

FINANCIAL PROCEDURE RULES

1. INTRODUCTION

- 1.1 In accordance with Section 151 of the Local Government Act 1972, the Borough Treasurer is the Officer responsible for the proper administration of the Council's financial affairs. In discharging this role the Borough Treasurer will have due regard to relevant statutory responsibilities, including those contained in Section 114 of the Local Government Finance Act 1988 and the prevailing Accounts and Audit Regulations.
- 1.2 Any responsibility imposed under these Rules on Executive Directors may be exercised by a duly appointed deputy, or by any other officer specifically authorised by the Council or by the Executive Director for that purpose.
- 1.3 The Borough Treasurer shall discharge his responsibilities in accordance with Article 12 of this Constitution and in consultation with Executive Directors.
- 1.4 Executive Directors shall ensure that Financial Procedure Rules are observed at all times throughout their Directorates. If Executive Directors are made aware of any contravention of Financial Procedure Rules, the Executive Director shall immediately notify the Borough Treasurer, who shall determine appropriate action.
- 1.5 The Borough Treasurer is responsible for selecting accounting policies and for determining the accounting procedures and records for the Council. The Borough Treasurer will ensure that the Council applies national requirements including:
 - the Local Authority Accounting Code of Practice and Statement of Recommended Practice
 - the Best Value Accounting Code of Practice
 - the Code of Practice on Treasury Management
 - the prevailing Accounts and Audit Regulations.
- 1.6 The Borough Treasurer will issue appropriate guidance to advise Executive Directors on the arrangements that they must maintain to ensure proper and robust financial administration.
- 1.7 Executive Directors shall ensure appropriate arrangements are in place for the separation of duties between employees responsible (in any capacity) for a) receiving or paying monies and b) setting up charges or certifying accounts.
- 1.8 In the management of Schools delegated budgets, all Schools must comply with the requirements of the Scheme for Financing Schools.
- 1.9 The Borough Treasurer should be consulted on all submissions to Government or external agencies for financial assistance. Executive Directors must ensure that all submissions are approved and monitored in accordance with the requirements of Financial Procedure Rule 3 below.

- 1.10 Each officer is responsible for ensuring they comply with the security protocols as set by the Borough Treasurer with regard to the use of the Council's electronic communication and electronic financial systems.

2. THE COUNCIL'S REVENUE BUDGET AND EXPENDITURE

- 2.1 Revenue expenditure is defined as day-to-day or operational expenditure on items that will generally be consumed within twelve months from the date of purchase (e.g. salaries, energy costs, materials).

Revenue Budgets

- 2.2 Each year, Cabinet Members and Executive Directors will develop revenue and capital budget proposals in consultation with the Borough Treasurer and the appropriate Scrutiny Committee in accordance with the Council's Budget and Policy Framework Procedure Rules.
- 2.3 The Borough Treasurer, in conjunction with the Cabinet Member for Finance and Information Technology, shall prepare overall budget reports, as part of a 3-year Medium Term Financial Plan, for consideration by the Council, in accordance with the Council's Budget and Policy Framework Procedure Rules.
- 2.4 Executive Directors are responsible for ensuring that all approved budgets are recorded accurately and promptly on the Council's corporate financial information system. Budgets should be recorded on a gross basis for all items of expenditure and income, in accordance with guidance issued by the Borough Treasurer.

Revenue Expenditure

- 2.5 All revenue expenditure must be incurred in accordance with the requirements of the Council's Financial Procedure Rules and Contract Procedure Rules
- 2.6 Cabinet Members and Executive Directors may incur revenue expenditure within the approved budget, subject to the following exceptions:
- (a) Any revenue expenditure which involves a variation from the Council's approved policy must be reported to the appropriate Cabinet Member and the Borough Treasurer for approval before the expenditure may be incurred;
 - (b) Any expenditure which enters the Council into future commitments for which appropriate funding has not been identified must be reported to the appropriate Cabinet Member and the Borough Treasurer for approval before the expenditure may be incurred;
 - (c) Any expenditure that is required to be incurred in accordance with the Council's Contract Procedure Rules;

