

**Chiltern District Council
and
South Bucks District Council**

FINANCIAL PROCEDURE

RULES

September 2016

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BACKGROUND AND INTRODUCTION

1. To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the authority. These rules link with other rules and procedures forming part of the Council's Constitution.
2. These Financial Procedure Rules relate to both Chiltern District Council and South Bucks District Council.
3. This version will apply from 22 July 2015 and supersedes all previous financial regulations, procedure rules and instructions.
4. It should be remembered that these Financial Procedure Rules aim to achieve financial propriety across all the Council rather than to act as a barrier to action for Officers and Members. Assistance to ensure compliance with these rules and further guidance can be obtained from the Finance Team.
5. Should any breach of the Financial Procedure Rules come to light it must be reported immediately to the Director of Resources.

STATUS OF FINANCIAL PROCEDURE RULES

6. Financial Procedure Rules provide the framework for managing the Council's financial affairs and are approved by full Council. They apply to every Member and Officer of both Councils and anyone acting on their behalf and to any Joint Committee or other body for which either Council is the Lead Authority. Where reference is made in these procedure rules to the role and responsibilities of the Cabinet this will be taken to include, where appropriate, the relevant Joint Committee or other body.
7. The Financial Procedure Rules identify the financial accountabilities and responsibilities of full Council, Cabinet, Overview and Scrutiny Committee Members, the Audit Committee, the Head of Paid Service, the Monitoring Officer, the Chief Financial Officer and other senior officers.
8. The Director of Resources is responsible for maintaining a continuous review of the Financial Procedure Rules. Any additions or amendments to these rules will be submitted by the Director of Resources to the Audit Committee for consideration. The Audit Committee will recommend any additions or amendments to full Council for approval and adoption.
9. Any Member who fails to comply with Financial Procedure Rules may be the subject of a report, by the Chief Executive or Director of Resources to the appropriate Committee. Any Officer who fails to comply with Financial Procedure Rules may be subject to action under the Councils' disciplinary procedures.
10. Any reference in the Financial Procedure Rules to writing will include electronic methods of communication such as e-mail provided that a permanent record is kept of the communication.
11. Any reference in the Financial Procedure Rules to authorisation or approval will include either manual signature or electronic authorisation in a form approved by the Director of Resources.

12. In the event of issues of interpretation or non-compliance remaining unresolved by the officers concerned, the Cabinet will be the final arbiter.

WAIVING OF FINANCIAL PROCEDURE RULES

General

13. Any proposed waiving of Financial Procedure Rules must be the subject of a report from the Director or Head of Service concerned, in consultation with the Director of Resources, to the full Council or, if the proposed waiver is in connection with the discharge of a Cabinet function, to the Cabinet.

In the Event of an Emergency

14. Where expenditure is incurred in direct support of a major emergency, direct action in connection with the Enforcement of Planning Control or other appropriate incident be it internal or external to the Council, Financial Procedure Rules may be waived where it is impractical or inappropriate to invoke them.
15. The Chief Executive or in his/her absence, a Director or any two Heads of Service, has authority under such an emergency situation to authorise the waiving of Financial Procedure Rules.
16. All such emergency events will be reported to the first available meeting of full Council or, if the waiver was in connection with the discharge of a Cabinet function, to the first available meeting of the Cabinet following the event.

A FINANCIAL MANAGEMENT

Why is this important?

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

A1 MEMBER AND OFFICER RESPONSIBILITIES

Full Council

17. The full Council is responsible for adopting the Council's Constitution and Members' Code of Conduct and for approving the policy framework and budget within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control which is set out in the Constitution.
18. Full Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

Cabinet

19. Cabinet is responsible for proposing the policy framework and budget to full Council, and for discharging Cabinet functions in accordance with the policy framework and budget.
20. Cabinet decisions can be delegated to a committee of the Cabinet, an individual Cabinet Member, an Officer or a Joint Committee.
21. The Cabinet is responsible for establishing protocols to ensure that individual Cabinet Members consult with relevant officers before taking a decision within his/her delegated authority. In doing so, the individual Cabinet Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

Overview and Scrutiny Committee(s)

22. The Overview and Scrutiny Committee(s) are responsible for scrutinising Cabinet decisions before or after they have been implemented and for holding the Cabinet to account. These Committees are also responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.

Audit Committee

23. The Audit Committee reports to the full Council. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors.
24. The Audit Committee is responsible for reviewing the external auditor's reports, the external auditor's annual audit letter and internal audit's annual report and may make recommendations for appropriate further action.

25. The Audit Committee is responsible for monitoring the delivery of both external audit and internal audit plans and any additional audit work undertaken during the year. In addition, the committee may consider the outcomes of any fraud investigations and the action taken.
26. The Audit Committee may also initiate reviews of the adequacy of financial procedures and internal controls, including the adequacy of the internal audit function, and recommend to the Cabinet future policy options; as part of these reviews, Directors and/or Heads of Service may be required to account to the Committee for their actions.

Officer Responsibilities

27. Various statutory duties have been invested in Council appointments and are detailed in the Council's Constitution:
 - The Chief Executive holds the statutory duties of the Head of Paid Service.
 - The Head of Legal & Democratic Services holds the statutory duties of the Monitoring Officer.
 - The Director of Resources holds the statutory duties of the Chief Finance Officer.

Head of Paid Service

28. The Chief Executive, as Head of Paid Service, is responsible for the corporate and overall strategic management of the Council. He/she must report to and provide information to the Cabinet, full Council, Overview and Scrutiny Committee(s) and other Committees. He/she is also responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Chief Executive is also responsible, together with the Head of Legal and Democratic Services as Monitoring Officer, for the system of record keeping in relation to all the full Council's decisions.

Monitoring Officer

29. The Head of Legal and Democratic Services is the designated Monitoring Officer for the Council and is responsible for promoting and maintaining high standards of financial conduct. He/she is also responsible for reporting any actual or potential breaches of the law or maladministration to full Council and/or to the Cabinet, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
30. The Monitoring Officer must ensure that:
 - Cabinet decisions and the reasons for them are made public
 - Council Members are aware of decisions made by the Cabinet and of those made by officers who have delegated executive responsibility.
31. The Monitoring Officer is also responsible for:
 - advising all Members and Officers about who has authority to take a particular decision
 - advising full Council or Cabinet about whether a decision is likely to be considered contrary to, or not wholly in accordance with, the policy framework

- advising (together with the Director of Resources) full Council or Cabinet about whether a decision is likely to be considered contrary to, or not wholly in accordance with, the budget.
- maintaining an up to date Constitution.

