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1. STATUS OF FINANCIAL REGULATIONS

Introduction

- 1.1 Gloucester City Council's Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and officer of the Council and anyone acting on its behalf.
- 1.2 The Regulations identify the financial responsibilities of Council, Cabinet, Overview and Scrutiny Members, the Head of Paid Service, the Monitoring Officer, the S151 Officer and other Directors. Special responsibilities are allocated to the Monitoring Officer and the S151 Officer. The Cabinet, Directors and Senior Management Team (SMT) should maintain a written record where decision making has been delegated to members of staff, including seconded staff.
- 1.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.4 The S151 Officer is responsible for maintaining a continuous review of the Financial Regulations and Contract Standing Orders, and submitting any additions or changes necessary to the Audit and Governance Committee before recommendation to Council for approval. The S151 Officer is also responsible for reporting, where appropriate, breaches of the Financial Regulations to Council and/or to Cabinet, and to the Overview and Scrutiny Committee or its equivalent.
- 1.5 To underpin the Financial Rules, the S151 Officer has responsibility for issuing in a timely manner, detailed financial management standards, advice and guidance that Members, officers and others acting on behalf of the Council are required to follow. The S151 Officer is also responsible for ensuring compliance with financial rules.
- 1.6 Such financial management standards, advice and guidance will be reviewed, and amended as necessary, by the S151 Officer.
- 1.7 Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and other internal regulatory documents and that they comply with them. It is a disciplinary offence if a member of staff fails to comply with Financial Regulations, Contract Standing Orders or Procurement Rules and / or acts fraudulently or corruptly.
- 1.8 Members and employees have a duty to report any breaches of the Code of Conduct or of these Financial Regulations, Contract Standing Orders or Procurement Rules or any fraudulent corrupt practice to a Senior Manager and / or the Audit, Risk and Assurance Manager.

2. FINANCIAL REGULATION: FINANCIAL MANAGEMENT AND CONTROL

Introduction

- 2.1 Financial management covers all financial accountabilities in relation to the running of the Council. The S151 Officer is responsible for the compilation of such policy statements on financial matters as they may determine, which shall supplement these Financial Rules. These policies provide Members and officers with greater detail of the financial controls to be followed concerning revenue and capital expenditure and general financial matters. Policy Statements approved by Cabinet and Council shall have the same effect and standing as Financial Regulations and shall be observed by all officers of the Council.

Council

- 2.2 Council is responsible for adopting the Constitution and Members' Code of Conduct and for approving the Policy Framework and Budget within which Cabinet operates. Council is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control as set out in the Constitution. Council is also responsible for monitoring compliance with agreed policies and related Executive decisions.
- 2.3 Council is responsible for approving procedures for recording and reporting decisions taken. This includes decisions taken by Cabinet and decisions taken by Council and its committees. Details of who has delegated responsibility for decisions are set out in the Constitution.

Cabinet

- 2.4 Cabinet is responsible for proposing the Budget to Council, and for discharging Executive functions in accordance with the Budget.
- 2.5 Executive decisions can be delegated to a Committee, Sub-Committee, a Cabinet Member, an officer or a joint committee.
- 2.6 Cabinet is responsible for establishing procedures to ensure that individual Cabinet Members consult with relevant officers before taking a decision within their delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

Committees of the Council

Overview and Scrutiny Committee

- 2.7 The overview and scrutiny process is responsible for scrutinising Cabinet decisions before or after they have been implemented and for holding Cabinet to account. The Overview and Scrutiny Committee is also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Council.

Audit and Governance Committee

- 2.8 The Audit and Governance Committee is responsible for overseeing the Council's Constitution in respect of Financial Regulations, Contract Standing Orders and Code of Governance and approval of the Statement of Accounts and Annual Governance Statement by Council. It is also responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it is responsible for advising Council on the adoption and revision of the Members' Code of Conduct, for monitoring the operation of the Code and hearing complaints of a Member's breach of the Code

Other Regulatory Committees

- 2.9 Various non Executive functions are exercised through politically balanced regulatory committees under powers delegated by Council. The regulatory committees report to Council.

The Statutory Officers

Head of Paid Service (and Managing Director)

- 2.10 The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. They must report to and provide information for Cabinet, Council, Overview and Scrutiny and other committees. They are responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible for the system of record keeping in relation to Executive and Council decisions. The Head of Paid Service is responsible for the manner in which the discharge by the Council of its functions is coordinated and for the organisation, appointment and proper management of the Council staff.

Monitoring Officer

- 2.11 The Monitoring Officer is required under Section 5 of the Local Government and Housing Act 1989 to report to the Cabinet or Council if any proposal, decision or omission by the Council, Cabinet, or Officer will:

- (i) break the law; or
- (ii) be maladministration

Such report shall be considered within 21 days of circulation of the report to Members, and action on the relevant matter must be suspended until the report is so considered. The Monitoring Officer must consult the Head of Paid Services and the S151 Officer.

- 2.12 Section 5 of the Local Government and Housing Act 1989 requires:
 - (i) the Council to provide such staff, accommodation and other resources as the Monitoring Officer considers necessary to carry out his/her duties; and
 - (ii) the Monitoring Officer to appoint a Deputy.

S151 Officer

- 2.13 The S151 Officer has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These arise from:
- Section 151 of the Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Local Government and Housing Act 1989
 - The Accounts and Audit Regulations (as amended)
 - The Local Authorities Goods & Services Act 1970
 - The Local Government Acts 2000 and 2003
 - The Localism Act 2011
- 2.14 The S151 Officer is responsible for:
- the proper administration of the Council's financial affairs;
 - setting and monitoring compliance with financial management standards;
 - advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
 - providing timely financial information;
 - preparing the revenue Budget and capital programme;
 - treasury management;
 - all arrangements with the Council's bankers.
- 2.15 Section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report to Council, Cabinet and the external auditor if the Council or one of its officers:
- has made, or is about to make, a decision which involves incurring unlawful expenditure
 - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council
 - is about to make an unlawful entry in the Council's accounts.
- 2.16 Section 114 of the 1988 Act also requires:
- the S151 Officer to nominate a properly qualified member of staff to deputise should they be unable to perform the duties under Section 114 personally; and
 - the Council to provide the S151 Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary to carry out the duties under Section 114.
- 2.17 The Head of Paid Service, S151 Officer, Monitoring Officer and Audit, Risk and Assurance Manager shall hold regular Corporate Governance meetings to ensure the legal and corporate governance regime is working effectively and efficiently. At these regular meetings the Officers will consider matters concerning partnership and shared services.

Directors

- 2.18 Directors are responsible for:
- ensuring that Cabinet Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the S151 Officer
 - signing contracts depending on value (see Contracts Standing Orders) on behalf of the Council.
- 2.19 It is the responsibility of Directors to consult with the S151 Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred, and the Council Solicitor before the Council is legally committed to any course of action.

Other financial accountabilities in relation to:

Virement

- 2.20 Council is responsible for agreeing procedures for virement of expenditure between Budget headings. Cabinet is responsible for the Council's virement policy statement and strategy for approval by Council and for reviewing compliance with the virement policy.
- 2.21 Directors are responsible for agreeing in-year virements within delegated limits, with the agreement of the S151 Officer. All requests for virement are subject to the validation of the S151 Officer in accordance with the virement policy.

Accounting policies

- 2.22 The S151 Officer is responsible for setting accounting policies and ensuring that they are applied consistently, in accordance with relevant guidance and regulations.

Accounting records and returns

- 2.23 The S151 Officer is responsible for determining the accounting procedures and records for the Council, in accordance with relevant guidance and regulations.

The annual statement of accounts

- 2.24 The S151 Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom) CIPFA/LASAAC. Audit & Governance is responsible for approving the annual statement of accounts.