- 2.7 Any expenditure that is likely to lead to the approved budget being exceeded, but can be funded from within the Portfolio's approved resources must be approved as follows:-
- (a) Items up to £50,000 should be notified to the relevant Cabinet Member for information before the expenditure is incurred;
 - (b) Items above £50,000 should be reported to the appropriate Cabinet Member and the Borough Treasurer for approval before the expenditure is incurred
 - (c) Subject to the guidance issued by the Borough Treasurer, all such items should be accompanied by an appropriate transfer of budget ("virement") that is recorded accurately and promptly on the Council's corporate financial information system.
- 2.8 Any expenditure that is likely to lead to the approved budget, being exceeded, which can not be contained within a Portfolio's approved resources, and for which no contingency has been provided, must be approved as follows:-
- (a) Items up to £50,000: the Executive Director should notify the Borough Treasurer who will determine the matter in consultation with the Cabinet Member for Finance and Information Technology.
 - (b) Items above £50,000: Subject to the decision of the Borough Treasurer, in consultation with the Cabinet Member for Finance and Information Technology, the Executive Director and the Borough Treasurer will submit a joint report to Cabinet for approval.
 - (c) Items over £250,000: Subject to the decision of the Borough Treasurer, in consultation with the Cabinet Member for Finance and Information Technology, the Executive Director and Borough Treasurer will submit a joint report to the Council for approval.
- 2.9 Any items of expenditure where a contingency budget has been provided as part of the Council's approved budget may only be incurred after approval of an appropriate budget transfer ("virement") from the Council's approved contingency budgets. These should be notified to the Borough Treasurer who will determine an appropriate allocation in consultation with the Cabinet Member for Finance and Information Technology.
- 2.10 At the end of each budget year, any residual overspending on a Portfolio will be carried forward as a first call on the following year's budget, subject to the approval and policies of the Cabinet.
- 2.11 At the end of each budget year, any residual underspending on a Portfolio will be carried forward as an addition to the following year's budget, subject to the approval and policies of the Cabinet.
- 2.12 All revenue expenditure is subject to any directions which may be given by the Council, or any agreement between the appropriate Cabinet Member,

Executive Director, the Borough Treasurer and the Executive Director of Corporate Resources.

- 2.13 Prior to entering into any partnership arrangement or pooled budget arrangement (under Section 31 of the Health Act 1999), Executive Directors, in consultation with the Borough Treasurer, shall:
- (a) ensure that the arrangements are subject to a risk management process to establish and manage all potential risks; and
 - (b) establish the necessary governance arrangements including reporting, performance monitoring, and accounting procedures.

Accounting for Revenue Expenditure

- 2.14 Executive Directors are responsible for ensuring that all revenue expenditure and income is recorded correctly and promptly on the Council's corporate financial information system, and accounted for in the year in which the goods and services have been received or provided, subject to Financial Procedure Rule 1.5.
- 2.15 Executive Directors must reconcile any local manual or computerised systems they hold to the Council's corporate financial information system on a monthly basis, and in accordance with guidance issued by the Borough Treasurer.
- 2.16 Executive Directors must maintain the financial accounts on the Council's corporate financial information system to ensure that they accurately reflect actual and budgeted gross income and gross expenditure.
- 2.17 The Borough Treasurer may advance imprest accounts at his discretion to appropriate officers for the payment of expenses of the Council. These accounts must be maintained in accordance with instructions issued by the Borough Treasurer. Imprest reimbursement should be claimed at least monthly. Imprest accounts must not be overdrawn and the maximum amount of any one payment shall be such a sum as is approved by the Borough Treasurer.

Revenue Budget Monitoring

- 2.18 Executive Directors shall be responsible for monitoring all revenue expenditure and income during the financial year against the approved budgets, and for taking appropriate action to avoid overspending against those budgets. In accordance with guidance provided by the Borough Treasurer, Executive Directors shall prepare monthly budget monitoring updates for consideration by the relevant Portfolio Holder.
- 2.19 At times and in formats designated by the Borough Treasurer, Executive Directors, in conjunction with the Borough Treasurer, shall also prepare budget monitoring reports for the approval of the appropriate Portfolio Holder. The Borough Treasurer will subsequently prepare overall budget monitoring

reports in conjunction with the Cabinet Member for Finance and Information Technology for presentation to the Cabinet.

3 ARRANGEMENTS WITH EXTERNAL ORGANISATIONS

Partnerships

- 3.1 The Borough Treasurer should be consulted prior to the establishment of any financial arrangements as part of partnerships with other local public, private, voluntary and community sector organisations.
- 3.2 The financial arrangements of all partnerships where the Council is the “Accountable Body” should meet the requirements of the Council’s Financial Procedure Rules and Contract Procedure Rules.
- 3.3 In all cases where the Council is requested to act as Accountable Body approval of Cabinet must first be obtained.
- 3.4 Executive Directors must ensure that the accounting and monitoring arrangements to be adopted relating to partnerships and joint ventures are in accordance with any relevant guidance issued by the Borough Treasurer.
- 3.5 Executive Directors must establish and monitor appropriate corporate governance arrangements and consider all legal issues when arranging contracts with external bodies.