Director of Resources

32. The Director of Resources has statutory duties in relation to financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from Section 151 of the Local Government Act 1972, the Local Government Act 1988, the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2011.
33. The Director of Resources will act as the financial advisor to full Council and Cabinet, subject to the specific delegation of responsibility to Directors and/or Heads of Service for the proper management of their services.
34. The responsibilities of the Director of Resources under Section 151 of the Local Government Act 1972 are:
 - Advising on corporate risk profiling and management, including safeguarding assets, risk avoidance and insurance.
 - Advising on effective systems of internal control.
 - Ensuring that there is an effective system of internal financial control, including anti-fraud controls.
 - Advising on anti-fraud and anti-corruption strategies and measures.
 - Preparing statutory and other accounts and associated grant claims.
 - Ensuring there is an effective internal audit function and assisting management in providing effective arrangements for financial scrutiny.
 - Securing effective systems of financial administration.
 - Securing effective arrangements for treasury management, pensions and trust funds.
 - Ensuring a prudential financial framework is in place.
 - Ensuring that financial management arrangements are in line with broad policy objectives and the authority's overall management.
35. Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (Director of Resources) to report to the full Council, Cabinet and the External Auditor if the Authority 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 undertake, an unlawful action which has resulted or would result in a loss or deficiency to the Authority.
 - Is about to make an unlawful entry in the authority's accounts.

36. Section 114 also requires the Section 151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally. The Head of Finance is the designated officer for this purpose.
37. The Act also requires the Council to provide the Section 151 officer with sufficient staff, accommodation and other resources – including legal advice where it is necessary to carry out duties under Section 114.
38. The Director of Resources is responsible for maintaining a continuous review of the Financial Procedure Rules and for submitting any additions or changes necessary to full Council for approval.
39. The Director of Resources is responsible for reporting, where appropriate, breaches in Financial Procedure Rules to the full Council and/or the Cabinet.

Directors and Heads of Service

40. Directors and Heads of Service are responsible for ensuring that all their staff are aware of the existence and content of the Council's Financial Procedure Rules and that they understand and comply with them.
41. It is the responsibility of Directors and Heads of Service to consult with the Director of Resources and seek approval on any matter liable to materially affect the Authority's finances before any commitment is incurred.
42. It is the responsibility of Directors and Heads of Service to ensure that all Council, Cabinet or other committee reports contain a section that provides Members with an accurate description of the financial implications of the subject of the report, including whether the expenditure can be met within existing budgets. Reports must be circulated in advance to the Director of Resources or nominated representative. The Director of Resources or nominated representative must sign off all reports that have material financial implications that he/she agrees the financial implications section of the report.

A2 DELEGATION AND AUTHORISATION

43. Directors and Heads of Service are responsible for ensuring that a proper scheme of delegation is established within their service areas which operates effectively, identifying staff authorised to act on the Directors' or Heads of Services' behalf in respect of payments, income collection and placing orders within the limits of their authority.
44. Directors and Heads of Service will provide the Head of Finance with a certified Authorised Signatory List detailing those officers, together with specimen signatures, within their respective service areas authorised to certify various documents or transactions. Such lists will be updated and amended as required and any changes notified to the Head of Finance without delay. All lists will be reviewed annually, or as otherwise directed by the Director of Resources. Any alternative authorisation procedures will be in accordance with arrangements approved by the Director of Resources.
45. Directors and Heads of Service should ensure separation of duties within their service areas so that no one officer is able to carry out all parts of a financial transaction i.e. an officer other than the one who authorised the order must certify the payment

A3 SCHEME OF VIREMENT

46. The scheme of virement is intended to enable the Cabinet, Directors and Heads of Service to manage budgets with a degree of flexibility within the overall policy framework determined by full Council and therefore to optimise the use of resources.
47. Virement is the permission to spend more on one budget when this is matched by a corresponding reduction (saving) on some other budget. A virement does not create an additional budget but changes the purpose for which the budget will be used via a switch or transfer of resources.
48. Virement is an important part of the budgetary control process and an important mechanism in managing budgets efficiently and within cash limits. Virement needs to be undertaken in a controlled manner. It provides a mechanism to amend annual budgets to reflect changing circumstances or to address overspends and helps to ensure that budgets are based on actual activity.
49. Directors/Heads of Service must demonstrate that savings are feasible for a virement to be actioned. Savings of a non-recurring nature i.e. one-off, cannot be used to justify the incurring of expenditure with a continuing commitment into future years.
50. Virements between Capital (including Repairs & Renewals) and Revenue are not permitted.
51. All proposals for virement must be submitted on the appropriate form to the Head of Finance either for information, written agreement and/or referral to the Cabinet depending on the amount requested.
52. The Head of Finance will keep a record of all virements and will reflect all virements within the Financial Information System.
53. The table below sets out the approval limits for all virements and applies to both Revenue and Capital budgets.

CDC

Up to £3,000	Head of Service
£3,001 to £10,000	Director of Resources
£10,001 to £50,000	Director of Resources (If same Service Area)
£10,001 to £50,000	Portfolio Holders (If different Service Area)
Over £50,000	Full Council

SBDC

Up to £10,000	Head of Service
£10,001 to £50,000	Director of Resources
£50,001 to £100,000	Cabinet
Over £100,000	Full Council

Nb: These limits are cumulative for a budget code, as opposed to per virement.

A4 SUPPLEMENTARY ESTIMATES

54. Given the virement procedures available to Directors/Heads of Service and the increasing budget pressures on the Council's finances, requests for Supplementary Estimates are unlikely to be considered favourably unless there are exceptional circumstances. The Director of Resources would expect all virement opportunities to have been used before agreeing the need for a Supplementary Estimate.

55. Where any cost centre (revenue or capital) is likely to vary from its approved net budget by either more than:

CDC £5,000 or 1%, whichever is the greater,
SBDC £10,000 or 1%, whichever is the greater,

and where no possibility for virement exists, the Director/Head of Service concerned, after consultation with the Director of Resources, will inform the Portfolio Holder of a request for a Supplementary Estimate. The request for a Supplementary Estimate will be the subject of a report to the Cabinet and onward recommendation to the full Council.

A5 YEAR END BALANCES

56. Service specific carry forward of year end balances is generally not allowed. Any overall under or overspend at the end of the financial year will normally be transferred to / from the General Fund Reserve unless the Cabinet, on the advice of the Director of Resources, recommend any transfers to earmarked reserves.

A6 ACCOUNTING POLICIES

57. The Director of Resources is responsible for selecting suitable accounting policies and for ensuring that they are applied consistently. The accounting policies are set out in the Statement of Accounts
58. Directors and Heads of Service are responsible for ensuring adherence to the accounting policies and guidelines approved by the Director of Resources.

A7 ACCOUNTING RECORDS AND RETURNS

59. Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources.
60. The accounting records shall be sufficient to show and explain the Council's transactions and shall be such as to disclose with reasonable accuracy at any time the financial position and to enable the Director of Resources to ensure that any balance sheet, statement of accounts, statement of balances or record of receipt and payments, as the case may be, complies with the Local Authority Accounting regulations.
61. The accounting records determined by the Director of Resources shall contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure relates.
 - a record of the assets and liabilities of the Council; and
 - a record of income and expenditure in relation to claims made, or to be made, by them for contribution, grant or subsidy.
62. The accounting control systems determined by the Director of Resources shall include:
- measures to ensure that the financial transactions of the Council are recorded as accurately and promptly as possible,
 - measures to enable the prevention and detection of inaccuracies and fraud,

- the ability to reconstitute any lost records,
 - identification of the duties of all officers dealing with financial transactions and division of responsibilities in relation to significant transactions,
 - procedures for uncollected amounts, including the writing off of unrecoverable debts
63. Directors and Heads of Service must consult and obtain the approval of the Director of Resources before making any changes to accounting records and procedures.

