of such returns to the Exchequer Manager in accordance with the prepared timetable [which is set out in th... [7]

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properly and necessarily incurred, the most economical method of travelling was undertaken and that the allowances are properly payable by the Council.

Officer's claims should be submitted promptly at the end of each month in which the journeys were made or the expenses incurred. The Head of Finance or nominated officer may refuse to make payment of claims over 3 month old.

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11.21 Members Allowances

11.21.1 Submission of Claims

Members are encouraged to submit all claims relating to travelling, subsistence and other appropriate expenses in writing and in arrears within two months of the date of the meeting in respect of which the entitlement to the allowance arises and must be received for processing by the Members' Services Officer by the 5th of each month. Claims do not need to be submitted for allowances that are paid automatically.

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The certification by or on behalf of the Head of Service shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, the most economical method of travelling was undertaken and that the allowances are properly payable by the Council. ¶
Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Head of Finance or nominated Officer.¶

11.21.2 Payments

The Head of Finance or nominated officer shall make arrangements for the monthly payment to Members of the Council who are entitled to claim travelling or other allowances, as per the Rules in Part 15 of this Constitution, upon receipt of the prescribed form duly completed and certified.

The certification by or on behalf of the Head of Policy and Communication shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and the allowances are properly payable by the Council.

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11.22 Inventories

11.22.1 Preparation of Inventories

Inventories in a form approved by the Head of Finance or nominated officer shall be prepared and kept up to date by each Head of Service for all moveable plant, machinery, or items which are considered to be portable and desirable belonging to the Council.

Inventories should be updated in a timely fashion to reflect acquisitions or disposals.

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11.22.2 Checking and Maintaining of Inventories

The Head of Finance or nominated officer shall be entitled to check stores and equipment and be supplied with such information relating to the accounting, costing and financial records of the Council.

Heads of Service shall arrange in respect of their inventories for an annual check. The Head of Finance or nominated officer may arrange for a member of their staff to be present at the checking.

Where possible the roles of maintaining the inventory and checking the inventory for completeness and accuracy should be undertaken by two separate Officers.

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A certified copy of the inventory shall be forwarded to the Head of Finance or nominated Officer annually by the each Head of Service and copied to the Audit Manager¶

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11.22.3 Inclusion in Inventories

All items belonging to the Council which are required to be included on the inventory shall be marked as the property of the Council.

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11.22.4 IT Equipment

The Head of ICT or nominated officer shall be responsible for maintaining the inventory of all IT equipment, hardware and software.

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11.23 Stocks / Stores**11.23.1 Responsibility for Stocks**

Each Head of Service shall ensure:-

- the proper custody of their stocks and stores in their Service Unit and shall ensure that they are subject to an effective system of stock recording and control;
- that stores are held in reasonable quantities and that consideration has been given to turnover, value, delivery quantities and delivery periods;
- that practicable steps are taken to ensure that a delivery note is submitted by a supplier for every delivery at the time of delivery;
- as soon as practicable after the delivery has been made that goods are checked to ensure that the correct quantity has been delivered and that they meet the appropriate quality standard;
- that no articles or goods are removed from stock without proper authority;
- that stocktakes are carried out in accordance with the procedures laid down by the Head of Finance or nominated officer;
- that an annual review of stocks held is undertaken with a view to reducing the number of slow moving items and disposing of obsolete stock items;
- that obsolete or other stocks no longer required for the purpose acquired are disposed of under arrangements approved by the Head of Finance or nominated officer;
- that accounts and records are maintained in connection with the receipt and issue of stores in such form and timetable as the Head of Finance or nominated officer may approve after consultation with Corporate Board;
- that on the 31st March each year the value of stocks held is certified and reported to the Head of Finance or nominated officer.

Deleted: <#>Moveable Plant and Machinery¶

All items of moveable plant and machinery considered portable and of a financial value above £50 shall be marked with "Indsol" tracer (Smartwater) before being added to the inventory.¶

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Documentation for the control and recording of stocks shall be approved by the Head of Finance or nominated Officer. ¶

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11.23.2 Surplus or Deficiency

Where any surplus or deficiency is revealed in excess of £5,000 in any item of stock the Chief Internal Auditor shall be advised. A report shall be presented to Corporate Board in order that authority to write off deficiencies or bring surpluses into charge may be obtained. The appropriate form should be completed for any deficiency and sent to the nominated officer responsible for Risk Management.