External Funding

- 3.6 Executive Directors are responsible for ensuring that all formal bids for external funding are prepared and submitted in consultation with the Borough Treasurer. All bids should be agreed by the Borough Treasurer prior to submission, and should be reported to the appropriate Cabinet Member for approval at the earliest opportunity.
- 3.7 Executive Directors are responsible for ensuring that the Borough Treasurer is notified of all approvals for funding from external bodies.
- 3.8 Executive Directors must ensure that all approvals for funding from external bodies are recorded and monitored in accordance with documentation and guidance issued by the Borough Treasurer.
- 3.9 Executive Directors are responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council’s corporate financial information system.
- 3.10 Executive Directors are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.

- 3.11 Executive Directors must ensure that all income from external funding approvals, and all items of expenditure relating to those approvals, are properly budgeted for using the Council's corporate financial information system. These budgets should be monitored as part of the monthly budget monitoring updates that are presented for consideration by the relevant Portfolio Holder.
- 3.12 Executive Directors are responsible for ensuring the completion and submission of grant claims. Executive Directors must also ensure that grant claims comply with the requirements and grant conditions of the funding body, and are submitted promptly and supported by adequate evidence. The Borough Treasurer will provide guidance and advice on compliance with general and specific grant conditions and the requirements for submission.

4. THE COUNCIL'S CAPITAL EXPENDITURE

- 4.1 Capital expenditure is expenditure on the acquisition of a fixed asset or expenditure which adds to (rather than merely maintains) the value of an existing fixed asset.

The Council's Annual Capital Programme

- 4.2 Each Executive Director, in consultation with the Borough Treasurer, shall prepare an annual programme of capital expenditure, identifying committed schemes and proposed "new starts" in line with the Council's Medium Term Financial Plan and approved policies.
- 4.3 Subject to the agreement of the Borough Treasurer, "blocks" of appropriately grouped schemes within the Capital Programme can be reported by Executive Directors for approval, rather than each scheme individually. As individual schemes within these block approvals are commissioned, Executive Directors should report these for information to the appropriate Cabinet Member and they should be identified within subsequent monitoring reports to the Cabinet in accordance with Financial Procedure Rule 4.16.
- 4.4 Approval to commence new capital schemes should be obtained as follows:
- a) Where the gross cost of a new capital scheme or block is forecast to be above £0.250m over the life of the scheme, a report should be submitted by the appropriate Executive Director(s) and the Borough Treasurer to the Cabinet for approval.
 - b) Where the gross cost of a capital scheme or block is forecast to be below £0.250m over the life of the scheme, a report should be submitted by the appropriate Executive Director(s), in consultation with the Borough Treasurer, to the appropriate Portfolio Holder in accordance with Financial Procedure Rule 4.12 and 4.16.
 - c) New schemes or blocks will only be approved when their total costs (including any revenue implications) can either be contained within

existing approved spending levels, or when additional funding specific to the scheme has been identified.

- d) Any scheme or block that requires the allocation of the Council's available capital receipts to fund part or all of the gross costs will be reported to the Cabinet for approval
- e) Each Executive Director is responsible for including a completed "Capital Investment Outline" for every scheme or block that is submitted for approval. This must be in the format determined by the Borough Treasurer and should be agreed with the Borough Treasurer prior to its inclusion in the report.

4.5 Executive Directors should ensure that reports for approval of capital schemes or blocks clearly identify:

- the gross costs of each individual scheme, or the gross cost of the overall block, before deduction of any reimbursements, grants, capital receipts or other form of income.
- the phasing of the costs over the life of the scheme or block.
- the expected revenue consequences of the scheme or block.
- secured sources of funding for the total gross costs of the scheme or block, including an appropriate contingency that takes into account the nature of the scheme.
- an assessment of whether schemes or blocks may be funded under the Council's approved policy for using resources available under the Prudential Code for Capital Expenditure

4.6 Any requirement to rephase approved expenditure on an approved scheme, or any individual scheme within a block, to a future year's capital programme should be reported by the Executive Director to the appropriate Portfolio Holder, and notified to the Borough Treasurer, as soon as possible.