A8 STATEMENT OF ACCOUNTS

64. The Council has a statutory responsibility to prepare annual accounts to present a true and fair view of the financial position of the Council. The Audit Committee has delegated authority for approving the annual Statement of Accounts.
65. The Director of Resources is responsible for
- selecting suitable accounting policies and to apply them consistently =
 - making judgements and estimates which are reasonable and prudent
 - complying with Codes of Practice
 - signing and dating the Statement of Accounts
 - drawing up the timetable for final accounts preparation and to advise staff and external auditors accordingly
 - presenting the Statement of Accounts to Members with appropriate interpretation and highlighting of key issues
66. Directors / Heads of Service are responsible for complying with accounting guidance issued by the Director of Resources and for supplying information when required.

B FINANCIAL PLANNING

Why is this important?

Full Council is responsible for approving, adopting and amending the Council's Budget and Policy Framework. In terms of Financial Planning, the key elements are:

- Medium Term Financial Plan
- Revenue Budget
- Capital Programme (including the Repairs & Renewals Programme operated at Chiltern District Council)

B1 MEDIUM TERM FINANCIAL PLAN

67. The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable resources to be allocated in accordance with priorities and objectives.
68. It is good practice to maintain and publish medium term business plans that cover a three to five year period. The purpose of these plans is to explain overall priorities and objectives, current performance, proposals for further improvement and to demonstrate value for money.
69. The Director of Resources will present a Medium Term Financial Plan (MTFP) to the Cabinet, taking into account any other matters he/she considers relevant to the financial position of the Council. The MTFP will be prepared and updated on a regular basis (at least annually) and will set out the consequences of the proposed strategy on Council Tax levels. The Cabinet is responsible for proposing the MTFP to full Council on the advice of the Director of Resources.

B2 REVENUE BUDGET

70. The Director of Resources will determine the detailed format and method of preparation of the Revenue Budget and ensure compliance with local authority accounting requirements.
71. Heads of Service and Budget Managers will be provided with a budget timetable and budget guidance notes to enable the annual budget to be completed by the statutory deadline. The guidance will set out the responsibilities for the completion of the budget estimates.
72. As part of the annual revenue budget process all fees and charges for goods and services supplied by the Council will be reviewed. The Director of Resources will provide a summary of proposed fees and charges for Cabinet approval as part of the annual revenue budget report.
73. Estimates of income and expenditure on each account code within each cost centre heading will be prepared by Budget Managers in consultation with the Director of Resources. The estimates will take account of the Council's key corporate objectives and individual service plans.
74. The Head of Finance will collate the overall estimates for consideration by the Senior Management Team. The Revenue Budget will be submitted to the Cabinet by the Director of Resources together with his/her report.
75. The Cabinet will consider the Revenue Budget and will make such amendments as they consider desirable before recommending the budget for approval by full

Council. At the same time, the Cabinet will recommend the Council's Council Tax Requirement to the full Council for determination.

76. At any point in the budget preparation process the Performance and Resources Overview Committee (at Chiltern) or Overview and Scrutiny Committee (at South Bucks) may request the Revenue Budget for review purposes.
77. Approval of revenue budgets will give authority to Directors and Heads of Service to commit their budgets, subject to Financial Procedure Rules and Contract Procedure Rules being complied with, to achieve the Council's key objectives.
78. Any carry forward of Revenue budgets must be approved by the Cabinet.

B3 CAPITAL PROGRAMME AND REPAIRS & RENEWALS

79. Capital expenditure involves acquiring or enhancing fixed assets with a long term value such as land, buildings and major items of plant, equipments and vehicles.
80. The Director of Resources will determine the detailed format and method of preparation of the Capital Programme and Repairs & Renewals Programme.

Note – the Repairs & Renewals Programme is relevant for Chiltern District Council only

81. Budget Managers will submit Capital Programme bids and Repairs & Renewal Fund Programme bids to the Head of Finance on an annual basis. The bids will take account of the Council's key corporate objectives and individual service plans. Guidance notes on the annual Capital Programme and Repairs & Renewals Fund Programme review process will be provided to Budget Managers by the Head of Finance.
82. The overall programmes will be collated by the Head of Finance and submitted to the Senior Management Team for consideration. The programmes will be submitted to the Cabinet by the Director of Resources together with his/her report.
83. The Cabinet will consider the Capital Programme and Repairs & Renewals Programme and will make such amendments as they consider desirable before recommending the programmes for approval by full Council.
84. Inclusion of a scheme in the Capital Programme does not automatically provide authority to incur capital expenditure other than staff development time. The Head of Finance will provide Heads of Service and Budget Managers with Capital Programme guidance and procedures that outline the processes that must be followed for implementation of capital schemes.
85. Any carry forward of Capital or Repairs & Renewals budgets must be approved by the Cabinet.

B4 BUDGET MONITORING AND CONTROL

86. Budget management ensures that resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

87. By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity.
88. Directors/Heads of Service are responsible for the control of income and expenditure within their area and for monitoring performance throughout the financial year. They are expected to control their budgets so that they achieve the Council's key objectives without overspending.
89. Each Director/Head of Service will approve a scheme of delegation of budgets to named officers such that there is a nominated budget holder for each cost centre budget. The scheme of delegation will be notified to the Head of Finance. Each budget manager will be accountable to their Director/Head of Service for controlling their budgets and for complying with these Financial Procedure Rules.
90. The Director of Resources is responsible for providing appropriate financial information to enable budgets to be effectively monitored. Such information to be in the form and at the frequency agreed (normally monthly).
91. Income and expenditure must be controlled and monitored and the overall position on key areas reported to the Senior Management Team and the Cabinet.
92. Before incurring expenditure, each Director/Head of Service must ensure that adequate provision exists within approved budgets.

B5 MAINTENANCE OF RESERVES

93. Under the Local Government Act 2003 the Director of Resources, as the Council's Section 151 Officer, must advise the Cabinets and/or Councils on prudent levels of reserves and balances.
94. The Director of Resources will prepare, keep under review and present to Cabinet a policy on the Council's reserves and balances that provides an explanation of the purpose, usage and control of each individual reserve, together with a recommended minimum to be maintained.

C RISK MANAGEMENT AND CONTROL OF RESOURCES

Why is this important?