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11.23.3 Checking of Stock

The Head of Finance or nominated officer is entitled to check stores and be supplied with any information relating to the accounting, costing, and financial records of the Council.

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11.24 Disposal of Surplus or Obsolete Goods, Plant and Stocks

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11.24.1 Authorisation for Disposal

Surplus or obsolete goods or plant, whether held in store, on inventories or otherwise up to the value of £2,000 per item or group of like items, must not be disposed of either by sale or destruction except upon the authorisation of the appropriate Corporate Director of the Service Unit concerned. Where the value is between £2,001 and £10,000 the authorisation of the Head of Finance or nominated officer must also be obtained. Where the value exceeds £10,000, sanction by Corporate Board must be obtained.

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In relation to inventory items (eg IT equipment etc) all items surplus to requirements should, in the first instance, be offered to other Council departments, schools etc prior to being disposed of.

11.24.2 Sale of Stock

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Sale must be effected by public tender except when, in the opinion of the appropriate Corporate Director of the Service Unit concerned and the Head of Finance or nominated officer, the financial interest of the Council is better served by disposal by any other means. This could be by public auction.

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11.24.3 Recording Disposal

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A record of each disposal should be maintained (i.e. the approval, the price obtained and if appropriate the alternative method of disposal used). Inventories or stock records should be up-dated in a timely fashion to reflect the disposal.

11.24.4 Income from Disposal

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Income from disposals shall be credited to the holding service unit.

11.24.5 VAT

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Value Added Tax shall be accounted for on the sale proceeds if appropriate and the amount identified when banking the income. The Head of Finance or nominated officer should be contacted if clarification of the VAT position is required.

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11.25 Insurance

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11.25.1 Responsibility for Insurance

The Head of Finance or nominated officer is responsible for the arrangement of risk funding on advice from the Chief Internal Auditor. The administration and resolution of all losses is the responsibility of the nominated officer in consultation with other Officers where necessary by reporting to the Head of Finance or nominated officer.

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11.25.2 Record of Insurances

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The Head of Finance will keep a permanent record of all insurances, risks covered, premiums paid and of all self-funded risks and losses paid. This includes third parties arranging insurance where the Council has an insurable interest. Documents to be permanently retained must include policy schedules and all liability insurance certificates for every period of insurance. Such responsibilities may be delegated to the nominated officer.

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11.25.3 Incident / Accident Reporting

Every event with the potential to give rise to a financial loss, or involving injury to a member of staff or client of the Council, must be reported via Webrisk (the Council's incident reporting system). It is the responsibility of the Head of Service to ensure that there are nominated staff trained to input information on Webrisk.

Any serious incidents covered by Reporting of Injuries, Diseases or Dangerous Occurrences Regulations (RIDDOR) will be automatically reported to the Health and Safety Executive, once input onto the Webrisk System by nominated staff.

11.25.4 Review of Risk Financing Arrangements

The Head of Finance or nominated officer and the Chief Internal Auditor shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

11.25.5 Consultation

Before any indemnity requested from the Council is provided, the Head of Service responsible shall obtain written agreement from the Head of Finance or the nominated officer. Generally Heads of Service should not allow burdens or responsibilities to be imposed on the Council through contract that would not otherwise be imposed by common law or statute.

11.25.6 Hiring of Professional Services

Heads of Service must provide, on a quarterly basis, to the Head of Finance full details of all professional services hired or sold to others and the estimated fee income for the twelve month period ahead. The Head of Finance and the nominated officer will ensure that appropriate professional indemnity insurance is in place for the exposure notified.

11.26 Security

11.26.1 Responsibility for Security

All Heads of Services are responsible for maintaining proper security at all times for all information, buildings, stocks, stores, furniture, equipment and cash under their control and shall consult via the Head of Service chairing the Security Group or nominated officer (such as the Information Security Officer or Facilities Manager) where they consider security is thought to be defective or where they consider special arrangements are needed.

Appropriate security controls for all assets shall be identified by the risk assessment process and by referring to security standards and procedures. Arrangements shall be agreed as above.

Maximum limits for cash holdings shall be identified by the risk assessment process and agreed with the Head of Finance or nominated officer and shall not be exceeded without permission.