3. FINANCIAL REGULATION: FINANCIAL PLANNING

Introduction

- 3.1 The key elements of financial planning are:

- Five year Money Plan - Revenue and Capital
- Revenue Budget
- Capital Programme
- Treasury Management
- Cashflow planning and balances management
- Prudential Indicators for forward capital planning

Policy Framework

- 3.2 Council is responsible for approving the Council Plan and Budget, which will be proposed by Cabinet.
- 3.3 Council is also responsible for approving procedures for agreeing variations to approved Budgets, plans and strategies.
- 3.4 Council is responsible for setting the level at which Cabinet may reallocate Budget funds from one service to another. Cabinet is responsible for taking in year decisions on resources and priorities in order to deliver the Budget and Council Plan within the financial limits set by Council.
- 3.5 Council is responsible for setting prudential indicators when it approves the revenue budget for Council Tax setting purposes.

Preparation of the Five Year Money Plan

- 3.6 The S151 Officer is responsible for proposing the annual Five Year Money Plan prepared on a five year basis to Cabinet for consideration before its submission to Council for approval.
- 3.7 Cabinet is responsible for issuing guidance on the content of the annual Budget, taking account of the Community Strategy, Corporate Plan, Key Decisions and Statutory Duties and Requirements and the approved medium-term capital programme.
- 3.8 The S151 Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's Priorities.

Budgeting

- 3.9 The draft budget should integrate capital and revenue planning and should include allocation to different services and projects, proposed taxation levels, calculated mandatory prudential indicators; contingencies, and use of reserves.
- 3.10 It is the responsibility of Directors to prepare annual service estimates and submit these to the S151 Officer for subsequent validation, consolidation and presentation to Cabinet.
- 3.11 The S151 Officer is responsible for ensuring that an annual revenue budget is prepared for consideration by Cabinet, before submission to Council as part of the process leading to the setting of the Council Tax. Council may amend the Budget or ask Cabinet to reconsider it before approving it.
- 3.12 The S151 Officer issues guidelines on budget preparation to Members and Directors. The guidelines will take account of:
- legal requirements (in conjunction, where appropriate, with the Council Solicitor)
 - the Five Year Money Plan
 - available resources (including the use of internal reserves and provisions)
 - spending pressures
 - best value and other relevant government guidelines
 - other internal policy documents

Revenue budget monitoring and control

- 3.13 The S151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. Expenditure will be monitored against budget and the overall position reported to Cabinet on a regular basis. The Head of Paid Service, Directors and the S151 Officer are responsible for ensuring that budgetary control is properly exercised and for taking appropriate action to ensure that budgets are not exceeded.
- 3.14 It is the responsibility of budget managers to control income and expenditure within their area and to monitor performance, through the Council's budget monitoring process approved by the S151 Officer. They should also take any action necessary to avoid exceeding their budget allocation and alert the S151 Officer to any problems.

Preparation and monitoring of the capital programme and prudential indicators

- 3.15 The S151 Officer is responsible for ensuring that the capital programme is prepared on an annual basis for consideration by Cabinet before submission to Council. All schemes to be included in the Capital Programme must have been evaluated and approved by the S151 Officer, or a nominated representative. The S151 Officer is responsible for assessing potential capital programme resources for the ensuing five financial years and preparing a rolling programme of expenditure for approval by Cabinet.
- 3.16 The S151 Officer will carry out monthly capital budget monitoring and consider the effect of any changes to the programme on the prudential indicators. Any such changes will be reported as soon as possible to Cabinet and Council.

Maintenance of reserves and provisions

- 3.17 It is the S151 Officer's responsibility to advise Cabinet and/or Council on prudent levels of reserves and provisions for the Council, in accordance with CIPFA guidelines.

4. FINANCIAL REGULATION: AUDIT AND CONTROL OF RESOURCES

Introduction

- 4.1 It is essential that robust systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

Audit requirements

- 4.2 The Accounts and Audit Regulations 2015 require every local authority to maintain an adequate and effective internal audit function. The S151 Officer shall arrange for compliance with these regulations and CIPFA/SOLACE guidance on Corporate Governance and Risk Management.

- 4.3 Internal Audit shall have authority to:
- (i) enter at all reasonable times on to any premises or land under the control of, or used by, the Council;
 - (ii) have access to all records, documents, contracts and correspondence, including data relating to any financial or other transaction of the Council;
 - (iii) have access to records belonging to partner organisations when required and receive such explanations as are necessary concerning any matter under examination;
 - (iv) require any employee of the Council to produce cash, stores, or other property under their control.
- 4.4 The Public Sector Audit Appointments (PSAA) is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014,
- 4.5 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise and the Inland Revenue, who have Statutory rights of access.

Preventing fraud and corruption

- 4.6 The Director of Policy & Resources is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

Assets

- 4.7 Directors should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

- 4.8 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 4.9 Council is responsible for approving the treasury management policy statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The Cabinet proposes the policy statement to Council for approval. The S151 Officer has been delegated responsibility for implementing and monitoring the statement.
- 4.10 All money under the control of the Council is managed by the officer designated for the purposes of S151 of the Local Government Act 1972, referred to in the Code as the S151 Officer.
- 4.11 The S151 Officer is responsible for reporting to Cabinet (for information) and Council for decision a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- 4.12 All Executive decisions on borrowing, investment or financing shall be delegated to the S151 Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 4.13 The S151 Officer is responsible for reporting to Cabinet not less than twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

Staffing

- 4.14 The Council is responsible for determining the overall level of officer support for Executive and non-Executive functions and will also approve the staffing establishment.
- 4.15 The Head of Paid Service is responsible for providing overall management of staff and for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

- 4.16 Directors are responsible for controlling total staff numbers by:
- advising Cabinet on the budget necessary in any given year to cover estimated staffing levels;
 - adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within the approved establishment in order to meet changing operational needs;
 - the proper use of recruitment and selection procedures.
- 4.17 The Monitoring Officer can require the Council to provide such staff as he/she considers necessary to carry out the role.

5. FINANCIAL REGULATION: SYSTEMS AND PROCEDURES

Introduction

- 5.1 Sound systems and procedures are essential to an effective framework of accountability and control.
- 5.2 The S151 Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Directors may not make changes to the existing financial systems or establish new systems without the approval of the S151 Officer. However, Directors are responsible for the proper operation of financial processes in their own departments.
- 5.3 Any new system for maintaining financial records, or for the recording of assets, or changes to such systems, are discussed with the Audit, Risk and Assurance Manager, prior to implementation.
- 5.4 Directors should ensure that their staff receive relevant financial training.
- 5.5 Directors must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation (see Director of Policy & Resources delegations). Directors must ensure that staff are aware of their responsibilities under this and all other legislation.

Income and expenditure

- 5.6 It is the responsibility of Directors to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on their behalf, or on behalf of the Cabinet or Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The S151 Officer is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control. The S151 Officer will periodically report debt write off to the Cabinet.

Payments to employees and Members

- 5.7 The S151 Officer is responsible for payments of salaries and wages to all staff, including payments for overtime and allowances, and for payment of allowances to Members.

Taxation

- 5.8 The S151 Officer is responsible for advising Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.
- 5.9 The S151 Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- 5.10 Responsibility for the Council's tax returns connected with payments to employees and Members rests with the S151 Officer.

Trading accounts and business units

- 5.11 The S151 Officer will advise on the establishment and operation of trading accounts and business units.

Leasing

- 5.12 All leases entered into by the Council can only be on the authority of the Head of Paid Service, S151 Officer, and the Council Solicitor.

Banking

- 5.13 All cheques shall be ordered only on the authority of the S151 Officer and proper arrangements for their safe custody will be made.

6. FINANCIAL REGULATION: EXTERNAL ARRANGEMENTS

Introduction

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

Partnerships

- 6.2 Cabinet is responsible for approving delegations, including frameworks for partnerships. Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 6.3 Cabinet can delegate functions, including those relating to partnerships, to officers. These are set out in the scheme of delegation that forms part of the Council's Constitution. Where functions are delegated, the Cabinet remains accountable for them to Council.
- 6.4 The Monitoring Officer and S151 Officer are responsible for promoting and maintaining the same high standards of conduct with regard to conduct and financial administration in partnerships that apply throughout the Council.
- 6.5 The S151 Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory.
- 6.6 The Council Solicitor and S151 Officer must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies and must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 6.7 Directors are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External funding

- 6.8 The S151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

APPENDIX A: FINANCIAL MANAGEMENT AND CONTROL

A1 Financial Management Standards

A1.1 Why is this important?

