

## Appendix A – Updated Financial Rules & Regulations, September 2025

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## **Appendix A Schedule of financial authority to officers**

Within these Regulations **S151 Officer** means:

- The officer with statutory responsibility for the proper administration of the Council's financial affairs in accordance with S151 of the Local Government Act 1972, i.e. Chief Finance Officer.
- Or those officers authorised to act on their behalf.

### **Part A: Status of Financial Regulations**

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#### **1. Purpose**

- 1.1 These Financial Regulations (Regulations) provide the governance framework for managing the Council's financial affairs and understanding the financial implications of the decisions that are made by Officers and Members.
- 1.2 The regulations apply to all Officers and Members. When making decisions and taking actions, consideration must be given to the financial implications and adherence to the regulations.
- 1.3 The regulations provide the framework within which the Council operates its financial affairs. These are based on rules and principles set out below.

#### **2. Principles**

- 2.1 Financial Management – Roles and Responsibilities
- 2.2 Financial Planning and Budgeting
- 2.3 Financial Monitoring and Control
- 2.4 Internal Control and Audit
- 2.5 Financial Systems and Procedures
- 2.6 External Arrangements
- 2.7 These regulations do not provide for every permutation. However, most queries related to them centre around the following areas:
  - Virements (Revenue and Capital): This is a transfer of budget. Approval is based on a financial threshold, but also on whether the change in use of the budget constitutes a policy change or a movement between Executive and Cabinet Member portfolios.
  - Capital Spend: Projects in the Capital Programme are split into the following categories:

- General Fund services
  - Council Housing (HRA)
  - Capital Investments
- Purchase Orders (POs): Approval levels for POs on the Council's Enterprise Resource Programme (ERP) system (Integra) differs from the thresholds in these regulations. Accountability sits with officers approving PO's. When approving a PO, the officer should ensure that the correct authorisation to incur that spend has been given in line with the regulations.
  - Income: If the Council are due to receive any income, approval should follow the scheme of delegation, and the thresholds documented.
  - Project Management and Project Accounting: Managing the finances of a project requires the bringing together of planning, estimating, budgeting, funding, billing, and managing project expenses.

### **3. Status**

- 3.1 The Local Government Act 1972 (Section 151) makes the Chief Finance Officer (S151 Officer) responsible for the proper administration of the Council's financial affairs. These Regulations are issued pursuant to these responsibilities.

### **4. Scope**

- 4.1 The regulations set out the Council's requirements in respect of:
- financial management roles and responsibilities.
  - financial planning and budgeting.
  - financial monitoring and control.
  - internal control and audit.
  - financial systems and procedures.
  - external arrangements.
- 4.2 The regulations apply to the control of both revenue and capital expenditure within the General Fund finances and the Housing Revenue Account. They also apply to the purchase and sale of land and awarding grants to third parties.
- 4.3 Appendix A to the Regulations comprises the 'Schedule of Financial Authority to Officers' which sets out the approved financial limits within which officers may conduct the Council's business.
- 4.4 The Regulations are supported by a set of mandatory Financial Procedures which provide more detailed direction on the arrangements to be complied with.

## **5. Compliance**

- 5.1 These Regulations, and the Financial Procedures, apply to every Member and officer of the Council and to anyone acting on its behalf. Failure to comply may constitute misconduct and lead to formal disciplinary action.
- 5.2 All Council Members and officers have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, and achieves value for money. In doing so, proper consideration must be always given to matters of probity and propriety in managing the assets, income, and expenditure of the Council.
- 5.3 When any decision is to be made you must demonstrate that the financial implications have been considered and that at all times you are acting in accordance with the regulations.

## **6. Maintaining the regulations**

- 6.1 S151 Officer is responsible for:
  - a. Maintaining and updating these Regulations and the Schedule of Financial Authority to Officers.
  - b. Ensuring that any revisions affecting the powers of Members are approved by the Council on the recommendation of the Cabinet Member for Finance and Economy.
  - c. Reviewing and reissuing the Financial Procedures as necessary to support the effective operation of these Regulations.

## **Part B: Financial Management Roles and Responsibilities**

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### **1. Principles**

- 1.1 A transparent framework of financial management responsibilities and decision making is essential to the effective management of the Council's financial affairs.
- 1.2 All Members and officers have a common duty to abide by the highest standards of integrity and stewardship when making decisions about the use of public money.