All organisations, whether public or private sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

C1 RISK MANAGEMENT

95. The Cabinet is responsible for approving the Council's Risk Management Strategy, for reviewing the effectiveness of the Council's risk management practices and promoting a culture of risk management awareness throughout the Council.
96. The Director of Resources is responsible for preparing and promoting the Council's Risk Management Policy and Strategy and for ensuring that there is proper management and control of risk throughout the Council.
97. The Senior Management Team is responsible for ensuring that strategic risks to the Council are regularly identified and managed.
98. Directors/Heads of Service are responsible for ensuring that operational risks to their areas of business are identified and managed in accordance with guidance issued by the Director of Resources and for ensuring that an Operational Risk Register for service areas within their control is maintained and reviewed on a regular basis.
99. Directors/Heads of Service are responsible for ensuring that operational risks are assessed in their Service Plans.
100. The Risk Management Group is responsible for reviewing risk and business continuity arrangements. This group will regularly report to the Senior Management Team.
101. All staff are responsible for being aware of and reporting any new risks to their line manager or Head of Service as they become aware of them

C2 INSURANCE

102. The Cabinet is responsible for ensuring that proper insurance cover exists where appropriate, either through external insurance or internal funding.
103. The Director of Resources is responsible for advising the Cabinet on proper insurance cover or alternative arrangements.
104. The Director of Resources will arrange all insurance cover on behalf of the Council and will negotiate claims in conjunction with other officers where necessary.

105. Each Director/Head of Service will give immediate notification to the Head of Finance of the extent and nature of all new risks or assets that require to be insured and of any alterations affecting existing insurances.
106. Each Director/Head of Service will, within two working days, notify the Head of Finance in writing using the appropriate form of any loss, liability or damage or any event likely to lead to a claim. In cases of urgency the Director/Head of Service will report verbally pending submission of a written report.
107. All employees and volunteers of the Council will be included in suitable fidelity guarantee insurance.
108. The Director of Resources will annually, or at such other lesser period as he/she may consider necessary, review all insurances in consultation with other Directors/Heads of Service as appropriate.
109. The value of equipment insured by the Council's insurers (based on a percentage of the valuation of the building) to be established and reviewed to ensure it accurately reflects the value of equipment held.
110. Directors/Heads of Service will consult the Director of Resources regarding the terms of any indemnity which the Council is requested to give.

C3 INTERNAL CONTROL

111. Internal control refers to the system of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
112. The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
113. The Director of Resources is responsible for advising on effective systems of internal control. The arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with statutory and other authorities that govern their use.
114. The Director of Resources is also responsible for ensuring that an effective Internal Audit function is properly resourced and operates in accordance with recognised auditing guidelines.
115. Directors/Heads of Service are responsible for establishing sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. This should include detailed and up to date systems procedure notes, where relevant. All procedure notes should be reviewed at least annually and the date of review shown on the procedure notes.
116. The Director of Resources is responsible for producing an Annual Governance Statement which will include a review of the effectiveness of the Council's internal control arrangements. This must be submitted to the Audit Committee for comment and review and then approved by the Leader and Chief Executive.

C4 INTERNAL AUDIT

117. The Accounts and Audit Regulations require every local authority to maintain an adequate and effective system of internal audit of their accounting records and control systems.
118. The Director of Resources is responsible for maintaining an adequate and effective system of Internal Audit of its accounting records and of its system of internal control in accordance with proper internal audit practices.
119. Internal Audit is an assurance function that provides an independent and objective opinion to the Council on the degree to which the internal control environment supports and promotes the achievement of the Council's objectives. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
120. The Director of Resources and any officer to whom he/she has delegated the duty of Internal Audit shall be responsible for the appraisal of all the Council's activities.
121. The Director of Resources or his/her authorised representative shall have authority to:
- enter at all reasonable times on any premises or land owned by or under the control of the Council.
 - have access to all records, documents and correspondence, computerised or manual relating to any financial and other control systems or transactions of the Council.
 - require and receive such information and explanation considered necessary concerning any matter under examination.
 - require any employee of the Council to produce cash, stores or any other property of the Council under his/her control.
 - apply any test or check deemed necessary to the accounts, cash, securities or other property and records that relate in any way to the financial or other systems of the Council; and
 - access records belonging to third parties, such as contractors whenever appropriate.
122. The Internal Audit Manager will normally report to the Head of Finance. If due to the nature of the audit this is inappropriate, the Internal Audit Manager shall have authority to report directly to the Chief Executive and/or the Chairman of the Council or the Leader of the Cabinet.
123. The existence of Internal Audit shall in no way diminish the functions powers and responsibilities of Directors/Heads of Service for the management of the services under their control. In particular their responsibility for accountability for security, custody and control of all resources, including staff, plant, buildings, materials, cash and stores placed under their control.
124. Directors/Heads of Service are responsible for ensuring that Internal Audit are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

125. Directors/Heads of Service are responsible for ensuring that Internal Audit is provided with any information and explanations that they seek in the course of their work.
126. Directors/Heads of Service are responsible for immediately notifying the Director of Resources 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 should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
127. The Internal Audit Manager shall report to the appropriate level of management on all matters which he/she considers significant arising out of Internal Audit appraisals giving recommendation(s) for improvement wherever necessary or possible.
128. Directors/Heads of Service are responsible for considering and responding promptly to recommendations in audit reports and ensuring that agreed actions from recommendations are carried out in a timely and efficient manner.
129. Internal Audit will report regularly to the Senior Management Team and to the Audit Committee on Internal Audit work, including management's response to Internal Audit recommendations.

C5 EXTERNAL AUDIT

130. The Director of Resources will ensure that the Appointed Auditor is given access at all times to premises, personnel, documents and assets that he/she considers necessary for the purposes of their work. The Director of Resources will also ensure there is effective liaison between external and internal audit.

C6 PREVENTING FRAUD AND CORRUPTION

131. The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.
132. The Council's expectation of propriety and accountability is that all Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
133. The Director of Resources is responsible for maintaining an Anti-Fraud and Anti-Corruption Policy Statement which details the culture of the Council in relation to fraud and corruption.
134. The Council also has a Whistle Blowing Policy, listing officers who can be contacted to report any suspicious matter, and a Benefit Fraud Prosecution Strategy.
135. Irregularities are broadly of four types, the first two being criminal offences:
 - theft, which includes fraud which is typically taken to mean theft involving deception.
 - bribery and corruption.
 - failure to observe the Council's Standing Orders, Financial Procedure Rules, Contract Procedure Rules and breaches of other Council Policies and Codes of Conduct etc. issued.

- errors and omissions which lead to a loss to the Council.
136. Whenever a fraud or irregularity is discovered or is suspected to exist concerning cash, property, stores or other matters involving the Council's interests, it shall be the duty of the officer concerned to immediately inform his or her Director/Head of Service or line manager. The officer contacted shall, in turn and as soon as practically possible, advise and consult either the Director of Resources or the Chief Executive, and in every case the Internal Audit Manager.
 137. All Directors/Heads of Service shall notify the Internal Audit Manager of all anonymous notifications of fraud or irregularity either suspected or actual.
 138. Directors / Heads of Service will if appropriate instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour by an employee.
 139. The Chief Executive or the Director of Resources shall decide whether the matter shall be referred to the police for investigation. The Chief Executive or the Director of Resources shall report to the Leader of the Cabinet or appropriate Committee if required.