Key holders for safes and similar security receptacles are to be agreed by each Head of Service in conjunction with the Head of Finance or nominated officer. The

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Every event with the potential to give rise to a financial loss must be reported via Webrisk (the Council's web-based software for risk management). It is the responsibility of the Head of Service to ensure there are nominated staff trained to input information on Webrisk.¶

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Accidents to persons involving death or serious injury as defined by Health and Safety legislation must be immediately reported to the Health and Safety Executive (Infoline: tel. 08701 545500). Heads of Service must ensure that all reporting responsibilities are understood throughout their service and are maintained in all areas for which they have responsibility.¶

<#>Fidelity Guarantee Insurance¶
Fidelity guarantee insurance must be maintained in place to protect the Council's financial resources. Such insurance will operate in respect of all Officers who have financial responsibilities and/or budget responsibilities or who are authorised cheque signatories, and others as notified to the nominated Officer responsible for Risk Management and Internal Audit by the Audit Manager.¶

<#>Review of Risk Financing Arrangements¶
The Head of Finance or nominated Officer, the Risk Manager and the Audit Manager shall annually r... [8]

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loss of keys shall be reported immediately using the security incident reporting procedures.

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11.26.2 Data Protection Legislation

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Each Head of Service in conjunction with the Head of ICT, and in consultation with the Data Controller, will ensure that all computer systems and written records in their Service Units which store sensitive personal data are operated in accordance with the Council’s Data Protection Policy, Data Protection legislation, and that proper security and confidentiality is maintained.

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11.27 Estates

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11.27.1 Responsibility of Head of Service

The Head of Property and Public Protection or nominated officer will maintain a terrier of all land and properties owned by the Council recording the purpose for which the property is held, the location, extent and plan references, purchase details where available, details of interest and rents payable and particulars of tenancies of other interests granted.

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11.27.2 Custody of Deeds

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The Head of Legal and Electoral Services has custody of all title deeds under secure arrangements.

11.27.3 Valuation of Assets

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The Head of Property and Public Protection or nominated officer shall ensure that all assets are valued (reinstatement and open market valuation) for capital accounting purposes in accordance with the latest CIPFA code.

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11.27.4 Notification of Purchase or Disposal

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Any purchases or disposals of property for which responsibilities are assumed under any contract must be notified to the Head of Finance or nominated officer. Additionally the nominated officer responsible for Risk Management must be notified to ensure that the Council’s databases are fully up to date and accurate.

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11.27.5 Register of Assets

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The Head of Property and Public Protection or nominated officer is responsible for maintaining an up to date asset register and an asset management plan.

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The Head of Property and Public Protection or nominated officer must notify all changes to the asset register to the nominated officer responsible for Risk Management for updating of the risk management database.

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Caution by Officers

Officers should be aware that, the Council can be bound contractually by statements made by Officers appearing to have authority whether made in writing or orally. Officers must, therefore, take the greatest care not to commit the Council without authority or to hold themselves out as having authority which they do not have, otherwise they may be faced with disciplinary action by the Council, and/or action by the External Auditor. Correspondence or conversation need not bind the Council if they are expressed to be subject to confirmation or subject to contract.

Where informal quotations are obtained from specialist firms for the purpose of advising the Executive of the likely cost of a project which is to be approved, it must be remembered that the Contract Rules of Procedure will still require the proper procedure to be observed when later obtaining official tenders.

Whenever the Council is committed to expenditure or income under any contract or agreement, the Head of Finance or nominated Officer must (in the absence of an arrangement with him/her to the contrary) be informed in writing, and any appropriate documents shall be made available for inspection by the Head of Resources or nominated Officer should he/she so desire.

Register of Contracts

The Head of Finance or nominated Officer must make arrangements for a register of all contracts and the payments made under those contracts.

Legal Liability

Any claim arising from a contract that is not clearly within the terms of the contract (i.e. a variation may be agreed), must be referred to the Head of Legal and Electoral Services for consideration of the Council's legal liability and to the Head of Finance or nominated Officer for financial consideration before any settlement is reached.

Verification of Contractor's Financial Ability

The Head of Finance or nominated Officer must, after notification from the relevant Head of Service of a pending contract, verify the contractor's financial ability to execute the required works, before the contract is made.

For detailed guidance on Contracts please refer to the Contract Rules of Procedure contained in Part 12 of this Constitution.

Placing an Order

Unless you have a budget an order cannot be placed. Placing an order commits the Council to spending the money.

All official orders for goods and services must be in a form approved by the Head of Finance or nominated Officer. All stocks of forms are to be subject to controls agreed by the Head of Finance or nominated Officer.