### **2. Members**

- 2.1 Members' responsibilities for the overall management of the Council's financial affairs are exercised through:
  - a. **Full Council**, which is responsible for approving the Council's overall policy framework and the budget within which the executive operates, setting Prudential Indicators for capital finance and treasury management, setting limits for budget virements, and approving the Council's treasury management and investment strategies.
  - b. **Cabinet**, which is responsible for proposing the policy framework and budget to the Council and for discharging executive functions in accordance with it. Executive decisions can be delegated to a committee of the Cabinet, or by the Leader to an individual Cabinet Member or an officer.

- c. **Audit and Standards**, which is responsible for maintaining a continuous review of the Council's regulatory framework, approving the Annual Statement of Accounts for publication, and oversight of audit and anti- fraud activity.
- d. **Scrutiny Committee**, which oversees the budget process including its implementation.

### 3. **S151 Officer**

3.1 S151 Officer has statutory and delegated duties in relation to the financial administration and stewardship of the Council. The statutory responsibilities cannot be overridden and arise from:

- Section 151 of the Local Government Act 1972.
- The Local Government Finance Act 1988.
- The Local Government and Housing Act 1989.
- The Accounts and Audit Regulations 2015.
- The Local Government Pension Scheme Regulations 2013.
- The Local Government Pension Scheme Regulations (Management and Investment of Funds) 2016.
- Public Service Pensions Act 2013.
- The Local Authorities Goods and Services Acts 1970.
- The Local Government Acts 2000 and 2003.
- The Localism Act 2011.

3.2 Responsibilities of S151 Officer include:

- a. The proper administration of the Council's financial affairs including all arrangements concerning financial planning, financial control, accounting, taxation, income, debt management, insurance, investments, banking, bonds, loans, leasing, borrowing, trust and pension funds, and the payment of creditors, salaries, wages, and pensions.
- b. Determining the contents of Financial Procedures and ensuring compliance with these Regulations.
- c. Preparing the annual Revenue Budget and reporting to the Council on the robustness of the estimates and the adequacy of reserves.
- d. Preparing the annual Capital Programme, ensuring effective forward planning and sound financial management in its compilation.
- e. Ensuring that accurate and timely financial information is available to enable effective budget monitoring and reporting and taking mitigating actions if overspends or shortfalls in income emerge.
- f. Reporting to full Council if it is likely that any proposed action or decision will lead to unbudgeted or unlawful expenditure or activity.
- g. Advising on the systems of internal control necessary for sound financial management and decision making, and to ensure that public funds are properly safeguarded and used economically, efficiently, and effectively.
- h. Determining the accounting procedures and records for the Council and ensuring that they are applied consistently.
- i. Preparing and publishing the Council's annual statement of accounts and

publishing annual governance statement in accordance with all applicable codes of practice on local authority accounting.

- j. Preparing and implementing an effective treasury management strategy, effecting all investments and borrowings within the limits imposed by the Council.
  - k. Advising on, monitoring and reporting on performance in relation to Prudential Indicators set by the Council for capital expenditure, external debt and treasury management.
  - l. Ensuring that effective asset management arrangements are in place.
  - m. Advising on the risks and financial implications associated with joint working, external funding, and trading opportunities.
- 3.3 S151 Officer may allocate their day-to-day responsibilities to an appropriate representative in accordance with the Scheme of Delegated Authority to Officers and the Schedule of Financial Authority to Officers.

#### **4. Senior Finance Officers**

- 4.1 For the purposes of this report, Senior Finance Offices refer to finance officers with the job titles Strategic Director of Finance, Commercialisation and Corporate Services (Chief Finance Officer/S151 Officer), Director of Finance, Revenues & Benefits (Deputy Chief Finance Officer/Deputy S151 Officer) and Head of Finance.
- 4.2 The S151 Officer has overall responsibility of the Council's finances, but day-to-day financial matters is delegated to the Director of Finance, Revenues & Benefits and their direct reports or delegated representatives.
- a. Promoting and ensuring compliance with these regulations and associated financial procedures.
  - b. Taking corrective action in the event of non-compliance.
  - c. Preparing the annual revenue and capital budget estimates in accordance with guidance issued by Cabinet and the S151 Officer.
  - d. Approving the financial implications for any proposal within a decision-making report.
  - e. Maintaining sound systems of internal control and implementing agreed internal and external audit recommendations.
  - f. Ensuring that all financial transactions are recorded through the main accounting system.
  - g. Ensuring that the controls framework of the Council's ERP system is always followed.