Money Laundering

140. The Council's Director of Resources is the appointed Money Laundering Reporting Officer (MLRO). There is a maximum limit of £2,000 on the acceptance of cash payments; in exceptional circumstances this limit can be exceeded with the prior approval of the MLRO.
141. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. It is the duty of all officers who suspect that a money laundering activity may be taking place to report it immediately to the Director of Resources. Individuals are personally responsible for referring suspicions and can be fined for non-compliance.
142. Any disclosures about money laundering activity should be reported to the Money Laundering Reporting Officer or his/her nominated representative.

C7 SECURITY OF ASSETS

143. The Council holds assets in the form of property, equipment, vehicles and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations.
144. Directors/Heads of Service should ensure that records and assets under their control are properly maintained and securely held.
145. Directors/Heads of Service are responsible for ensuring the maximum limit for cash holdings in accordance with insurance and safe limits is not exceeded, except with the express permission of the Director of Resources.
146. Directors/Heads of Service should ensure that all assets under their control are, as far as is practicable, effectively marked as Council property.
147. The Council's assets will not be removed or used otherwise than in the course of the Council's business except in accordance with specific instructions issued by the Director/Head of Service concerned.

148. 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 and provides value for money.
149. It will be the responsibility of each Director/Head of Service to make adequate arrangements for the security of monies whilst in their custody, such arrangements to be the subject of approval by the Director of Resources
150. Keys to safes and other cash receptacles must be securely held at all times.
151. Building access keys must be securely held at all times.
152. The Director of Resources is responsible for ensuring that proper security and privacy arrangements are applied in respect of all information held on the Council's computer installations and that information is used in accordance with Data Protection and other relevant information. He/she shall also ensure that effective contingency plans, disaster recovery and back-up procedures are in place to enable information systems to resume speedily in the event of interruption. Any such plans should be tested on a regular basis.
153. Directors/Heads of Service should ensure that all visitors to any Council buildings or sites, except public areas, are signed in and wear authorised identification. They should also ensure that any visitors are adequately supervised to ensure confidentiality of information and security of Council assets at all times.

Information and Communication Technology (ICT) Security

154. The Head of Business Support is responsible for policies in relation to the security of ICT equipment and for the issuing of Network and PC Standards.
155. The Head of Business Support is responsible for the application of policy, instructions and good practice in respect of corporate servers and distributed systems (networks).
156. Directors/Heads of Service are responsible for ensuring that policies and instructions are made known to all members of staff.

C8 INTELLECTUAL PROPERTY

157. Intellectual property is a generic term that includes inventions and writing. If these are created by an employee during the course of employment then, as a general rule, they belong to the employer, not the employee.
158. Certain activities undertaken with the Council may give rise to items that may be patentable e.g. software development. These items are also regarded as intellectual property.
159. In the event that the Council decides to become involved in the commercial exploitation of inventions the matter should proceed in accordance with the advice and guidance of the Director of Resources.
160. Directors and Heads of Service should ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

C9 INVENTORIES

Equipment

161. The Council will maintain an inventory of all equipment (excluding ICT related equipment) with a replacement value above £1,500.
162. Each Director / Head of Service is responsible for maintaining an annual check of all items allocated to their areas and for taking action in relation to any surpluses or deficiencies, to include informing the Director of Resources.
163. All Information and Communication Technology and equipment will be recorded on an inventory held by the Head of Business Support and should include all servers, scanners, PCs, laptops, PDAs and any other equipment.
164. For 'mobile' equipment (i.e. equipment that is not always kept in the office) such as PDAs, mobile phones and laptops the register will include the name of the officer to whom the equipment has been allocated.

Land and Property

165. A property database will be maintained by the Director of Services detailing all properties, including land, owned by the Council. The database will record, the purpose for which the property is held, its location, extent and plan reference, purchase details, particulars of nature of interest and rents receivable and particulars of leases and licences granted.
166. The Head of Finance will keep an Asset Register for capital accounting purposes. The register will be reviewed and updated on an annual basis. A review of asset values will be carried out at least every five years by an independent valuer.
167. Directors and Heads of Service are responsible for immediately notifying any amendments, deletions or additions to the Asset Register to the Head of Finance.
168. The Head of Legal & Democratic Services will keep all title deeds securely.
169. The Director of Services will maintain a Corporate Asset Management Plan to ensure that efficient, effective and sustainable use is made of the Council's land and buildings and that a co-ordinated approach to asset management is achieved across the authority.
170. Any contract relating to the purchase or disposal of any land or property or an interest in land or property will be in writing in a form agreed by the Head of Legal Services & Democratic Services.
171. The Head of Finance must be consulted in advance of any contractual agreement being entered into by the Council in order to ensure that any VAT liability has been properly assessed and tax planning implications taken into account.
172. The Director of Services will be responsible for the granting of licences and easements and for determining rent levels.
173. The Head of Business Support is responsible for co-ordinating the maintenance of the Council's Geographical Information System and Local Land and Property Gazetteer.

C10 ASSET DISPOSAL

Stock, Stores and Equipment

174. Equipment, stock and stores will be disposed of in accordance with the following procedure:

Under £10,000

- Sale of surplus stock and equipment with an estimated value up to £10,000 to be approved by a Director/Head of Service at the best price available (Head of Finance to be advised).
- Write off of stock and equipment with an estimated value up to £10,000 to be approved by a Director/Head of Service (Head of Finance to be advised).

Over £10,000

- Sale of surplus stock and equipment with an estimated value above £10,000 – Director of Resources to approve the method of sale.
- Write off of stock and equipment with an estimated value above £10,000 – Director of Resources to approve write off.

Land and Property

175. Any proposal to lease or sell land, buildings or other permanent assets will be the subject of a report to Cabinet by the appropriate Officer in consultation with the Director of Resources.

C11 TREASURY MANAGEMENT

176. Many millions of pounds pass through the Council's books each year. Procedures have been put in place to provide assurance that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.
177. The Council has adopted and complies with CIPFA's "Code of Practice on Treasury Management in the Public Sector".
178. The Director of Resources is responsible for reporting to Cabinet on an annual basis a proposed Treasury Management Strategy for the coming financial year at or before the start of each financial year.
179. The Treasury Management Strategy and a Treasury Policy Statement is approved by the full Council.
180. The Director of Resources has responsibility for the implementation and monitoring of the Treasury Management Strategy.
181. The Director of Resources will report to Cabinet at least twice in each financial year on the activities of the treasury management operation and on the exercise of 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.
182. Working procedures are detailed in the Treasury Management Practices document.

C12 STAFFING

183. The Director of Resources will advise Members and Officers on areas such as National Insurance and Pension Scheme contributions as appropriate.
184. Directors and Heads of Service are responsible for the management of staffing budgets by:
- adjusting the staffing numbers to that which can be funded within the approved budget provision
 - the proper use of appointment procedures
 - monitoring staff activity to ensure adequate control over such costs as sickness, overtime, training, temporary and agency staff
 - ensuring that the staffing budget is not exceeded unless the necessary additional ongoing funding is available and the agreement of the Senior Management Team is obtained as required.
 - ensuring compliance with taxation and contract requirements for contractors and employees. Remuneration of employees must be paid through the authorised payroll system.