All Members and staff have a duty to abide by the highest standards of probity in dealing with financial issues. This is achieved in part by ensuring that everyone is clear about the standards to which they are working, and the controls which are in place to ensure that these standards are met.

A1.2 Key controls

The key controls for financial management standards are:

- The promotion of management standards and training on these throughout the Council;
- having in place a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards being reported to the Audit and Governance Committee, Cabinet and Council.

A1.3 Responsibilities of the S151 Officer

- To ensure the proper administration of the financial affairs of the Council.
- To set the financial management standards, and monitor compliance with them.
- To ensure proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.
- To advise on the key strategic controls necessary to secure sound financial management.
- To ensure that financial information is available to enable accurate and timely reporting of comparisons of national and local financial performance indicators.

A1.4 Responsibilities of Directors, Heads of Service and Service Managers

- To promote the financial management standards set by the S151 Officer in their service areas and to monitor adherence to those standards and practices.
- To promote sound financial practices in relation to the standards performance and development of staff in their service areas.

A2 Managing and Controlling Spending

Revenue Budget

A2.1 Why is this important?

Budget management ensures that resources allocated by Members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continual process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism for calling to account managers responsible for defined elements of the budget.

By identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an resource limit, approved in setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.

For the purposes of budgetary control by managers, a budget head will normally be a cost centre. However, it may be at a more detailed level in the standard coding structure if required.

A2.2 Key controls

The key controls for managing and controlling the revenue budget are:

- budget holders should be responsible only for income and expenditure which they can influence;
- each "£" of budgeted expenditure is allocated to a named budget holder;

- budget holders accept accountability for their budgets and the level of service to be delivered;
- all orders committing expenditure should be properly authorised and priced before issue;
- budget holders follow an approved certification process for all expenditure;
- income and expenditure is properly recorded and accounted for;
- performance levels/levels of service are monitored in conjunction with the budget and necessary action taken to align service outputs and budget.

A2.3 Responsibilities of the S151 Officer

These responsibilities are carried out through dedicated finance officers reporting to the S151 Officer. To establish an appropriate framework of budgetary management and control which ensures that:

- budget management is exercised within the annual resource limits agreed by Council;
- each Director, Head of Service and Service Manager has available timely information on income and expenditure on each budget heading, to enable budget holders to fulfill their budgetary responsibilities;
- expenditure is committed only against an approved budget head containing adequate budgetary provision;
- all officers responsible for committing expenditure shall comply with relevant guidance, including Financial Regulations and Contract Standing Orders;
- each budget head has a single named Manager, determined by the Head of Service / Service Manager. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making which commits expenditure;
- significant variances from approved budgets are investigated and reported by managers regularly;
- procedures are in place for corrective action to be taken to manage significant variances.

To administer the Council's scheme of virement.

To submit reports to Cabinet where a Head of Service / Service Manager is unable to balance expenditure and resources within existing approved budgets under their control.

To prepare and submit regular budget monitoring reports on the Council's projected expenditure compared with the budget.

A2.4 Responsibilities of Directors, Heads of Service and Service Managers

To maintain budgetary control and to ensure that all income and expenditure is properly recorded and accounted for.

To ensure that a single accountable budget holder is identified for each item of expenditure. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making which commits expenditure.

To ensure that spending remains within the service budget, and that individual budget heads are not overspent, by monitoring the budget and, where it appears that areas of the budget are likely to be over or underspent, taking appropriate corrective action.

To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that any necessary action is taken.

To advise the S151 Officer immediately where it is clear that they are unable to balance expenditure or income (when a loss of income arises) within existing approved budgets under their control.

To ensure prior approval by Council for new proposals. (A report on new proposals should explain the full financial implications, after consultation with the S151 Officer). Unless Council has agreed otherwise, Directors must plan to contain the financial implications of such proposals within their cash limit).

To ensure compliance with the Council's scheme of virement.

To consult with the relevant Director and the S151 Officer where it appears that a budget proposal, including a virement proposal, may impact materially on another service.

A3 Scheme of Virement (See Appendix F)

A3.1 Why is this important?

The scheme of virement enables Directors to manage budgets with a degree of flexibility within the overall policy framework determined by Council.

A3.2 Key Controls

The scheme is administered by the S151 Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Head of Paid Service and the S151 Officer. Virement will only be used where there is a confirmed change to the spending plans agreed by Cabinet, it will not be used purely to offset budget variances.

Directors and budget holders are authorised to incur expenditure in accordance with the estimates agreed by Cabinet and approved by Council. Virement is a switching of resources between budget heads or capital schemes. For the purposes of these Rules a budget head is considered to be at an equivalent level to the standard service sub-division as defined by CIPFA. The scheme applies equally to a reduction in income as to an increase in expenditure.

Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. They should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

A3.3 Responsibilities of the S151 Officer

To prepare jointly with the appropriate Director/Head of Service/Service Manager a report to the Cabinet Member where virements in excess of £50,000 are proposed.

A3.4 Responsibilities of Directors, Heads of Service and Service Managers

A Director, Head of Service or Service Manager may exercise virement on budgets under their control for amounts up to and including £10,000 on any one budget head during the year.

Virements within a policy area of greater than £10,000 but less than £50,000 require the approval of the S151 Officer. Where the amount is greater than £50,000 but below £100,000 the virement requires the prior approval of the Cabinet Member for Performance and Resources.

The prior approval of Cabinet is required to any virement where it is proposed to vire between budgets managed by different Directors.

Virement which is likely to impact on the level of service activity of another Service should be implemented only after consultation with the relevant Head of Service.

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

A4 Treatment of Year End Balances

A4.1 Why is this important?

The rules below cover arrangements for the transfer of resources between accounting years i.e. a 'carry forward'. Carry forwards will only be approved in the appropriate circumstances.

A4.2 Key controls

Appropriate accounting procedures are in operation to ensure that carried forward totals are agreed and correct.

Any under or overspend on revenue budgets will be written to General Fund revenue balances at the Financial Year end.

A4.3 Responsibilities of the S151 Officer

To report the extent of overspends and underspends on service estimates to Cabinet and to Council.

To report to Cabinet and to Council any proposed carry forwards for both revenue and capital and their effect upon the balances of the Council.

A4.4 Responsibilities of Directors, Heads of Service and Service Managers

Any request to carry forward underspends of either revenue or capital resources must have prior approval from the S151 Officer.

A5 Accounting Policies

A5.1 Why is this important?

The S151 Officer is responsible for the preparation of the Council's statement of accounts in the format required by the CIPFA Code of Practice on Local Authority Accounting in Great Britain, for the financial year ending 31 March.

A5.2 Key controls

The key controls for accounting policies are:

- suitable accounting policies are selected and applied consistently;
- judgments are made and estimates prepared which are reasonable and prudent;
- statutory and other professional requirements are observed to maintain proper accounting records;
- all reasonable steps have been taken for the prevention and detection of fraud and other irregularities.

A5.3 Responsibilities of the S151 Officer

To adopt suitable accounting policies and to ensure that they are applied consistently. The accounting policies will be set out in the statement of accounts which is prepared at 31 March each year, and will cover such items as:

- separate accounts for capital and revenue transactions;
- accruals of income and expenditure;
- cash and cash equivalents
- financial instruments
- details of provisions and reserves;
- fixed assets;
- depreciation;
- work in progress;
- stocks and stores;
- deferred charges;
- accounting for value added tax;
- government grants;
- leasing;
- pensions.

A5.4 Responsibilities of Directors, Heads of Service and Service Managers

To adhere to the accounting policies approved by the S151 Officer.

A6 Accounting Records and Returns

A6.1 Why is this important?

Proper accounting records are one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This provides assurance that the accounts are properly prepared and proper accounting practices have

been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council's resources.