#### **5. Corporate Management Team and Corporate Directors (or nominated representative)**

- 5.1 Corporate Management Team (CMT) and Service Directors are responsible for the day-to-day management of their respective Directorate's finances. Their responsibilities in relation to financial management include:

- a. Working closely with S151 Officer (or a delegated representative) throughout the drawing up and implementation of any approved proposals and ensuring their participation in the decision-making process to guarantee that all financial implications are identified and taken into consideration before any decisions are made whilst ensuring that Council Objectives and Value for Money is met. Managing service delivery and containing expenditure within the agreed revenue and capital budgets.
- b. Complying with the Council's anti-fraud and corruption strategy and reporting suspected fraud and financial irregularities to internal audit for investigation.
- c. Complying with the Council's risk management strategy and notifying the S151 Officer immediately of significant risks to the Council's financial position.
- d. Assisting cash flow through timely billing of income due, monitoring income received and taking appropriate action in the event of non-payment.
- e. Assisting cash flow through minimising advance payments wherever possible.
- f. Ensuring that all expenditure incurred complies with the requirements of the The Procurement Act 2023 and the council's internal Contract Procurement Rules and has the necessary budgetary approval.
- g. Controlling resources and containing staff numbers within approved establishment and budget levels and ensuring that all employee appointments and payments are properly authorised in compliance with the Council's policies.
- h. Ensuring the proper security and safe custody of all assets under their control.
- i. Ensuring that the risks and financial implications associated with joint working, external funding and trading opportunities are properly evaluated, and that no such arrangements are entered into without the necessary approvals.
- j. Ensuring that financial authorities are operated in accordance with the limits contained within the Schedule of Financial Authority to Officers, and that a written record of authorised officers is maintained.

## **6. All Officers**

6.1 In addition to the specific responsibilities set out above the Council expects all officers to:

- a. Act in good faith, impartiality and in accordance with their positions of trust.
- b. Exercise due care in relation to all resources, assets, income and expenditure within their care or control.
- c. Ensure that proper records and documentation are maintained of the Council's assets and financial transactions.
- d. Comply with these Regulations, the associated Financial Procedures and any additional guidance issued to ensure the effective control of the Council's resources. Co-operate in audits of the Council's financial systems.
- e. Report any suspected financial irregularities for investigation in accordance with the Council's Fraud Response Plan.
- f. Ensure they comply with the Council's ERP system control framework and policies.
- g. Ensure that S151 Officer is made aware of the financial implications of all significant and/or high-risk proposals, prior to any decisions being made.

## ***Part C: Financial Planning and Budgeting***

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### **1. Purpose**

- 1.1 The purpose of financial planning is to set out and communicate the Council's objectives, resource allocations and related performance targets, and to provide an agreed basis for subsequent management control, accountability, and reporting.
- 1.2 Budgets are essential for the Council to plan, authorise, monitor, and control the way money is allocated and spent. It is unlawful for the Council to budget for a deficit.
- 1.3 The Council's budget sets agreed parameters around the annual activities and functions of Directorates and their services and is constructed within the context of a medium-term financial plan. It reflects the priorities of the Council.
- 1.4 The Capital Programme sets out the resource allocations to be made to capital schemes that have Council approval. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the organisation, such as land, buildings, major items of plant, equipment, and vehicles.
- 1.5 To enable Members to make informed decisions, all Cabinet and Committee reports must incorporate a section on 'Financial implications', which will be prepared by the Finance Department. All Cabinet Member Reports should include the costs or savings of proposals, together with any approved budget provision, future commitments, potential risks, tax implications, and any other financial consequences which may arise from the options and recommendations where appropriate.

### **2. Revenue Budget**

- 2.1 S151 Officer is responsible for:
  - a. Ensuring that an annual Revenue Budget and Council Tax Report is prepared in the context of a medium-term financial plan for consideration by Cabinet and approval by Council.
  - b. Maintaining a financial planning and resource allocation process that properly reflects the Council's policy framework and strategic objectives.
  - c. Advising the Cabinet on the format of the budget and its responsibility for issuing guidance on budget preparation taking due account of:
    - legal requirements.
    - medium-term planning prospects.
    - the corporate strategy and Council priorities.
    - available resources.
    - spending pressures.