D FINANCIAL SYSTEMS AND PROCEDURES

Why is this important?

Sound systems and procedures are essential to an effective framework of accountability and control. Information must be accurate, reconciled and controlled to ensure that transactions are promptly processed and errors detected promptly.

D1 GENERAL PROCEDURES

185. All accounting procedures and financial records shall be determined by the Director of Resources.
186. The following principles shall be observed in the allocation of accounting duties:
- The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
 - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

D2 BANKING ARRANGEMENTS

187. All banking arrangements with the Council's bankers will be made by, or under arrangements approved by, the Director of Resources.
188. All pre-printed cheques will be ordered only on the authority of the Director of Resources who will make proper arrangements for their control, safe custody and issue.
189. All computer prepared cheques will bear the facsimile signature of the Director of Resources. All cheques of:
- CDC £10,000 and over
SBDC £20,000 and over
- will also bear the manuscript of an authorised signatory.
190. All cheques drawn manually will be signed by the Director or Resources or other authorised signatory. All manual cheques of £20,000 and over will also bear the manuscript signature of a second, different authorised signatory
191. All other payments of £20,000 and over e.g. by BACS, will bear the manuscript signature of the Director of Resources, or an officer authorised by the Director of Resources, on the payment documentation.
192. No officer will make arrangements for recurrent payments to be made by Direct Debit or Standing Order without the prior approval of the Head of Finance.
193. Income will be banked in accordance with procedures agreed by the Head of Finance and the Council's bankers. Income will be transferred by security carrier to cash and cheque processing centres nominated by the Council's bankers.

Corporate Purchasing Cards

194. Directors or Heads of Service to make written requests to the Head of Finance for all new corporate purchasing cards.
195. The Director of Resources to formally authorise all new corporate purchasing cards.
196. The Director of Resources will authorise transaction limits and card limits. These limits apply to the individual for the purposes of card spend only and are independent of the authorised signatory limits.
197. Corporate purchasing cards will be issued and monitored by specified staff within the Finance Team.
198. Corporate purchasing cards are only to be used for Council business.
199. Staff must ensure corporate purchasing cards are securely held at all times. See Corporate Purchasing Card Procedures for details of purchasing, reconciliation, contact names and notification of lost or stolen cards etc.

D3 IMPREST ACCOUNTS / FLOATS

200. Payments made from an Imprest Account will be limited to minor items of expenditure and to such other items as the Head of Finance may approve and must be supported by a receipt.
Note: Imprest Accounts in operation at South Bucks District Council only
201. All requests for new or increased cash floats to be authorised by the relevant Director or Head of Service and submitted to the Head of Finance stating the need for the float, the amount required and the officer responsible for the float.
202. All cash floats must be securely held and must be regularly checked to ensure all cash is accounted for. Any cash discrepancies must be immediately reported to the Head of Finance. Internal Audit will be responsible for carrying out a year end check on any significant cash floats.
203. The cash takings held by the Customer Services may be used in exceptional circumstances, subject to the approval of the Director of Resources or Head of Finance, to cash Council drawn cheques. These will include any Council drawn cheques authorised to 'pay cash'. For all such transactions a specified form must be completed and authorised by a Head of Service or Senior Revenues Manager (for Housing Benefit cheques only). Customer Services staff must check the customer's identity and obtain a signature (on the specified form) to acknowledge receipt of the cash paid out. The cheque can then be substituted for the cash and banked.
204. No income received on behalf of the Council may be paid into a petty cash account or float but must be banked in accordance with procedures provided elsewhere in these rules.

D4 INCOME

Accounting for income

205. Income can be a vulnerable asset and effective income collection systems are essential to ensure that all revenues due to the Council are collected. It is important that all income due is properly identified, collected, receipted, banked and recorded in the financial accounting system.

206. The Director of Resources is responsible for authorising arrangements for the collection of all income due to the Council and for approving the procedures, systems and documentation used for its collection.
207. All income related special stationery i.e. invoices, invoice requests, receipt forms, tickets, books, license forms etc will be ordered and supplied in accordance with arrangements approved by the Head of Finance.
208. The Director of Resources, or nominated representative, is responsible for establishing and initiating appropriate recovery procedures, including legal and bailiff action where necessary, for debts that are not paid promptly.

Cheque and cash handling procedures

209. All money received by an officer on behalf of the Council must be processed on the day of receipt and banked within one working day unless otherwise agreed by the Director of Resources / Head of Finance.
210. No deduction may be made from such money unless specifically authorised by the Director of Resources / Head of Finance.
211. Every officer with responsibility for the collection and/or receipt of income by cash or cheque shall ensure that a timely reconciliation is conducted to ensure the completeness and accuracy of monies received and the appropriate action taken to correct any errors/omissions.
212. Post dated cheques within a reasonable time frame will be accepted. They must be recorded, held securely and banked on the due date. The relevant department should be informed in order that any recovery procedures may be suspended.
213. Each officer who banks money will enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor), or otherwise indicate the origin of the cheque. The reverse of each cheque must be endorsed with the receipt or reference number of the related debt.
214. Under no circumstances should personal cheques belonging to staff be cashed out of money held on behalf of the Council.
215. Every transfer of Council money from one member of staff to another must be evidenced in the records of the departments concerned by the signature of the receiving officer unless alternative arrangements are authorised in writing by the Director of Resources / Head of Finance.

Charging and Invoicing

216. Directors / Heads of Service will be responsible for ensuring that all charges made for goods and services falling within their control, apart from those charges fixed on a statutory or nationally agreed basis, are reviewed at least annually and that all proposals for new charges and changes in charges are in accordance with the Council's Charging Policy.
217. Directors / Heads of Service should ensure that wherever possible income is obtained in advance of supplying goods and services as this improves the Council's cashflow and also avoids the time and costs of administering debts.

218. Officers will inform the Finance Team on a timely basis of particulars of all charges to be made in connection with work done, goods supplied, or services rendered to ensure the prompt raising of accounts.
219. The Finance Team must be notified of all money due to the Council including contracts, leases and other agreements.
220. In normal circumstances a debtor's invoice will not be raised where the invoice value is less than £10. This is because the administrative cost of raising the invoice would be greater than the value to be invoiced. Any exceptions to this rule should be with the agreement of the Director of Resources / Head of Finance.

Bad Debts and Write Offs

221. An impairment provision for bad debts will be provided where it is deemed appropriate by the Director of Resources / Head of Finance.
222. The financial limits applying to the write off of all irrecoverable debts in circumstances where recovery of the sum is unlikely to be achieved or where proceeding are inappropriate or unjustified, will be as follows:

Up to £150	The Parking Manager has the power to write off irrecoverable penalty charge notices up to £150.
Up to £1,000	The Head of Finance has the power to write off irrecoverable debt up to £1,000.
Up to £10,000	The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000. The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.
Over £10,000	The Cabinet has the power to write off irrecoverable debts over £10,000.