A6.2 Key controls

The key controls for accounting records and returns are:

- all Cabinet Members, finance staff and budget managers operate within the required accounting standards of the Council;
- all the Council's transactions, material commitments and contracts and other essential accounting information have been recorded completely, accurately and on a timely basis;
- procedures are in place to enable accounting records to be reconstituted in the event of failure;
- balances and reconciliation procedures are carried out to ensure transactions are correctly recorded.

A6.3 Responsibilities of the S151 Officer

To determine the accounting procedures and records for the Council. Where these are maintained in a Service other than resources, before making any determination, they will consult the Head of Service or Service Manager concerned.

To compile all accounts and accounting records or ensure they are compiled under his/her direction.

To comply with the following principles when allocating accounting duties:

- separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums, from the duty of collecting or disbursing them;
- employees with the duty of examining or checking the accounts of cash transactions shall not themselves be engaged in these transactions.

To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations.

To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable,

To administer the Council's arrangements for under and overspendings to be written to General Fund balances.

To ensure the proper retention of financial documents. The periods for which documents are to be retained will be specified separately to these financial procedures in the Council's Document Retention Policy.

To complete all statutory financial returns to government departments.

A6.4 Responsibilities of Directors, Heads of Service and Service Managers

To consult with the Audit, Risk and Assurance Manager, and obtain the approval of the S151 Officer before making any changes to accounting records and procedures.

To comply with the principles of separation of duties when allocating accounting duties.

To maintain adequate records to provide an audit trail leading from the source of income/ expenditure through to the accounting statements.

To supply information required to enable the Statement of Accounts to be completed, in accordance with guidelines issued by the S151 Officer.

To observe such accounting instructions as may be made from time to time.

To maintain detailed records to support claims submitted for expenditure funded from specific grants.

To supply information required to enable all statutory financial returns to be submitted within timescales.

APPENDIX B: FINANCIAL PLANNING

B1 Resource Allocation

B1.1 Why is this important?

A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfill need/desire. It is therefore imperative that resource allocation is carefully prioritised and that resources are fairly allocated, in order to fulfill all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

B1.2 Key controls

The key controls for resource allocation are:

- budget managers obtain appropriate resources for the specified level of service delivery;
- resources are acquired using an approved authorisation process;
- resources are only used for the purpose intended by Council, to achieve the approved policies and objectives, and are properly accounted for;
- resources are secured for use when required;
- resources are used with the minimum level of waste, inefficiency or loss.

B1.3 Responsibilities of the S151 Officer

To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

To assist in the allocation of resources to managers.

B1.4 Responsibilities of Directors, Heads of Service and Service Managers

To work within budget limits and to utilise resources allocated and further allocate resources in the most efficient, effective and economic way.

To identify opportunities to minimise or eliminate resource requirements or consumption without a detrimental effect on service delivery.

B2 Capital Programme

B2.1 Why is this important?

Capital expenditure involves acquiring or enhancing fixed assets with a long term value to the Council, such as land, buildings and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long-term and create future financial commitments in the form of revenue running costs, they may also generate income.

There are strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B2.2 Key controls

The key controls for capital programmes are:

- specific approval by Council for the programme of capital expenditure;
- expenditure on capital schemes is subject to the approval of the S151 Officer;
- a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the S151 Officer and the Cabinet Member for Performance and Resources;
- proposals for improvements and alterations to buildings must be approved by the S151 Officer;
- the development and implementation of asset management plans;
- accountability for each proposal is accepted by a named manager;
- monitoring of progress in conjunction with expenditure and comparison with approved budget;
- post project review to be undertaken on major capital schemes.

B2.3 Responsibilities of the S151 Officer

To prepare capital estimates jointly with Directors and report them to Cabinet for approval at the same time as the revenue budget is agreed and approved. Cabinet will make recommendations on the capital estimates and on any associated financing requirements to Council.

To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the S151 Officer, having regard to Government rules and accounting requirements.

To obtain authorisation from Cabinet and/or Council for individual schemes where the estimated expenditure exceeds the capital programme provision by more than the specified amount.

To prepare and submit regular capital monitoring reports to Cabinet comparing expenditure to estimates, clearly identifying variances, with explanations for the variances and recommendations for any actions to be taken.

To approve with the Cabinet Member for Performance and Resources, capital projects in excess of £50,000 for commencement.

B2.4 Responsibilities of Directors, Heads of Service and Service Managers

To comply with guidance concerning capital schemes and controls issued by the S151 Officer.

To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the S151 Officer.

To ensure that adequate records are maintained in respect of all capital contracts.

To proceed with projects only when there is adequate provision in the capital programme, and where projects exceed £50,000, with the agreement of the S151 Officer.

To prepare and submit monitoring reports, jointly with the S151 Officer, to Cabinet of any variation in contract costs greater than the approved limits. (See Contract Standing Orders).

To prepare and submit reports, jointly with the S151 Officer, to Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount. (See Contract Standing Orders).

To ensure that no credit arrangements, such as leasing agreements, are entered into without the prior approval of the S151 Officer and, if applicable, approval of the scheme through the capital programme.

To consult with the S151 Officer and seek Cabinet approval where the Head of Service/Service Manager proposes to bid for additional grants to be issued by Government departments to support expenditure which has not been included in the current year's capital programme.

B3 Preparing Revenue Budgets and Five Year Money Planning

B3.1 Why is this important?

The Council needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.

The revenue budget must be constructed so as to ensure that resource allocation properly reflects the spending plans and priorities of the Council. Budgets, are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent.

Five year medium term planning involves a planning cycle in which each manager develops their own plans. As each year passes, another future year will be added to the five year money plan. Medium term planning ensures that the Council is always preparing for events in advance.

B3.2 Key controls

The key controls for the preparation of revenue budgets and five year money planning are:

- Specific budget approval for all expenditure;
- Budget Managers accept accountability within delegations set by Cabinet for their budgets and the level of service to be delivered;
- A monitoring process is in place to regularly review the effectiveness and operation of budget preparation and that any corrective action is taken;
- Proper accounting practices and policies are adhered to.

B3.3 Responsibilities of the S151 Officer

To prepare and submit reports on budget prospects for Cabinet, including resource constraints set by the Government. Reports should take account of medium term prospects, where appropriate.

To determine the detailed form of revenue estimates, consistent with the general directions of the Council, after consultation with Cabinet, and Directors.

To prepare and submit reports to Cabinet on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council Tax to be levied.

To advise on the medium term implications of Government statements on public spending and distribution of central government resources.

To encourage best use of resources and value for money by working with Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

To advise Council on Cabinet proposals in accordance with their responsibilities under S151 of the Local Government Act 1972.

In consultation with the Directors and in accordance with the laid down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by Cabinet and Council.

To have regard to:

- spending patterns and pressures revealed through the budget monitoring process;
- legal requirements;
- policy requirements as defined by Council;
- initiatives already underway when drawing up draft budget requirements.

B3.4 Responsibilities of Directors, Heads of Service and Service Managers

To prepare estimates of potential revenue savings and growth requirements, in consultation with the S151 Officer, to be submitted to Cabinet.

To prepare budgets which are consistent with any relevant resource limits, with the Council's annual budget cycle and with guidelines issued by Cabinet. The format should be prescribed by the S151 Officer in accordance with Council's general directions.

To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.

To consult with the relevant Head of Service / Service Manager, where it appears that a budget proposal is likely to impact on another service.

B4 Use of Reserves

B4.1 Why is this important?

Reserves are maintained as a matter of prudence.

B4.2 Key controls

To maintain reserves in accordance with the Code of Practice on Local Authority Accounting and agreed accounting policies.

B4.3 Responsibilities of the S151 Officer

To advise on prudent levels of reserves for the Council, and to act on the advice of external audit in this matter.

APPENDIX C: AUDIT AND CONTROL OF RESOURCES

C1 Internal Audit Requirements

C1.1 Why is this important?

The S151 Officer undertakes a statutory responsibility for the overall financial administration of the Council's affairs and is responsible for maintaining an adequate and effective internal audit.

Internal audit is an independent and objective appraisal function established by Council for reviewing the Council's system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

C1.2 Key controls

The key controls for internal audit are:

- that it remains independent in its planning and operation;
- the Audit, Risk and Assurance Manager, has direct access to the Head of Paid Service, Cabinet, Audit and Governance Committee and Monitoring Officer;
- the internal auditor complies with CIPFA's Code of Practice for Internal Audit, and other relevant guidance.