- Government initiatives and public policy requirements.
- internal policy directives.
- d. Advising the Council on the budget proposals in accordance with their responsibilities under S151 of the Local Government Act 1972.
- e. Advising the Cabinet and Council on a prudent level of reserves for budget purposes and ensuring any appropriate contingency provisions are maintained.
- f. Considering and approving or rejecting requests for the creation of earmarked reserves.
- g. Approving or rejecting transfers to or from reserves, or the re-designation of existing reserves.
- h. Undertaking statutory consultation with Business Rates payers.
- i. Issuing detailed procedures on the preparation of Revenue Budget estimates.

2.2 Senior Finance Officers in conjunction with officers with budget responsibility are responsible for:

- a. Preparing annual Revenue Budget estimates in accordance with the guidance issued by Cabinet and the detailed procedures issued by S151 Officer, ensuring that these reflect agreed priorities, and advising Cabinet Members on service implications.
- b. Establishing detailed budgets for each directorate/service area in advance of the financial year and ensuring those budgets are managed by responsible named budget managers.
- c. Integrating financial and budget plans with service planning.
- d. Ensuring that any approved transfers from reserves are applied for their intended purposes.

### **3. Capital Programme**

3.1 Slippage and over/underspends must be reported quarterly as part of monitoring and the half year and outturn positions are presented to CMT as part of the capital monitoring update. Variations to the approved budgets for capital schemes must be approved in accordance with the limits set out in the Schedule of Financial Authority to Officers.

Strategic Directors or their representatives where projects fall within their portfolio. This group meets quarterly and is responsible for:

- a. The strategic development of the Council's Capital Programme and Capital Strategy in accordance with the Council's Objectives.
- b. To consider any proposal for the use of capital aligned to the Council's priorities.
- c. To review potential risk and Value for Money issues on any proposal for the use of capital.
- d. To agree any programme of capital, spend within the confines of Council agreed financing.

- e. To provide a forum for establishing and providing robust challenge and debate around the Capital Programme.
- f. To monitor the performance of projects and programmes within the Council's Capital Programme.
- g. To set out a programme of annual capital receipts and to monitor progress in achieving those receipts.
- h. To ensure that investments in projects are backed up with a rigorous business case that is updated and developed at key stages over the project life.
- i. To review annually the list of capital projects

3.3. In accordance with the Treasury Green Book guidance, all Development (as per the General Fund Capital Programme) and regeneration (as per the HRA business plan) projects over £10m will have to produce the following three business case:

- a. Strategic Outline Case
- b. Outline Business Case
- c. Full Business Case

3.4. Projects under £10m will require a Business Case only. However, this will be dependent on the other criteria and factors.

3.5. As part of the capital budget setting process, Service managers bid annually in September to include projects in the Authority's capital programme. Bids are collated by Financial Services who calculate the financing cost (which can be nil if the project is fully externally financed). Capital Officers appraise all bids based on a comparison of service priorities against financing costs and make recommendations to the Corporate Management Team. The final capital programme is then presented to the Cabinet in January and to the Council in February for approval.

3.6. Adding projects to the capital programme during the year:

All capital projects should be approved as part of the annual bidding process. However, if an urgent capital project is required and will incur spend in the financial year then a capital bid must be presented to CMT to draw down from centrally held contingency.

3.7. Capital receipts/Sales receipts:

The overall income envelope for development and regeneration projects over £10m should be approved as part of the Full Business Case. This should include estimated range for sales from each unit. However, if post completion this varies by more than 10% then further Cabinet Member approval should be sought.

3.8. S151 Officer is responsible for:

- a. Ensuring that a five-year rolling Capital Programme is prepared on an annual basis for consideration by CMT and approved by Cabinet and Council. This is supported by a further indicative ten-year plan.
- b. Issuing strategic guidance on budget preparation, and issuing detailed guidelines which take account of legal, regulatory and code of practice requirements, medium-term planning prospects, affordability, and whole life costing.