223. The Head of Finance will keep a register of all such irrecoverable debts.

Card payments and regulatory requirements

224. All payments received over the Internet shall be timely processed and reconciled in accordance with arrangements approved by the Director of Resources.
225. All documentation in respect of credit and debit card income should be processed by the next working day unless otherwise agreed to in writing by the Director of Resources / Head of Finance
226. The processing of card payments must comply with Payment Card Industry Data Security Standards (PCIDSS) and other relevant legislation. The following criteria must be adhered to in order to meet these requirements:
- Retention periods for card holder data must be specified
 - Arrangements for the secure disposal of card holder data must be in place

- Card holder details should not be written down or recorded in any format
- Customers must be notified of the charge to be levied for the use of credit cards in advance of making payment.

Waiving of a Charge

227. The Council will set its charges annually and these must be applied in all cases. Any variation or waiver of a charge must be approved by the relevant Director / Head of Service.
228. Card charges may be waived where they have been incorrectly applied.
229. Penalty Charge Notices issued to staff or Members may be waived only on the authority of the Chief Executive.

Policy for charging interest on late payment of debts

230. The Late Payment of Commercial Debts Regulations 2002 allows the Council to claim interest and compensation on commercial debts (this excludes Business Rates) which are paid late. The legislation applies to debts with commercial organisations only; the Council cannot charge interest on a debt with an individual.
231. It will be at the Head of Finance's discretion to decide whether to apply the late payment legislation on a case by case basis, it is not compulsory to charge interest on all late payments. As a general rule, we would not expect to charge interest on debts under £500, as the administrative cost of raising the invoice for interest may be greater than the value of the interest claimed. However, there may be circumstances where it would be appropriate to charge interest, even if the debt is of low value. For example, if there was a very old debt of lower value it may be appropriate to charge interest.

D5 ORDERING WORKS, GOODS AND SERVICES

Requisitions and Orders

232. Directors and Heads of Service are responsible for the requisitioning and ordering of all works, goods and services within their areas of responsibility in accordance with procedures laid down by the Director of Resources. The only exception to this is in relation to Information and Communication Technology related expenditure (see 12 and 13 below for further information on this).
233. No expenditure shall be authorised or incurred unless the cost is covered by an approved budget, a virement or is rechargeable to a third party.
234. Only officers authorised by their Director and/or Head of Service may requisition or order works, goods or services and commit expenditure on behalf of the Council.
235. The form, requisition, custody and issue of all order documentation will be subject to the approval of the Director of Resources, including arrangements for submission of orders by electronic means.
236. Directors/Heads of Service will take account of the Council's Procurement Strategy and procedures whenever requisitioning / ordering works, goods or services.

237. Directors/Heads of Service will ensure that Contract Procedure Rules are complied with in respect of all requisitions / orders for works, goods or services.
238. An official order must be despatched to a supplier (see 8 below for a list of exceptions to the raising of official orders). When appropriate where works, goods or services have been ordered via the telephone or internet and where no immediate payment is made a confirmation order should be issued and clearly marked as a confirmation order.
239. The following is a list of types of expenditure where there is no formal requirement to raise an official order The Head of Finance should be consulted for the approval of any additional type of expenditure:
- Contract payments
 - Supplies of public utility services
 - Telephone bills
 - Periodical payments such as rent, rates or leases
 - Business Rates bills
 - Refunds
 - Housing Benefit Payments
 - Appointing or commissioning of an external legal firm or specialist consultants (a brief or letter should be sent detailing verbal agreements made)
 - Regular subscriptions
 - Courses, seminars or conference fees (where payment is sent with the booking form)
 - Land registry fees and stamp duty (where payment is required with the application)
 - Court fees (where payment is required with the papers)
 - Grant payments
 - Payments for Homelessness Accommodation
 - Purchases made by Corporate Purchasing Card
 - Very low value orders (eg under £1,000)
240. Before entering into any contract hire, finance or operating lease or lease – rental agreement, Directors / Heads of Service will consult with the Director of Resources / Head of Finance to ensure that the arrangement is financially advantageous to the Council. Any such agreements will be signed by the Director of Resources / Head of Finance.
241. A copy of all requisitions and orders must be retained in accordance with the Information Management retention guidelines.
242. No personal acquisitions must be made using official orders.

Acquisition of Information and Communication Technology (ICT) Hardware and Software

243. All ICT equipment must be either purchased or leased through ICT. This equipment includes all hardware, phones, PDAs, memory sticks, cameras and any other removable devices. Users should consult with ICT prior to any removable devices or other ICT equipment being purchased or used.
244. The ICT section must hold all original software and license documentation. The license will then be added to the asset register held in ICT. All software must be purchased or leased through ICT.

D6 PAYMENT OF ACCOUNTS

245. The Director of Resources is responsible for the payment of all invoices and accounts and for determining appropriate procedures for the payment of accounts.
246. All invoices or accounts must be examined, verified and certified by an authorised officer before being released in the financial system for payment. Certification means that the authorised officer is satisfied that :-
- the works, goods or services have been satisfactorily received or carried out as per instructions.
 - the charges are in accordance with quotations or contracts and are arithmetically correct.
 - all appropriate discounts, allowances and credits have been claimed.
 - the account has not previously been certified and approved for payment.
 - appropriate entries have been made in the inventories and stock records where necessary.
 - any VAT element of the payment has been correctly identified.
 - the expenditure has been properly ordered, authorised or incurred and is within the relevant budget provision and has been charged to the correct expenditure code.
247. Directors and Heads of Service are authorised to approve payments up to an agreed authorisation limit. Any exceptions to this rule must be approved by the Director of Resources and specified on the Authorised Signatory List:
248. When an invoice or account is found to be incorrect it must not be amended or altered in any way as any alteration will result in the account being invalid for the purposes of VAT requirements. If there is a discrepancy this should be referred to the creditor to either re-issue the invoice or supply a credit note.
249. Photocopied or faxed copies of original invoices are not acceptable. Payment on a copy invoice will only be made in exceptional circumstances and only after all necessary checks to avoid duplicate payment have been made. Any such exceptional payments must be clearly marked and the action taken approved by an authorised officer.
250. Under no circumstances should payment be made on a supplier's statement.
251. Where payment is required to be made on a pro-forma invoice no VAT should be recovered until a VAT receipt/invoice has been received and passed to the Finance Team.
252. Each Director/Head of Service will ensure that certified invoices and accounts are input promptly into the financial system in accordance with arrangements approved by the Director of Resources.
253. The Finance Team will examine, so far as considered necessary, certified accounts passed for payment and will be entitled to receive such information and explanations as may be required.

254. Payments will be made by the Finance Team promptly and directly to the supplier concerned unless in exceptional circumstances the Director of Resources / Head of Finance agrees alternative arrangements.
255. Certified invoices and accounts due for payment but which require payment in advance of the normal processing date may, in exceptional circumstances, be processed through the urgent payment system with the approval of the Director of Resources / Head of Finance.
256. The default payment method will be BACS transfer, any other payments will be made by cheque or other instrument drawn on the Council's bank account
257. Any direct debit payment arrangements must be approved by the Director of Resources/Head of Finance prior to acceptance and all direct debit mandates must be signed by an authorised cheque signatory.
258. By exception only a standing order arrangement may be established after approval by the Director of Resources / Head of Finance.