C1.3 Responsibilities of the S151 Officer

The S151 Officer is responsible for maintaining an adequate and effective system of internal audit. They must ensure that internal auditors have the authority to:

- (i) enter at all reasonable times on to any premises or land under the control of, or used by, the Council;
- (ii) have access to all records, documents, contracts and correspondence, including data relating to any financial or other transaction of the Council;
- (iii) have access to records belonging to partner organisations when required and receive such explanations as are necessary concerning any matter under examination;
- (iv) require any employee of the Council to produce cash, stores, or other property under their control.

C1.4 Responsibilities of the Audit, Risk and Assurance Manager

To maintain Annual Audit Plans which take account of the characteristics and relative risks of the activities involved. They should liaise with Directors on the Audit Strategy and cover required. In addition to the statutory requirement, this takes account of the need to seek added value, effective use of resources, improved performance and cost-effective controls.

Where an appropriate response to audit recommendations has not been made within a reasonable period, the S151 Officer may refer the matter to the Head of Paid Service and/or the Audit and Governance Committee.

To investigate promptly any fraud or irregularity of which they become aware and to report to the Monitoring Officer who will consider any legal proceedings together with One Legal and the Head of Paid Service will consider any disciplinary action in consultation with the appropriate Manager.

To report annually to the Head of Paid Service, S151 Officer and to the Audit and Governance Committee on the main issues raised by internal audit during the year. Furthermore annual audit plans will be submitted to and approved by the Audit and Governance Committee.

C1.5 Responsibilities of Directors, Head of Service and Service Managers

To ensure that auditors are given access at all reasonable times to premises, personnel, documents and assets which the auditors consider necessary for the purposes of their work.

To ensure that auditors are provided promptly with any information and explanations which they seek in the course of their work.

To consider and respond promptly to recommendations in audit reports.

To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

To notify the S151 Officer and Audit, Risk and Assurance Manager, immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Director, Head of Service or Service Manager should take all necessary steps to prevent further loss and to secure records and documentation against removal, destruction or alteration.

C2 External Audit Requirements

C2.1 Why is this important?

The Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (appointing person) Regulations 2015 specified the Public Sector Audit Appointments (PSAA) as an appointing person responsible for appointing external auditors to each local authority. The S151 Officer is responsible for working with the external auditor and for advising Council, Cabinet and Directors on their responsibilities in relation to external audit. The external auditor has the same rights of access as the internal auditor to all documents which are necessary for audit purposes.

The basic duties of the external auditor are governed by Section 20 of the 2015 Act, under which auditors need to satisfy themselves that:

- the accounts are prepared in accordance with rules made under Section 32 of the 2015 Act and comply with the requirements of all statutory provisions applicable to the accounts;
- proper practice has been observed in compilation of accounts;
- the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Council's accounts are scrutinised by external auditors, appointed by the PSAA, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

C2.2 Key controls

External auditors are appointed by the PSAA normally for a minimum period of five years. The Audit Commission prepares guidelines which the external auditors follow when auditing the Council's statement of accounts.

C2.3 Responsibilities of the S151 Officer

To draw up the timetable and issue guidance for final accounts purposes and to advise staff and external auditors accordingly.

To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

C2.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purpose of their work.

To ensure that all paperwork and systems are up-to-date and available for inspection.

C3 Preventing Financial Irregularities

C3.1 Why is this important?

The Council will not tolerate fraud or corruption in the administration of its responsibilities whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) that it comes into contact with, will act towards the Council with integrity and in a manner free of fraud and corruption.

C3.2 Key controls

The key controls regarding the prevention of financial irregularities are that:

- the Council maintains sound internal control procedures in line with best accounting practice. In particular, there is a clear separation of duties in accounting routines evidenced by maintaining appropriate audit trail information;
- the culture and tone of the Council is one of honesty and opposition to fraud and corruption;
- all Members, staff and organisations associated with the Council will act with integrity and lead by example;
- managers are required to deal swiftly and firmly with those who defraud the Council or who are corrupt.

C3.3 Responsibilities of the S151 Officer

To maintain adequate and effective audit arrangements for the Council.

To ensure that financial irregularities are reported to the Head of Paid Service, Cabinet, Audit and Governance Committee, Audit, Risk and Assurance Manager and the Council Solicitor.

To determine the scope of any internal enquiries or investigations, subject to consultation with the appropriate Director and Council Solicitor.

To decide, in consultation with the appropriate Director and Council Solicitor, whether any matter under investigation should be referred for police investigation and take recovery action as appropriate on such matters.

To keep the Head of Paid Service and Council Solicitor informed if a suspected irregularity occurs involving staff who are the responsibility of the S151 Officer.

To ensure, in conjunction with the appropriate Head of Service / Service Manager, that the Council's disciplinary procedures are followed where the outcome of an audit or other investigation indicates fraud or irregularity.

C3.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that all suspected irregularities are reported to the S151 Officer.

To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

C4 Resources: Land, Buildings, Plant and Machinery

Security

C4.1 Why is this important?

The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services, and that there should be arrangements for the security of both assets and service operations.

C4.2 Key controls

The key controls for the security of resources, such as land, buildings, fixed plant and machinery are:

- (a) budget managers obtain appropriate resources for the specified level of service delivery;
- (b) resources are acquired using an approved procurement process;
- (c) resources are used only for the purposes of the Council and properly accounted for;

- (d) resources are secured to be available for use when required;
- (e) resources no longer required are disposed of in accordance with the law and the Council rules so as to maximise benefits;
- (f) regular audits of assets are undertaken to ensure their continued existence and that they remain fit for purpose.

C4.3 Responsibilities of the Director of Policy & Resources

To ensure that asset registers are maintained in accordance with good practice.

To receive information from Directors required for accounting, costing and financial records.

To assist and advise, in consultation with the appropriate Head of Service or Service Manager, the records to be maintained to ensure proper security and control of premises, stocks, stores, furniture equipment, cash and other items of value.

C4.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the appropriate Head of Service / Service Manager, in consultation with the Director of Policy & Resources and the Council Solicitor, has been established as appropriate.

To ensure the proper security of all buildings and other assets under their control.

To periodically review land and buildings in order to identify any that are surplus to requirements.

Where land or buildings are identified as surplus to requirements, a recommendation for the sale of land should be the subject of a joint report by the appropriate Director and the Director of Policy & Resources.

Where the use of buildings or land is subject to appropriation between services, to refer the appropriation for approval by Cabinet, taking into account the alternative possible uses of the land.

To pass title deeds to Director, who is responsible for custody of all title deeds.

To ensure that no Council asset is subject to third party or personal use by an employee without proper authority.

To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.

To ensure that each Service maintains a register of moveable assets.

To ensure assets are identified, their location recorded and that they are appropriately security marked and insured.

To consult the Director of Policy & Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

To ensure cash holdings on premises are kept to a minimum and to advise the Director of Policy & Resources where there may be an exception to this case.

The disposal of all surplus equipment, stocks or stores expected to realise in excess of £5,000 should normally be by competitive tender or public auction in accordance with Contract Standing Orders unless, following consultation with the S151 Officer. A record of all such disposals shall be maintained.

To arrange for the valuation of assets for accounting purposes to meet requirements specified by the S151 Officer.

To ensure that all their employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

Inventories

C4.5 Responsibilities of the Director of Policy & Resources

To advise on the form, layout and content of inventory records to be maintained by the Council.

C4.6 Responsibilities of Directors, Heads of Service and Service Managers

To maintain inventories in a form approved by the Director of Policy & Resources to adequately record and describe furniture, fittings and equipment, plant and machinery under their control.

To carry out an annual check of all items on the inventory in order to take action in relation to surpluses or deficiencies, annotating the inventory accordingly and reporting any material discrepancies to the Director of Policy & Resources.

Attractive and portable items, such as computers and cameras should be identified with security markings as belonging to the Council and appropriately controlled and secured.