4.7 Where the rephasing of an approved scheme, or any individual scheme within a block, is likely to exceed £0.250m a joint report should also be submitted to the Cabinet by the appropriate Executive Director(s) and the Borough Treasurer. The report should identify the reasons for the rephasing, the impact on the capital programme, a revised phasing of expenditure for the life of the project, and how the rephased expenditure will be funded in future years.

Capital Monitoring and Reporting Requirements

4.8 Executive Directors should ensure that throughout the lifetime of a scheme, the specification remains consistent with the original objectives of the scheme and that the expenditure continues to represent best value for money for the Council.

- 4.9 Executive Directors are responsible for the monitoring and reporting of capital expenditure and income for all schemes within their approved capital programmes and for identifying any variations against the approved level of expenditure. Monitoring and reporting will be undertaken at monthly intervals as specified by the Borough Treasurer.
- 4.10 Executive Directors will be responsible for ensuring that appropriate income has been secured as funding for each scheme. Reimbursements and contributions from third parties should be claimed promptly as expenditure is incurred, and whenever possible in advance of expenditure being incurred so that cash flow costs are minimised.
- 4.11 Executive Directors are required to use the Council's financial information system to maintain records of actual and committed expenditure and income for each capital scheme, and records of the approved budget allocations, in accordance with guidance provided by the Borough Treasurer.
- 4.12 Executive Directors are responsible for ensuring that the information for their capital programmes recorded on the Council's financial information system is accurate and up to date, and is fully reconciled to any supporting records maintained by Executive Directors at regular intervals during the year.
- 4.13 At times determined by the Borough Treasurer, each Executive Director, in conjunction with the Borough Treasurer shall prepare a formal capital programme monitoring report for the appropriate Portfolio Holder. Subject to the agreement of the appropriate Portfolio Holder, this report will also be presented to the Cabinet. This report should identify any approved variations to the capital programme, as well as the commissioning of individual schemes within approved "blocks" or "sub programmes".
- 4.14 The Borough Treasurer, in conjunction with the Portfolio Holder for Finance and Information Technology will prepare an overall capital programme report for consideration by the Cabinet.
- 4.15 Expenditure may be incurred on an approved scheme up to the approved budget, subject to the requirements of Contract Procedure Rules.

Variations to the Approved Capital Programme

- 4.16 Where expenditure on an approved scheme or block, is expected to exceed the approved budget, then subject to the requirements of Financial Procedure Rule 7.6 relating to contract variations, this should normally be reported before the expenditure has been incurred (unless exceptional circumstances can be demonstrated) as follows:
- a) Up to 10% or £250,000 (whichever is the lower): The relevant Executive Director must notify the appropriate Portfolio Holder and the Borough Treasurer as soon as possible.

- b) Over 10% or £250,000 (whichever is the lower): The relevant Executive Director must report this to the Cabinet as soon as possible and must notify the Borough Treasurer.
- c) In all cases, a revised “Capital Investment Outline” in the format determined by the Borough Treasurer must be produced and agreed with the Borough Treasurer as soon as possible. This should identify:
 - the reasons for the additional expenditure;
 - a review of the planned service outputs, impact on performance, and expected outcome;
 - the anticipated completion date;
 - a revised risk assessment;
 - a revised financial statement.

4.17 Where expenditure on approved schemes is expected to be less than the resources that have been allocated to the scheme, or where additional resources have become available, the Executive Director must notify the Borough Treasurer at the earliest opportunity. Where appropriate, the Borough Treasurer, in conjunction with the Portfolio Holder for Finance and Information Technology, shall prepare a report for the Cabinet to consider the allocation of the available resources.

5. FINAL ACCOUNTS

- 5.1 The Borough Treasurer is responsible for preparation of the Council's annual Statement of Accounts in accordance with the Accounts and Audit Regulations and the Code of Practice on Local Government Accounting in the United Kingdom: A Statement of Recommended Practice.
- 5.2 The Council's Governance and Audit Committee is responsible for the scrutiny and approval of the annual Statement of Accounts prior to their certification by the external auditor.
- 5.3 Each Executive Director must maintain appropriate reconciliations and working papers to support the production of the annual Statement of Accounts in accordance with guidance issued by the Borough Treasurer.
- 5.4 After 31st March in each year, each Executive Director shall, in line with the guidance of the Borough Treasurer, account for all income due to the Council for goods and services supplied in the previous financial year (debtors), and all payments due for goods and services received in the previous financial year (creditors).