A commitment accounting record of outstanding orders must be maintained by each Budget Holder. Details of such commitments must be reported to Heads of Service and Corporate Directors and used in budget monitoring and reporting.

Order forms shall be appropriately addressed, numbered and referenced for each Service Unit by the Head of Finance or nominated Officer with an instruction that invoices should be sent to the Service Unit/Establishment issuing the order. Verbal orders must not be made except as a matter of genuine urgency and must be confirmed immediately with a written order.

Official Order

Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments (rent + rates), petty cash purchases, or such exceptions as the Head of Finance or nominated Officer may approve.

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Format of Payment Accounts

Accounts for payment shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.

Issuing an Order

The Head of Service or Delegated Officer issuing an order shall be responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from sources in his/her Service Unit. Such certification shall be signed by or on behalf of the Head of Service.

The names of Officers authorised to sign such records will be sent to the Head of Finance or nominated Officer by each Head of Service together with specimen signatures and shall be amended on the occasion of any change therein.

Whenever practicable the duties of ordering, receiving goods, and verifying the related invoices for payment shall not be performed by one Officer, and in no case shall an invoice be finally verified for payment by an Officer assuming personal control over the goods or services to which the invoice relates.

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Invoices must not be accepted in which the details are not written in ink, indelible pencil, typewritten, or recorded by other acceptable permanent methods.

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Verification of Account

Before verifying an account the verifying Officer shall, save to the extent that the Head of Finance or nominated Officer may otherwise determine, be satisfied:-

- that the goods have been duly received, examined and approved as being in accordance with the specification or match the copy official order and are satisfactory and, that the prices are in accordance with the contract or order;
- that the works done or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard and the prices charged are correct;
- that the payment or disbursement is in accordance with Council Policy and legally payable;

that the account is correct, and that VAT is properly accounted for where appropriate;

that the item of expenditure is within approved budget, or has been otherwise approved by the Executive or the Council and is charged to the correct cost centre and account code;

that the item has not been previously passed for payment and is a proper liability of the Council;

that the proper entries have been made in the inventories or stores records, where appropriate, and copy orders duly endorsed with the payment made and the date thereof;

that the order number is on the invoice;

that the Council's purchasing guidance has been followed.

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All amendments to or deletions from an invoice must be made in ink of a distinctive colour and initialled by, or on behalf of the Head of Service, and the reasons, if not obvious, briefly stated on the invoice. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the creditor. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies.

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Overtime, Sickness, Mileage Claims

The Head of Service, or other authorised Officer, shall be responsible for the certification of all returns for overtime worked, sickness absences, mileage claims and any payment for additional allowances for each of their employees. The Head of Service, or other authorised Officer is also responsible for the delivery of such returns to the Exchequer Manager in accordance with the prepared timetable [which is set out in the Employee Handbook].

Timesheets

Timesheets, summary or individual, shall be certified by the appropriate supervisor unless otherwise agreed by the Head of Finance or nominated Officer. The certification by or on behalf of the Head of Service or Officers delegated by him/her shall be taken to mean that the certifying Officer is satisfied that the hours worked including overtime and bonus paid were authorised and necessarily incurred and are properly payable by the Council.

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Accidents

Accidents to persons involving death or serious injury as defined by Health and Safety legislation must be immediately reported to the Health and Safety Executive (Infoline: tel. 08701 545500). Heads of Service must ensure that all reporting responsibilities are understood throughout their service and are maintained in all areas for which they have responsibility.

Fidelity Guarantee Insurance

Fidelity guarantee insurance must be maintained in place to protect the Council's financial resources. Such insurance will operate in respect of all Officers who have financial responsibilities and/or budget responsibilities or who are authorised cheque signatories, and others as notified to the nominated Officer responsible for Risk Management and Internal Audit by the Audit Manager.

Review of Risk Financing Arrangements

The Head of Finance or nominated Officer, the Risk Manager and the Audit Manager shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

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Heads of Service must, in August each year, (because the Council's insurance contract is renewed on 1st October) provide to the Head of Finance full details of all professional services hired or sold to others and the estimated fee income for the twelve month period ahead. The Head of Finance and the nominated Officer will ensure that appropriate professional indemnity insurance is in place for the exposure notified.

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with the Head of Finance or nominated Officer where they consider security is thought to be defective or where they feel special arrangements are needed.