To make sure that property is only used in the course of Council business unless the Director, Head of Service or Service Manager concerned has given permission otherwise.

Surplus ICT equipment is to be returned to Business Transformation and Technology who shall reallocate it or dispose of it in accordance with the IT disposal policy.

Stocks and Stores

C4.7 Responsibilities of the Director of Policy & Resources

To advise on the arrangements for the care and custody of stocks and stores and the method of stock valuation to be used where appropriate.

C4.8 Responsibilities of Directors, Heads of Service and Service Managers

To make arrangements for the care and custody of stocks and stores in Services.

To ensure stocks are maintained at reasonable levels and subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

To write-off discrepancies of up to £500 and seek advice from Internal Audit on discrepancies above this limit.

To authorise or write-off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and stores should be by competitive quotations or auction unless, following consultation with the S151 Officer.

To seek approval from the S151 Officer to the write-off of redundant stocks and stores valued in excess of £500 and report any such write offs to Cabinet.

C5 Asset Disposal

C5.1 Why is this important?

It would be unsatisfactory and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and rules of the Council.

C5.2 Key controls

Assets are disposed of at the most appropriate time in accordance with Contract Standing Orders, and only when it is in the best interests of the Council, and that the best price is obtained. For items of significant value, disposal should be by competitive tender or public auction.

C5.3 Responsibilities of the Director of Policy & Resources

To advise on best practice for disposal of assets.

To ensure appropriate accounting entries are made.

C5.4 Responsibilities of Directors, Heads of Service and Service Managers

To seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment.

To ensure that income received for disposal of an asset is promptly and properly banked and coded.

C6 Insurance

C6.1 Why is this important?

Insurance has been the traditional means of protecting against loss, but this cannot be seen as the complete answer. By reducing or even preventing the incidence of losses (whether they result from crime or accident), the Council will benefit from reduced costs of providing insurance cover and will also avoid the disruption and wasted time caused by losses and insurance claims.

C6.2 Key controls

Acceptable levels of retained risk are identified and evaluated and arrangements are in place for their funding, either by internal provision or external insurance as appropriate.

C6.3 Responsibilities of the Director of Policy & Resources

To determine and effect appropriate corporate insurance cover, through external insurance and/or internal funding.

To provide advice to Council and Cabinet on insurance matters.

To include all appropriate Council employees in a suitable fidelity guarantee insurance.

C6.4 Responsibilities of Directors, Heads of Service and Service Managers

To notify the Director of Policy & Resources promptly of all new or increased risks, properties or vehicles which require insurance and of any alterations affecting existing insurances.

To consult the Director of Policy & Resources and the Council Solicitor in respect of the terms of any indemnity which the Council is requested to give.

C7 Treasury Management and Banking

C7.1 Why is this important?

Many millions of pounds pass through the Council's books each year. A few Councils have suffered high profile losses through inappropriate treasury management procedures. This led to the establishment of Codes of Practice. These aim to provide assurances that the Council's money is properly managed in a way which balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.

The Council has adopted a Treasury Policy Statement based on the CIPFA Code of Practice for Treasury Management. All treasury management operations are carried out in accordance with this Statement and the Code.

C7.2 Responsibilities of the S151 Officer

To arrange the borrowing and investment activities of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's Treasury Policy Statement.

To prepare an Annual Treasury Strategy, for the forthcoming financial year, for approval by Council prior to the start of that financial year, including the determination of statutory financing limits in accordance with Section 45 of the Local Government and Housing Act 1989. Subject to the foregoing, the S151 Officer is responsible for the management of the Council's loan debt and for the investment of surplus funds.

To manage, control and monitor the Council's banking arrangements, including the opening and closing of such bank accounts as are considered necessary within the terms of the overall banking arrangement. Opening or closing any bank account shall only be undertaken by, or with the approval of, the S151 Officer, or his nominated representative. The title of any such bank accounts shall include the words "Gloucester City Council".

Cheques, shall be ordered only on the authority of the S151 Officer, who shall make proper arrangements for their safe custody.

C7.3 Responsibilities of Directors, Heads of Service and Service Managers

To comply with financial rules relating to banking arrangements and to follow the guidance on banking issued from time to time by the S151 Officer.

To advise the S151 Officer of material amounts due to be credited or debited to the Council's bank accounts in order to enable efficient cash flow management.

C8 Investments and Borrowing

C8.1 Responsibilities of the S151 Officer

Ensure that all borrowings and investments are made in the name of the Council.

Ensure that all securities in support of investments which are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in accordance with arrangements approved by the S151 Officer.

To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council. They may also authorise the premature repayment of individual bonds and mortgages.

All money temporarily uninvested, shall be aggregated for the purpose of treasury management and shall be under the control of the S151 Officer.

Unofficial or voluntary funds are, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities or similar documents relating to the trust with the S151 Officer unless the deed otherwise provides.

To arrange, where funds are held on behalf of third parties, for their secure administration and maintain written records of all transactions.

To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

C8.2 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that no loans are made to third parties and no interests are acquired in companies, joint ventures, or other enterprises without the approval of Council, following consultation with the S151 Officer.

To ensure that any unofficial or voluntary fund is declared to him/her by the controlling officer(s) and that annual accounts, audited by suitably qualified auditors, are submitted within a reasonable time after the end of each accounting period, to the body responsible for the management or control of each fund.

To ensure that all officers acting as trustees by virtue of their official position shall deposit securities or similar documents relating to the trust with the S151 Officer unless the deed otherwise provides.

To inform the S151 Officer of the names of all such funds and of their controlling officer(s) and managing body. Where the Director, Head of Service or Service Manager so requests, the S151 Officer shall advise on the suitability of the form of accounts and of the audit arrangements.

C9 Staffing

C9.1 Why is this important?

In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level. An appropriate staffing strategy and policy should exist, in which staffing requirements and budget allocation should be matched.

C9.2 Key controls

The key controls for staffing are:

- (a) that procedures are in place for forecasting staffing requirements and cost;

- (b) that procedures are in place for monitoring staffing expenditure against budget;
- (c) that controls are implemented that ensure that staff time is used efficiently and benefits the Council.

C9.3 Responsibilities of the S151 Officer

To ensure that budget provision exists for all existing and new employees.

To act as an advisor to Directors on areas such as National Insurance, pension contributions as appropriate.

To ensure that an annual staffing budget is produced that is based upon the Council's agreed establishment.

C9.4 Responsibilities of Directors, Heads of Service and Service Managers

To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

To ensure that the staffing budget is not exceeded and that it is managed to enable the agreed level of service to be provided within the Service's cash limit.

Under no circumstances to appoint additional posts to the agreed Establishment without first seeking approval from the Head of Paid Service to increase the Establishment and agreeing the source of finance with the S151 Officer.

APPENDIX D: SYSTEMS AND PROCEDURES

D1 Systems and Procedures: General

D1.1 Why is this important?

The Council has many systems and procedures relating to the control of assets, including purchasing, cash receipting and financial ledger systems.. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

The S151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore be notified of any new developments or changes.

D1.2 Key controls

Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated.

Performance is communicated to the appropriate managers on an accurate, complete and timely basis.

Early warning is provided of deviations from target, plans and budgets that require management attention.

Operating systems and procedures are secure.

D1.3 Responsibilities of the S151 Officer

To make arrangements for the proper administration of the Council's financial affairs, including to:

- issue advice, guidance and procedures for the Council's officers and others acting on its behalf;
- determine the accounting systems, form of accounts and supporting financial records;
- establish arrangements for audit of the Council's financial affairs;
- approve any changes to be made to existing financial systems or new systems introduced.

D1.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that accounting records are properly maintained and held securely.

To ensure that vouchers and documents with financial implications are not destroyed except in accordance with arrangements approved by the S151 Officer.

To ensure that a complete management trail, allowing financial transactions to be traced from the original document to the accounting records, and vice versa, is maintained.

To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and minimise the risk of fraud or other malpractice.

To ensure that systems are documented and staff trained in operations.

To consult with the S151 Officer before changing any existing system or introducing new systems.