- c. Ensuring that the revenue implications of the programme are contained within the Revenue Budget and medium-term financial plan.
- d. Ensuring that all schemes relying on the use of Prudential borrowing powers are properly appraised and provide value for money.
- e. Reporting to Cabinet on the overall position and the availability of resources to support the Capital Programme.
- f. Issuing procedures on the preparation of capital budget estimates.
- g. Ensuring that sources of funding (general fund, capital grants, self-financing etc) are identified for the entire programme.
- h. Financial Authority Ensuring that any schemes requiring in year approval (outside of the annual Capital Programme) are reviewed by the CMT and approved by the relevant Cabinet Member – in line with the Scheme of.
- i. Ensuring the Capital Programme includes a contingency for in year approval of schemes and the CMT approves the use of any contingency. This is to ensure that the overall affordability of the programme is maintained, in line with the scheme of delegation.
- j. Maintaining a record of the current capital budget and expenditure on the Council's financial system and ensuring compliance with financial reporting standards.
- k. Reporting to Cabinet and CMT on the performance against the Capital Programme and budget as well as reporting to the Audit and Performance Committee and Overview and Scrutiny Committee as required.
- l. Ensuring that governance arrangements are in place via the CMT meeting to review proposed changes to the Capital Programme for approval by the Cabinet Member.
- m. Ensuring the Council's annual disposals programme is approved by Cabinet.
- n. Ensuring the CMT is updated on the progress of the disposals programme.

3.9. Senior Finance Officers are responsible for:

- a. Complying with guidance issued by the S151 Officer regarding preparation of the Capital Programme.
- b. Undertaking robust financial management of schemes and ensuring the scheme constitutes value for money.
- c. Monitoring and reporting on a regular and consistent basis on capital expenditure and receipts against approved capital budgets, on project slippage and variations, on additions/deletions, and on any changes in projected expenditure, for the CMT, or for the Cabinet Member in the case of the Housing Revenue Account.

3.10. Corporate Management Team or nominated representatives (in conjunction with Senior Finance Officers) are responsible for:

- a. Ensuring all General Fund capital schemes and schemes included in the Housing Revenue Account asset management are properly appraised with rigorous business cases documented in line with HM Treasury Green Book guidance and in line with the requirements set out in the capital strategy. In addition, projects should be

supported by project plans, funding strategies, a risk register and benefit realisation plan as appropriate.

- b. Undertaking an annual review of their schemes within the Capital Programme and consequential revenue expenditure, for inclusion in the medium-term financial plan.
- c. With the exception of approved spend within the Housing Revenue Account, ensuring that no expenditure is incurred on a capital project prior to its agreed inclusion within the Capital Programme and until a financial report has been approved by the Cabinet Member in accordance with the limits set out in the Scheme of Delegated Authority to Officers.
- d. Ensuring that all allocated spend is authorised in accordance with the Schedule of Financial Authority to Officers.
- e. Reporting to the Cabinet if proposed sources of funding are not secured.
- f. Ensuring that adequate records and audit trails are maintained in respect of all capital contracts.
- g. Complying with the requirements of CMT for business case sign-off, progress updates and providing specific information in relation to a scheme when requested. As only Cabinet Member and Cabinet reports can be approved formally, all business cases must be submitted with a cover report and CMT should recommend approval to Members who can sign off the report.
- h. Submitting contingency draw down reports. All projects will include a capital contingency of 20%. S151 Officer will hold 15% of this centrally. Should centrally held contingency need to be drawn down, a Cabinet Member or Cabinet Report will need to be submitted and reviewed by CMT.

#### **4. *Financial Implications of Decisions***

- 4.1 S151 Officer is responsible for:
  - a. Issuing guidance in relation to the presentation of financial implications within the Council's decision-making processes.
  - b. Ensuring the adequacy of the financial implication's information presented within individual decision-making reports and appropriate sign-off.
- 4.2 Senior Finance Officers are responsible for:
  - a. Ensuring that all decision-making reports properly set out the financial implications of the proposed actions, through the provision of adequate information from the senior officer of the service for this section to be prepared.
  - b. Ensuring they act in accordance with guidance issued by S151 Officer.
  - c. Arranging for all financial implications to be validated and formally signed off on behalf of the S151 Officer.
  - d. Consulting with relevant parties where there may be financial implications for other Cabinet Members, Committees, or departments.
- 4.3 For the purposes of this report, Senior Offices refer to officers within the Council's Senior Management Team (SMT).
- 4.4 Senior Officers or nominated representatives are responsible for:
  - a. Providing financial information to Finance in a timely manner.
  - b. Ensuring they provide all financial and non-financial information to finance to enable them to complete the financial implications for any proposal.