6. INCOME

- 6.1 All monies received on behalf of the Council shall be paid in full into the Council's bank account at least once per week and in line with guidance from the Borough Treasurer.

- 6.2 Each Executive Director shall consult with the Borough Treasurer over the receipting of all monies via any electronic medium.
- 6.3 All cheques, postal orders, money orders and bankers drafts received on behalf of the Council shall be crossed in the manner approved by the Borough Treasurer.
- 6.4 All official receipt forms shall be in a format approved by the Borough Treasurer, and the arrangements for ordering, controlling and issuing these forms by Directorates shall be approved by the Borough Treasurer, with all receipts and issues to be properly recorded and acknowledged. The Executive Director of each Directorate shall be responsible for the safe custody and proper use of such forms.
- 6.5 Every amount of cash received by a cashier or other officer on behalf of the Council shall be acknowledged at once in a manner as may be agreed by the Borough Treasurer.
- 6.6 The granting of any credit relating to charge to a third party for services or goods supplied by the Council, and of all other amounts due, shall be in accordance with the guidance issued by the Borough Treasurer. Where such credit is granted, Executive Directors must ensure that an invoice for its recovery is raised within ten working days of the provision of the goods or service.
- 6.7 All accounts for income due, or to become due, to the Council shall be recorded on the Council's financial information system in accordance with the guidance issued by the Borough Treasurer. Any account, statement or letter requiring money to be paid to the Council shall specify that payment must be made to the Council.
- 6.8 All monies received on behalf of the Council by the Council's Bankers shall be reconciled promptly to the primary accounting records in a manner agreed by the Borough Treasurer.
- 6.9 Executive Directors shall be responsible for ensuring that all income is correctly allocated to the appropriate accounting code on the Council's Corporate Financial Information System.
- 6.10 Any proposal to introduce new charges or make changes in existing charges for the provision of services by the Council must be made in line with the Council's Corporate Charging Policy.
- 6.11 Any such proposals must be agreed by the appropriate Cabinet Member in consultation with the Cabinet Member with Portfolio for Finance and Information Technology and the Borough Treasurer.
- 6.12 Each Cabinet Member shall review all relevant charges at least annually, except for any rents which are reviewed in accordance with the terms of any lease or agreement where appropriate.

- 6.13 Executive Directors must notify the Borough Treasurer if they consider that any income owed to the Council is not likely to be recovered. The Borough Treasurer will determine the appropriate action to be taken, including whether the debt should be cancelled if found to be have been raised in error, or written off if the debt is unrecoverable.
- 6.14 Write off of unrecoverable debt should be in accordance with the following criteria:

**Value of Individual
Item to be Written off**

Authorisation Required

Up to and including £50,000	Appropriate Executive Director and the Borough Treasurer (unless considered by the appropriate Executive Director and/or the Borough Treasurer that the item should be referred to the appropriate Cabinet Members(s))
Above £50,000	Appropriate Executive Director and the Borough Treasurer in consultation with the appropriate Cabinet Member(s)

7. CONTRACTS

- 7.1 Additional work shall not be undertaken as an extension to an existing contract unless the appropriate Cabinet Member concerned authorises such work to be so carried out, or it is to be carried out under a new contract. Any limitations to extension contracts imposed under Contract Procedure Rules shall apply.
- 7.2 Where a breach of contract occurs, the Executive Director concerned shall seek appropriate legal advice and in consultation with the Borough Treasurer prepare a statement which shall include the amount, if any, of liquidated and ascertained damages, or such other penalties stipulated in the contract. Any breach that may lead to termination of the contract shall be reported to the appropriate Cabinet Member.
- 7.3 The Borough Treasurer shall be informed as soon as possible of all contracts, agreements, awards or other instruments involving the payment or receipt of money on behalf of the Council. A record shall be maintained of all such transactions in a form to be determined by the Borough Treasurer.
- 7.4 Payments to contractors on account of contracts shall be authorised only on a certificate signed by the Executive Director or other duly authorised officer of the appropriate Directorate showing, where appropriate, the total amount of the contract, the value of work executed to date, retention money, amount paid to date, and the amount now certified. The completed certificate should

then be processed for payment in accordance with these Financial Procedure Rules and guidance issued by the Borough Treasurer.