To ensure procedures are regularly audited to ensure appropriate staff training has occurred and authorisations have occurred.

To seek approval from the S151 Officer and in consultation Council Solicitor in situations where it is considered that the Financial Regulations or Contract Standing Orders should be waived or a procurement exemption applied.

To establish a scheme of delegation identifying officers authorised to act upon the Directors behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.

To ensure that relevant standards and guidelines for computer systems issued by the appropriate Head of Service / Service Manager are observed.

To ensure that computer equipment and software are protected from loss and damage through theft, vandalism etc.

To comply with the copyright, designs and patents legislation and, in particular, ensure that:

- only software legally acquired and installed by the Council is used on its computers;
- staff are aware of legislative provisions.

D2 Income

D2.1 Why is this important?

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all of the income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cashflow and also avoids the time and cost of administering debts.

D2.2 Key controls

The key controls for income are:

- all income due to the Council is identified and charged correctly;
- all income is collected from the correct person, at the right time using the correct procedures and the appropriate stationery;
- all money received by an employee on behalf of the Council is paid without delay to the Council's bank account, and properly recorded;
- effective action is taken to pursue non-payment within defined timescales;
- formal approval for write-off is obtained;
- appropriate write-off action is taken within defined timescales;
- appropriate accounting adjustments are made following write-off action;
- all appropriate income documents are retained and stored for the defined period in accordance with the Document Retention Policy.

D2.3 Responsibilities of the S151 Officer

To agree arrangements for the collection of all income due to the Council and approve the procedures, systems and documentation for its collection.

To agree the write off of bad debts up to £10,000 - £100,000 with the Cabinet Member for Performance and Resources (see Delegation Section) in each case and to refer larger sums to Cabinet.

To ensure that appropriate accounting adjustments are made following write-off.

D2.4 Responsibilities of Directors, Heads of Service and Service Managers

To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and review it regularly, within corporate policies.

To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.

To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts which are not paid promptly in consultation with the Council Solicitor.

To issue official receipts or maintain other documentation for income collection.

To hold securely receipts, tickets and other records of income, for the appropriate period.

To lock away all income until it can be banked, to safeguard against loss or theft and to ensure the security of cash handling.

To ensure that income is paid fully and promptly into the Council's bank account in the form in which it is received. Appropriate details should be recorded on to the Cash Receipting system to provide an audit trail.

To ensure income is not used to cash personal cheques or other payments.

To record correctly the sums due to Council and to ensure accounts are raised promptly for work done, goods supplied or services rendered.

Directors have a responsibility to assist the S151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

To keep a record of every transfer of official money between Council employees. The receiving officer must sign for the transfer and the giving officer must retain a copy.

To recommend to the S151 Officer any debts to be written off and keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

To obtain the approval of the S151 Officer when writing off any individual amounts in excess of £500 and amounts for an individual debtor that in total exceed £500.

To notify the S151 Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the S151 Officer.

D3 Payments to Employees and Members

D3.1 Why is this important?

Employee costs are the largest item of expenditure for most Council services. It is, therefore important that there should be controls in place to ensure that payments are made only where they are due for services to the Council and that payments accord with individual's contracts of employment and conditions of service.

D3.2 Key controls

The key controls for payments to employees and Members are:

- Proper authorisation procedures and adherence to corporate timetables for:
- appointments, resignations, dismissals, suspensions and secondments;
- absences from duty for sickness and unpaid leave;
- changes in remuneration, other than pay awards;
- information necessary to maintain records of service for superannuation, income tax, national insurance.
- Frequent reconciliation of payroll expenditure against approved budget.
- All appropriate payroll documents are retained and stored for the defined period in accordance with the "Guidelines on the Destruction of Financial Records".

D3.3 Responsibilities of the S151 Officer

To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to employees in accordance with procedures prescribed on the due date.

To record and control tax and other statutory deductions.

To make arrangements for payment of all travel and subsistence claims or financial loss allowance.

To make arrangements for paying Members' travel or other allowances upon receiving the prescribed form duly completed and authorised.

Claim forms submitted more than three months after the expenditure has been incurred shall only be paid on the approval of the S151 Officer.

To secure payment of salaries and wages by the most economical means.

D3.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure appointments are made in accordance with the rules of the Council and approved establishments, grades, scales of pay and that adequate budget provision is available for the current financial year and subsequent years.

To notify the S151 Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the S151 Officer.

To ensure that adequate and effective systems and procedures are operated for personnel and payroll aspects, so that:

- payments are only authorised to bona fide employees;
- payments are only made where there is a valid entitlement;
- conditions, service and contracts of employment are correctly applied;
- employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness;
- there is an effective system of checking and certifying payroll forms.

To ensure that payroll transactions are processed only through the payroll system. Directors should give careful consideration to the employment status of individuals employed on a "self employed consultant or sub-contract" basis. The Inland Revenue through IR35 applies clear guidelines for employee status and in cases of doubt, advice should be sought from the S151 Officer.

To certify travel and subsistence claims and other allowances on a monthly basis. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the S151 Officer is informed where appropriate.

Claim forms submitted more than three months after the expenditure has been incurred shall only be paid on the approval of the S151 Officer.

To ensure that the details of any employee benefits in kind are notified to the S151 Officer to enable full and complete reporting within the Income Tax Self Assessment system.

To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the Document Retention Policy.

D3.5 Responsibilities of Members

To submit claims for Members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year-end.

D4 Ordering and Paying for Work, Goods and Services

D4.1 Why is this important?

Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council's procedures should help to ensure that services can receive value for money in their purchasing arrangements. These procedures should be read in conjunction with the Council's Procurement Strategy and Contract Standing Orders.

It is imperative that budget managers keep a tight control over their budgets. Control starts with commitments placed against individual budgets in the form of Orders.

D4.2 General

Every Member and officer of the Council has a responsibility to declare any links or personal interests which they may have with purchasers or suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council. The Monitoring Officer maintains a Register of Members' and Officers' Interests for this purpose.

Official orders must be in a form approved by the S151 Officer.

Official orders must be issued for ALL work, goods or services to be supplied to the Council with only the following exceptions:

- Bailiff and Recovery Agent Costs
- Utility bills (gas/electricity/water/oil/telephones and any other metered service)
- Approved petrol accounts
- Pre-paid postage
- Housing renovations grants (capital)
- Inland Revenue payments
- Officer and Member expenses/allowances
- Housing Benefit /Council Tax/Business Rates refunds or payments

- Commissions
- All payments to the Council
- Refunding overpaid fees to customers
- Rent Refunds
- Superannuation payments
- Treasury / banking charges
- Barrister's fees / Court fees / Solicitor's fees
- ECDL test
- Insurance premiums
- Rail warrants
- Medical fees
- CRB and DVLA checks

Officers shall not give verbal orders, unless by reason of urgency (e.g. out of hours service) and any such orders must be confirmed by an official order on the next working day.

Each order must conform with the directions of the Council on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior written approval of the S151 Officer and Council Solicitor

The normal method of payment of money due from the Council shall be by BACS or other instrument drawn on the Council's bank account by the S151 Officer. The use of direct debit shall require the prior agreement of the S151 Officer.

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

D4.3 Key controls

The key controls for ordering and paying for work, goods and services are:

- all goods and services are ordered only by appropriate persons;
- all goods and services shall be ordered in accordance with the Council's Procurement Strategy and Contract Standing Orders;
- all goods and services to be ordered using the Council's purchasing system, except those detailed in section D4.2;
- goods and services received are checked to ensure they are in accordance with the order;
- payments are authorised by officers who can certify that goods have been received to price, quantity and quality;
- all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
- all appropriate payment documents are retained and stored for the defined period in accordance with the Finance Document Retention Policy and Schedule;
- all expenditure including VAT, is accurately recorded against the right budget and any exceptions corrected;
- in addition, electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

D4.4 Responsibilities of the S151 Officer

To ensure that all of the Council's financial systems and procedures are sound and well administered.

To approve any changes to existing financial systems and to approve any new systems before they are introduced.

To approve the form of official orders, and associated terms and conditions.