## **Part D: Financial Monitoring and Control**

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### **1. Principles**

- 1.1 To ensure the Council does not exceed its overall budget, each service area is required to manage its own income and expenditure within the budgets allocated to them to be spent on agreed service activities and functions. The Council's approval of the revenue estimates constitutes authority to incur expenditure, subject to compliance with the approved policies and regulations of the Council and any other limitation that may be imposed.
- 1.2 Any forecasted revenue overspends, or income shortfalls should be mitigated through a compensating underspend or over achievement of income elsewhere. Any underspend cannot be carried forward from one year to the next without the approval of S151 Officer and should generally be restricted to specific items of a 'one off' nature where monies will be spent for an identified purpose in the following financial year.
- 1.3 The term virement refers to transfers of budgets between or within cost centres and between directorates. Virements may only be used in the very specific circumstances set out in the Regulations and the Schedule of Financial Authority to Officers.

### **2. Control of Revenue Budgets**

- 2.1 S151 Officer is responsible for:
  - a. Maintaining a robust framework of budget management and control that ensures that:
    - Budget management is exercised within annual approved budgets and the medium-term financial plan.
    - Revenue expenditure is recorded on the Council's financial system in accordance with legal, regulatory and code of practice requirements.
    - Accurate and timely information is available to managers and budget holders that enables budgets to be monitored and controlled effectively.
    - All officers responsible for committing expenditure must comply with these Regulations.
    - Each cost centre is allocated to a named budget manager determined by the relevant service manager.
    - Significant variances from budget are investigated and reported by budget managers with support from their Senior Finance officer (or nominated representative) on a regular basis.
  - b. Monitoring and controlling income and expenditure against budget allocations at a Council-wide level.
  - c. Reporting regularly to Cabinet, Audit and Standard Committee and Scrutiny Committee on performance against budget, delivery of savings programmes and available reserves.
- 2.2 Senior Finance Officers or those with budgetary responsibility (in conjunction with Senior Officers) are responsible for:
  - a. Ensuring that effective budgetary control arrangements exist and are observed within their respective directorates in compliance with these Regulations.
  - b. Ensuring that expenditure is coded correctly and committed only against approved budget lines.
  - c. Forecasting accurately throughout the financial year; regularly reporting

performance, variances, and forecasts to S151 Officer, Cabinet, and as required to Overview and Scrutiny Committee, and Audit and Performance Committee.

- 2.3 Senior Officers or nominated representatives are responsible for:
- a. Ensuring spending remains within the relevant budgets by controlling income and expenditure, monitoring performance, and taking corrective action where variations from budget are forecast.
  - b. Ensuring any risks or issues relating to over or underspends within their areas are escalated to Finance on a timely basis.

### **3. Virements**

- 3.1 S151 Officer is responsible for:
- a. Controlling and administering the virement mechanism in accordance with guidance and limits set by Council. As a general rule, revenue virement is only permissible in the following circumstances:
    - To correct any errors made in the initial loading of the budget onto the main accounting system.
    - To reflect a structural reorganisation.
    - To distribute centrally held budgets, e.g. savings targets and inflation provisions to reflect major changes in policy, subject to appropriate approval.
    - To reflect receipt of additional grant or other funding.
    - To reflect technical adjustments at the discretion of S151 Officer.
    - To reflect any changes in corporate priorities.
    - To reflect adjustments required in the use of earmarked reserves.
  - b. Recording approved virements in the Council's financial systems and reflecting the impact of these in regular monitoring reports to Cabinet and the Audit and Standards Committee.
- 3.2 Virements between Subjective Codes within a Service Budget may be authorised by the Budget Holder, without financial limit.
- 3.3 Budget Holders may authorize virements of up to £10,000 between Service Budgets they are responsible for as detailed in the budget book. Such virements require additional authorisation by the CFO.
- 3.4 Virements of up to £10,000 between Service Budgets controlled by different Budget Holders may be made if approved by those Budget Holders. Such virements require additional authorisation by the CFO.
- 3.5 Virements between Service Budgets exceeding £10,000 and up to £25,000 require the authorisation of CFO based upon a report jointly authored by the Budget Holder(s) and CFO. Such virements to be reported for information to the Cabinet.
- 3.6 Virements between Service Budgets exceeding £25,000 require the authorisation of Cabinet based upon a report jointly authored by the Budget Holder(s) and CFO.
- 3.7 S151 Officer can approve capital virements of any value where the following apply:
- Reallocation of approved budgets.