- 7.5 Every variation of a contract shall be authorised in writing by the appropriate Executive Director, or other responsible officer nominated by him / her in writing for that purpose, and shall be priced accordingly.
- 7.6 Any variation in the amount of an accepted tender or contract shall be reported as follows:
- a) up to 10% or £250,000 (whichever is the lower) - The relevant Executive Director must notify the appropriate Portfolio Holder and the Borough Treasurer as soon as possible.
 - b) over 10% or £250,000 (whichever is the lower) : The relevant Executive Director must report this to the Cabinet as soon as possible and must notify the Borough Treasurer.
- 7.7 The final certificate on a contract shall not be approved for payment by the appropriate Executive Director until a detailed statement of account has been produced, comparing actual and projected expenditure with the accepted tender and providing particulars of additions and deductions, and the Borough Treasurer has been consulted on the amount to be certified.

8. ORDERING OF AND PAYMENTS FOR GOODS AND SERVICES

General Ordering Procedures

- 8.1 Unless the Borough Treasurer and Executive Director(s) concerned agree otherwise, Executive Directors shall maintain records of all written contracts, agreements, awards and other instruments involving the payment or receipt of money by the Council. The Borough Treasurer shall determine, either generally or specifically, instances where it would be appropriate to obtain goods by means of leasing or hire purchase arrangements, and to authorise the terms of any such agreements.
- 8.2 Purchase of equipment, goods and materials and engagement of services shall be effected through the most economical and practical means. In particular, Executive Directors should ensure that all expenditure is incurred in accordance with the Council's Procurement Strategy. If a corporate contract or framework agreement exists for the provision of particular goods and services, this must be used for all such purchases. Any exceptions to this requirement should be agreed in advance by the Borough Treasurer. Directorate
- 8.3 All invoices for goods and services shall be date stamped when received, and will be paid within thirty days of invoice receipt unless:-
- (a) the invoice is in dispute;
 - (b) alternative terms have been arranged;
 - (c) invoices are received prior to the supply of the goods or services.

- 8.4 Each officer authorising a requisition, who shall be properly authorised to do so in agreement with the Borough Treasurer, shall be responsible for ensuring that it is properly completed and is within approved budget provisions. The authorising officer must ensure that there is adequate evidence supporting a requisition before it is approved.
- 8.5 Verbal orders shall only be given in emergencies, and must be confirmed by an authorised official order on the same or next working day.
- 8.6 Whenever delivery is made to an employee of the Council, a delivery note must be obtained to which the goods or materials should be checked as soon as possible.
- 8.7 Executive Directors are responsible for ensuring that all invoices, claims and accounts are checked and copies of the corresponding orders or electronic records are appropriately annotated to show that the accounts have been passed for payment
- 8.8 All accounts shall be paid in accordance with procedures agreed with the Borough Treasurer.
- 8.9 Any special arrangements for payment of a creditor must be approved by the Borough Treasurer, who will then make arrangements for such payments in accordance with these Financial Procedure Rules in that certification of work done or goods or services provided must be carried out up to a maximum of thirty days following delivery of the goods or the provision of a service.
- 8.10 In the event that goods, materials or services are not supplied in accordance with orders placed, Executive Directors shall ensure that amended invoices are received from the creditor. For any adjustments subsequent to the payment, a credit note should be obtained from the supplier. Where the business with the supplier is non-routine and infrequent, a refund should be obtained.
- 8.11 The Borough Treasurer shall specify the method of dealing with regular periodical payments including any made through the Clearing House Automated Payment System or similar medium. Information concerning any change in or cessation of such liabilities shall be notified to the Borough Treasurer immediately by the Executive Director concerned.

Orders placed using the electronic purchase order system of the Council

- 8.12 Each officer is responsible for ensuring they comply with the security protocols as set by the Borough Treasurer with regard to the use of the Council's electronic communication and electronic financial systems.
- 8.13 Executive Directors shall be responsible for maintaining all relevant supporting documentation for electronic orders within their Directorates.
- 8.14 All non-catalogue orders must be approved by an authorising officer who shall be properly authorised to do so in agreement with the Borough Treasurer. The

authorising officer shall be responsible for ensuring that the order is properly completed.

8.15 An officer receiving goods or services on behalf of the Council must be other than the officer authorising the originating order. The officer must confirm the satisfactory (or unsatisfactory) receipt of goods or services in the electronic procurement system to verify that they are in accordance with the authorised order in the manner agreed by the Borough Treasurer. The receiving officer must ensure that they have adequate evidence and the technical competence to execute this action. This applies equally to when an officer is entering in the electronic procurement system the receipt of goods or services on behalf of another officer. The acceptance of the satisfactory receipt of goods confirms that:-

(a) An account when presented will be properly payable by the Council;
and

(b) Proper entries have been made in inventories, stores and other property records or registers.