D7 PAYMENTS TO EMPLOYEES AND MEMBERS

259. The Director of Resources is responsible for payment of salaries and all other forms of remuneration to employees and for payment of allowances to Members.

Salaries

260. Each Director/Head of Service will inform the Personnel Team, who will in turn be responsible for notifying the Finance Team as soon as possible and in such form prescribed, of all matters affecting the payment of salaries and other remuneration to employees, in particular:
 - Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - Absences from duty for sickness or other reason, apart from approved leave.
 - Changes in remuneration, other than normal increments and pay awards.
 - Information necessary to maintain records of service e.g. for pension, income tax and national insurance.
261. The appointment of all employees must be in accordance with the policies and procedures of the Council and with regard to the approved establishments, grades and rates of pay.
262. All time records or other pay documents will be in a form prescribed or approved by the Director of Resources and must be certified by an authorised officer. All documents must be submitted by the specified day of the month (or a date to be determined by the Director of Resources).
263. Each Director / Head of Service, in conjunction with the Personnel Team, will be responsible for the observance of the terms and conditions of employment.
264. Directors / Heads of Service will control the level of paid overtime within the approved budgetary provision.

Car Loans

265. The arrangements for the administering of staff car loans must be approved by the Director of Resources. Individual car loan applications will be authorised by the Director of Resources.

Members Allowances

266. Members' allowances will be paid in accordance with the Council's approved scheme. (See below for Members' expense claims).

Travelling, Subsistence and other expenses

267. All expense claims (including car allowances, subsistence, disturbance, travelling and other expenses) will be paid by the Finance Team upon timely receipt of the prescribed form. All claims must be submitted by the specified date (or a date to be determined by the Director of Resources) in the month immediately following the date on which the expense was incurred.
268. Members' expense claims for travelling or other allowances will be paid by the Finance Team and must be submitted on a prescribed form with relevant receipts attached. Claims must be made within two months of the date on which the duty was undertaken.
269. An authorised officer must certify all expense claims.
270. The certification by the authorised officer will be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
271. Each Director / Head of Service shall approve all post entry training courses (including the estimated expenditure of each course). All claims for post entry training must be certified by an authorised officer and submitted to the Personnel Team before payment is made.
272. All staff using their own vehicles on Council business will be required to provide details of appropriate insurance, driving licence and MOT if applicable upon request by the Director of Resources or nominated representative.

D8 TAXATION

273. The Director of Resources is responsible for advising Directors / Heads of Service, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.
274. The Director of Resources is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
275. The Director of Resources shall be responsible for liaising with HM Revenues & Customs on all VAT related matters and for submitting and signing the necessary returns / claims in a timely manner.
276. Any new activities or contractual arrangements should be notified to the Director of Resources in order that potential tax implications may be considered.

D9 TRADING ACCOUNTS AND BUSINESS UNITS

277. The Director of Resources is responsible for advising on the establishment and operation of trading accounts and business units.

D10 STOCKS AND STORES

278. Stocks and stores, including minor items of equipment, represent short term assets of the Council.
279. Directors / Heads of Service are responsible for ensuring all stocks and stores are securely held and recorded.
280. Levels of stock held should not be in excess of reasonable requirements unless agreed by the Director of Resources.
281. Directors / Heads of Service should ensure stocks and stores are periodically checked and should complete a certificate for stock and stores in hand at the end of each financial year or when required by the Director of Resources.
282. Stocks and stores records shall be in a form approved by the Director of Resources.
283. Any surplus or deficiencies of stock must be reported to the Head of Finance.
284. Disposal of surplus stock should be in accordance with procedures set out in Financial Procedure Rule C10
285. The Director of Resources or nominated representative is entitled to check stocks and stores and be supplied with such information as may be required for the accounting, costing and financial records of the Council.

E EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

286. Partnerships play a key role in delivering community strategies and in helping to promote and improve the well-being of an area. Local authorities are increasingly working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Part of the leadership role of local authorities is to bring together the contributions of various stakeholders.
287. Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations.
288. The main reasons to enter into a partnership are
- desire to find new ways to share risk
 - ability to access new resources
 - provide new and better ways of delivering services
289. A partner is defined as
- an organisation (private, public or third sector) undertaking, part funding or participating as a beneficiary on a project
 - a body whose nature or status give it a right or obligation to support the project
 - an individual whose contribution gives them a right or obligation to support the project
290. Partners participate in projects by
- acting as project deliverer or sponsor, solely or in conjunction with others
 - acting as project funder or part funder
 - being the beneficiary group of the activity undertaken in the project
 - planning and/or monitoring partnership deliverables and outcomes
291. Partnership working is playing an increasing role in the provision of Council services. The Cabinet is accountable to full Council for functions in respect of partnerships but some of these functions are delegated to officers.
292. The Head of Paid Service (statutory duties held by the Chief Executive) represents the authority on partnership and external bodies in accordance with the scheme of delegation.
293. The Monitoring Officer (statutory duties held by the Head of Legal & Democratic Services) is responsible for promoting and maintaining the high standards of conduct with regard to financial administration in partnerships that apply throughout the authority.
294. The Director of Resources must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He/she must consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

295. Directors / Heads of Service are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

E2 EXTERNAL FUNDING

296. External funding is potentially a very important source of income but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.
297. Directors / Heads of Service are responsible for informing the Director of Resources and Head of Finance of all funding notified by external bodies, for ensuring that all claims for funds are made by the due date and that the project progresses in accordance with the agreed project terms of reference and that all expenditure is properly incurred and recorded.
298. Directors / Heads of Service are responsible for ensuring that any match funding requirements are considered prior to entering into agreements and that future revenue or capital budgets reflect these requirements.
299. The Director of Resources is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

E3 WORK FOR THIRD PARTIES

300. Current legislation enables the councils to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this are minimised and that such work is intra vires (i.e. legal).
301. The Director of Resources is responsible for issuing guidance with regard to the financial aspects of third party contracts.
302. Directors / Heads of Service are responsible for ensuring that any proposals are properly costed in accordance with guidance provided by the Director of Resources and that contracts are drawn up in accordance with advice from the Head of Legal Services & Democratic Services and that any relevant formal approval process is adhered to.
303. It is the responsibility of Directors / Heads of Service to ensure:
- that the approval of Cabinet where necessary is obtained before any negotiations are concluded to work for third parties
 - appropriate insurance arrangements are made
 - the Council is not put at risk of bad debts
 - that no contract is subsidised by the Council
 - that wherever possible payment is received in advance of the delivery of the service
 - the service area has appropriate expertise and resource to undertake the contract
 - that such contracts do not impact adversely upon the services provided for the Council
 - that all such contracts are properly documented
 - appropriate information is provided to the Head of Finance to enable a note to be entered in the Council's Statement of Accounts.