To make payments from the Council's funds on the appropriate authorisation that the expenditure has been duly certified in accordance with Financial Regulations.

To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

To make payments to contractors on the certificate of the appropriate Head of Service / Service Manager which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment confirming:

- receipt of goods or services;
- that the invoice is addressed to Gloucester City Council;
- that the invoice has not previously been paid;
- that prices and arithmetic are correct;
- correct accounting treatment of tax;
- the invoice is correctly coded;
- discounts have been taken where available;
- that appropriate entries will be made in accounting records.

To ensure that all appropriate payment records are retained and stored for the defined period in accordance with the Council's Document Retention Policy.

D4.5 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that only orders generated from the Financial System are used for all goods and services other than the exceptions specified earlier.

To ensure that orders are only used for goods and services provided to the Council. Individuals must not use official orders to obtain goods or services for their private use.

To ensure that only agreed staff authorise orders and to maintain an up-to-date list of such authorised staff whose names and signatures shall be forwarded to the S151 Officer. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained in accordance with Contract Rules. Value for money should always be taken into consideration in accordance with the Council's Procurement Strategy.

To ensure that goods and services are checked on receipt to ensure they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order.

Payment should not be made on a statement or other document other than the formal invoice.

All invoices recommended for payment must be certified by an appropriate officer and must, wherever possible, reference the purchase order reference.

To encourage suppliers of goods and services to receive payment by the most economic means. Payments should, however, not be made by direct debit unless essential and with the prior approval of the S151 Officer.

To ensure that the Council obtains best value for money from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the guidelines and best practices set out in the Council's Procurement Strategy and Contract Standing Orders.

To ensure that employees are aware of the national Code of Conduct for local government employees and any locally adopted codes or rules relevant to employees' conduct.

To ensure that no loan, leasing or rental arrangements are entered into without prior agreement from the S151 Officer. This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure value for money is being obtained.

To notify the S151 Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the S151 Officer.

To notify the S151 Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

D5 Taxation

D5.1 Why is this important?

Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

D5.2 Key controls

The key controls on taxation are:

- budget holders are provided with relevant information and kept up-to-date on tax issues;
- budget holders are instructed on required record keeping;
- all taxable transactions are identified, properly carried out and accounted for within stipulated timescales;
- records are maintained in accordance with instructions;
- returns are made to the appropriate authorities within the stipulated timescale.

D5.3 Responsibilities of the S151 Officer

To complete all Inland Revenue returns regarding PAYE.

To complete a monthly return of VAT inputs and outputs to HM Revenue and Customs.

To provide details to the Inland Revenue regarding the Construction Industry Tax Deduction Scheme:

To maintain up-to-date guidance for Council employees on taxation.

D5.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that the correct VAT liability is attached to all income and that all VAT recoverable on purchases complies with HM Revenue and Customs Regulations.

To ensure that all persons employed by the Council are added to the payroll and tax is deducted from any payments, except where the individuals are bona fide self employed or are employed by a recognised staff agency.

To follow the guidance on taxation issued by the S151 Officer.

APPENDIX E: EXTERNAL ARRANGEMENTS

E1 Partnerships

E1.1 Why is this important?

The days of the all-purpose authority that plans and delivers everything are over. It is in partnership with others - public agencies, private companies, community groups and voluntary organisations - that the future of local government lies. Local authorities will deliver some services, but their distinctive leadership role will be to bring together the contributions of the various stakeholders. They will need to deliver a shared vision of services by bringing cohesion and co-ordination to the fragmentation of local interests.

Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what, in partnership with others, they achieve.

E1.2 General

The main reasons for entering into a partnership are:

- the desire to find new ways to share risk;
- the ability to access new resources;
- to forge new relationships.

A partner is defined as either:

- an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or
- a body whose nature or status give it a right or obligation to support the project.

Partners participate in projects by:

- acting as a project deliverer or sponsor, solely or in concert with others;
- acting as a project funder or part funder;
- being the beneficiary group of the activity undertaken in a project.

Partners have common responsibilities:

- to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- to act in good faith at all times and in the best interests of the partnership's aims and objectives;
- be open about any conflict of interests which might arise;
- to encourage joint working and best value between themselves, promote the sharing of information, resources and skills between public, private and community sectors;
- to hold confidentially any information received, as a result of partnership activities or duties, that is of a confidential or commercially sensitive nature;
- to act wherever possible as ambassadors for the project.

E1.3 Key Controls

The key controls for Council Partners are:

- to be aware of their responsibilities under the Council's Financial Regulations and Contract Standing Orders;
- to ensure risk management processes are in place to identify and assess all known risks;
- to ensure project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- to agree the roles and responsibilities of each of the partners involved in the project before the project commences;
- to communicate regularly with other partners throughout the project so that problems can be identified and resolved;

- Regular reviews are made by the Council to ensure that the partnership is delivering the aims agreed in the project appraisal and that all parties are delivering their commitments as agreed.

E1.4 Responsibilities of the S151 Officer

To advise on effective controls which will ensure that resources are not wasted.

To advise on the key elements of funding a project:

- scheme appraisal for financial viability;
- risk appraisal;
- resourcing, including taxation issues;
- audit requirements.

E1.5 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that the approval of Cabinet is obtained before any negotiations are concluded on partnership arrangements.

To maintain a register of all partnership arrangements entered into in accordance with procedures specified by the S151 Officer.

To provide appropriate information to the S151 Officer to enable a note to be entered into the statement of accounts.

To ensure the appropriate access to records belonging to partner organisations.

E2 External Funding

E2.1 Why is this important?

As local authorities are encouraged to provide 'seamless' service delivery through working closely with other agencies and private service providers, the scope for external funding has increased.

E2.2 Key controls

To ensure that key conditions of funding and that any statutory requirements are complied with.

E2.3 Responsibilities of the S151 Officer

To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.

E2.4 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that all claims for funds are made by the due date.

E3 Work for Third Parties

E3.1 Why is this important

Current legislation enables the Council to provide a range of services to other bodies. Arrangements should be in place to ensure that any risk associated with this work is minimised.

E3.2 Key controls

To ensure that proposals are properly costed in accordance with guidance provided by the Director of Policy & Resources.

To ensure that contracts are drawn up using guidance provided by the Director of Policy & Resources and that the formal approvals process is adhered to.

E3.3 Responsibilities of Directors, Heads of Service and Service Managers

To ensure that the approval of Cabinet is obtained before any negotiations are concluded to work for third parties.

To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Policy & Resources.

To ensure that appropriate insurance arrangements are made.

To ensure that the Council is not put at risk from any bad debts.

To ensure that no contract is subsidised by the Council.

To ensure that, wherever possible, payment is received in advance of the delivery of the service.

To ensure that the Service has the appropriate expertise to undertake the contract.

To ensure that such contracts do not impact adversely upon the services provided for the Council.

To ensure that all contracts are properly documented.

To provide appropriate information to the S151 Officer to enable a note to be entered into the statement of accounts.

APPENDIX F: SCHEME OF VIREMENT

This table represents the Council's approved Scheme of Virement which is maintained by the S151 Officer and should be read in conjunction with Section A3 of the Financial Regulations.

Value	Authorisation	Description
£0 - £10,000	Heads of Service decision in consultation with the S151 Officer.	Approval to vire between expenditure heads within Cost Centres.
£0 - £50,000	Directors decision in consultation with the S151 Officer.	Approval to vire between Cost Centres within the Directorate or Policy area and/or, Revenue to Capital and vice-versa.
£0 - £50,000 across Directorate	S151 Officer decision.	Approval.
£50,000 - £100,000	Portfolio holder decision – may be a key decision if it meets the key decision criteria.	S151 Officer recommends to portfolio holder. Approval is sub-delegated jointly to the Cabinet Member for Performance and Resources.
In excess of £100,000 or virements from revenue to Capital or vice-versa	Council decision Full Cabinet Decision – key decision if it meets the key decision criteria (c).	S151 Officer recommends to Cabinet.

Note:

- (i) Virements involving staff budgets and indirect costs do not represent ongoing commitments and authorisation should be sought from the S151 Officer, before considering any such virement.