8.16 The officer entering the receipt of goods or services in the electronic procurement system should record the date the goods or services were received, delivery note details and appropriate comments regarding the receipt of goods or services.

8.17 In the event that an invoice value exceeds the authorised order value by more than the tolerance levels as agreed by the Borough Treasurer, an appropriately authorised officer should review the invoice and order and establish if it is appropriate to authorise the invoice for payment. The reasoning and details of such authorisation should be recorded in the manner as agreed by the Borough Treasurer.

8.18 Executive Directors will make appropriate arrangements to ensure that any open orders and Invoices placed 'on hold' are viewed and actioned, as appropriate, on a weekly basis.

Where it has not been possible to utilise the electronic purchase order system of the Council

8.19 All orders for goods or services shall be issued on official order forms in a manner and form agreed by the Borough Treasurer. Executive Directors shall be responsible for the issuing and safe custody of order books.

8.20 A technically competent officer other than the original officer who signed the order shall initial the certification grid on each account as evidence that work has been done, services provided, or goods received and checked against a delivery note.

8.21 A further appropriate officer shall initial the certification grid on each account as evidence that:-

- (a) each account has been checked against an official order and has not been previously passed to the Borough Treasurer for payment and that the order has been properly complied with;
- (b) prices are correct and in accordance with contracts or quotations and that relevant discounts have been deducted;
- (c) arithmetic calculations are correct.

8.22 All invoices, claims and accounts shall, after certification in accordance with Financial Procedure Rule 8.8 and 8.21, be certified by Executive Directors, or Senior Officers nominated by Executive Directors and approved by the Borough Treasurer. Nominated Officers shall certify invoices in their own names on behalf of Executive Directors. Individual invoices, claims and accounts should be certified by an officer other than the person signing the official order relating to that payment.

8.23 Certification of the invoices indicates that:-

- (a) the initials of the Officers carrying out the checks in Financial Procedure Rule 8.8 and 8.21 have been verified;
- (b) the expenditure has been coded correctly;
- (c) proper entries have been made in inventories, stores and other property records or registers; and
- (d) the account is properly payable by the Council.

9 INVESTMENTS AND BORROWING

9.1 The Council complies with Part 1 of the Local Government Act 2003 and has adopted the key recommendations of Chartered Institute of Public Finance & Accountancy's Code of Practice for Treasury Management in the Public Services. In line with this, the Council will create and maintain:

- (a) a treasury management policy statement, stating the policies and objectives of its treasury management activities, including investments; and;
- (b) suitable treasury management practices, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities;

9.2 The Borough Treasurer, in conjunction with the Cabinet Member with Portfolio for Finance and Information Technology, is responsible for the implementation, monitoring and reporting of treasury management policies and practices in accordance with the Council's approved treasury management policies and practices.

9.3 All investments and borrowings shall be made in the name of the Council.

- 9.4 All of the Council's funds shall be aggregated for the purposes of treasury management and shall be under the control of the Borough Treasurer.

10 BANKING ARRANGEMENTS AND CHEQUE SECURITY

- 10.1 All arrangements for the opening of bank accounts in the name of the Council and for ordering and issuing of cheques shall be made by the Borough Treasurer. All cheques drawn on behalf of the Council shall be signed by the Borough Treasurer or by Officers that have been nominated for that purpose, or bear the facsimile signature of the Borough Treasurer. In the latter case, the Borough Treasurer shall prescribe limits above which the cheques shall also be countersigned by Officers designated for that purpose.
- 10.2 All variations in the Council's banking terms and overdraft arrangements shall be agreed by the Borough Treasurer on behalf of the Council, subject to consultation with the Cabinet Member with Portfolio for Finance and Information Technology.
- 10.3 No officer, other than the Borough Treasurer, may open any bank account whose title is associated with the Council.
- 10.4 The Borough Treasurer shall have custody of blank cheques, which shall be issued in consecutive numerical order only on a requisition signed by designated Officers. No person other than the Borough Treasurer shall be authorised to order new stocks of blank cheques.
- 10.5 The security arrangements for the control and conveyance of cheques shall be subject to the approval of the Borough Treasurer.

11 PAYMENT OF SALARIES, WAGES AND ALLOWANCES

- 11.1 Executive Directors shall ensure that, in consultation with the Head of Human Resources, a record of established posts is maintained and all documentation and information relating to the payment of salaries and wages, in a form approved by the Borough Treasurer, is properly completed and sent to the Borough Treasurer as soon as it is available.
- 11.2 All records relating to the payment of salaries and wages and statutory and voluntary deductions shall be kept by the Borough Treasurer, who shall be responsible for arrangements for the payment of such salaries and wages.
- 11.3 All recipients of car allowances shall maintain, in such form as the Borough Treasurer may require, a record of journeys supporting mileage claimed, and shall produce, as required, other such relevant records and documents.

12 INSURANCE

- 12.1 The Borough Treasurer, in consultation with Executive Directors shall be responsible for ensuring that all insurable risks of the Council are adequately

covered, for maintaining the necessary records and for making all claims on behalf of the Council.

- 12.2 Executive Directors shall notify the Borough Treasurer promptly of all risks, liabilities, properties or vehicles which are required to be insured, and of any alterations affecting risk or insurances indicating the amount of cover required. The Borough Treasurer shall furnish Executive Directors annually with particulars of all insurances affecting their Directorates.
- 12.3 Executive Directors shall immediately notify the Borough Treasurer of any fire, loss, accident or other event that may give rise to a claim against the Council's insurers.

13 INTERNAL AUDIT

- 13.1 The Borough Treasurer shall be responsible for maintaining an internal audit of all accounts and financial transactions of the Council and its employees, and shall satisfy himself/herself as to security arrangements for the custody and safeguarding of the Council's assets, including any funds entrusted to the Council or its employees.
- 13.2 The Borough Treasurer shall have authority to visit all establishments of the Council, shall have access to all relevant records of any Directorate, and shall be entitled to require the production of all cash, stores and other property and to obtain information or explanations from any employee of the Council with regard to any matters under examination.
- 13.3 Executive Directors shall notify the Borough Treasurer immediately of any circumstances which may suggest the possibility of irregularity or loss affecting cash, stores, property or transactions of the Council. Where the Borough Treasurer considers that an irregularity may have occurred, action shall be taken in accordance with the procedure (approved by the Council) for dealing with a suspected financial irregularity.
- 13.4 The Borough Treasurer shall provide guidance on the retention or disposal of records in whatever media, which could be relevant to an audit investigation. No document or prime copy kept in any format relating to the financial transactions of the Council shall be destroyed without reference to that guidance.

14 STORES AND STORES ACCOUNTS

- 14.1 Each Executive Director shall ensure that the procedures and accounting arrangements for stores are agreed with the Borough Treasurer
- 14.2 Each Executive Director is responsible for the receipt, issue and control of stores items, and for investigating and reporting variations, and in conjunction with the Borough Treasurer shall make appropriate arrangements for continuous stocktaking.

- 14.3 Executive Directors must reconcile any local stores systems to the Council's corporate financial information system on a monthly basis.
- 14.4 Variances shall be written off in accordance with Financial Procedure Rule 6.11.
- 14.5 Disposal of surplus stores shall be in accordance with the procedures laid down by the Borough Treasurer.

15 INVENTORIES/ASSET REGISTERS

- 15.1 Executive Directors shall ensure that an inventory is prepared and maintained, in a manner agreed with the Borough Treasurer, of all assets of the Council valued at £200 or more and any other items of a lesser value considered necessary by the Borough Treasurer.
- 15.2 Executive Directors shall arrange for the complete check of inventories annually, and certify the completeness and accuracy of the inventories maintained at establishments for which each is responsible. Any deficiency revealed shall be reported upon and any variances shall be written off in accordance with Financial Procedure Rule 6.11.
- 15.3 The disposal of surplus, obsolete, or redundant equipment shall be effected in accordance with the procedures laid down by the Borough Treasurer.

16 VOLUNTARY FUNDS

- 16.1 Particulars in regard to all voluntary funds which are controlled wholly or partly by an employee of the Council shall be notified to the appropriate Executive Director and the Borough Treasurer. All such funds shall be held and operated in accordance with accounting arrangements prescribed by the Borough Treasurer which shall provide for such funds or investments to be held in the names of not less than two persons and for the accounts of the funds to be made up annually. The arrangements for the audit of these accounts shall be prescribed by the Borough Treasurer in consultation with the Executive Directors concerned.

17 CONTROLLED STATIONERY

- 17.1 The Borough Treasurer is responsible for issuing items of "controlled stationery", and for determining how such items shall be ordered and controlled.