- To correct any system errors.
- Where a technical accounting adjustment is required.
- Coding changes.

3.8 Where a Capital virement is required due to a budget or policy change the following approvals will be required.

- Up to £100k – S151 Officer in conjunction with the relevant director.
- Above £100k– require approval by council except in emergency circumstances when the section 151 officer can make use of their statutory powers.

- 3.8 Senior Officers or nominated representatives (in conjunction with Senior Finance Officers) are responsible for:
- a. Ensuring all proposed virements comply with the limits and approval requirements set out in the Schedule of Financial Authority to Officers.
  - b. Ensuring that virements are correctly identified as either permanent or temporary (in-year) adjustments.

#### **4. Supplementary Estimates**

4.1 Supplementary Estimates are requests for increases in total spending permission additional to those approved in the Revenue Budget and Capital Programme.

4.2 Wherever possible a Supplementary Estimate shall be managed by virement in accordance with the virement rules contained within these Financial Regulations.

4.3 Where a Supplementary Estimate cannot be managed by virement, approval by Cabinet is required based upon a report jointly authored by the responsible member of CMT and CFO.

4.5 Authorisation shall only be given in the following exceptional circumstances:

- Unavoidable expenditure which cannot be contained by virement
- To enable opportunistic purchase of land or the issue of planning revocations, or purchase notices under relevant Planning Acts.
- The use of general or earmarked reserves for specific purposes.
- To cover expenses incurred in dealing with emergencies and disasters.

4.6 Supplementary Estimates shall be funded by one or a combination of the following:

- Virement
- Additional income
- Transfer from reserves
- Transfer from Working Balance

4.7 Wherever practicable the approval of Cabinet shall be obtained before any commitment is entered into. If this is not possible the Finance Portfolio Holder and Portfolio Holder responsible for the service (if different) shall be consulted. In the event of a genuine emergency requiring urgent unavoidable expenditure e.g. civil emergency any member of CMT shall authorise such

expenditure and the CFO shall report the action taken to the next meeting of Cabinet.

4.8 Budget Holders may authorise requests for Supplementary Estimates of up to £10,000 within the Service Budgets they are responsible for as detailed in the budget book. Such requests require additional authorisation by the CFO.

4.9 Supplementary Estimates between £10,000 and up to £25,000 require the authorisation of CFO based upon a request by the Budget Holder. Such virements to be reported for information to the Cabinet.

4.10 Supplementary Estimates exceeding £25,000 require the authorisation of Cabinet based upon a report jointly authored by the Budget Holder and CFO.

4.11 S151 Officer can approve Supplementary Estimates of any value where the following apply:

- To correct any system errors.
- Where a technical accounting adjustment is required.
- Emergency spending is required.

4.12 Where a Capital Supplementary Estimates is requested the following approvals will be required.

- Up to £100k – S151 Officer in conjunction with the relevant director.
- Above £100k– require approval by council except in emergency circumstances when the section 151 officer can make use of their statutory powers.

## ***Part E: Internal Control and Audit***

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### **5 Principles**

5.1 Sound systems of internal control are essential to the proper economic, efficient, and effective use of resources, the achievement of objectives, and the safeguarding of public funds.

5.2 Legislation requires that the Council provides for both internal and external audit. External audit provides an independent assessment of the Council's financial statements and the adequacy of its arrangements for achieving value for money. Internal audit evaluates and reports on the adequacy of the Council's internal control systems in securing the proper, economic, efficient, and effective use of resources.

5.3 Members and all officers must act with due regard to matters of professional integrity and propriety, and comply with all relevant rules, regulations, procedures, and codes of conduct, including those in relation to receipt of gifts and hospitality and declaration of conflicts of interest.

5.4 The Council has an obligation to deter and protect itself from fraud or corruption in the administration of its responsibilities, whether perpetrated by Members, officers, customers of



its services, third party organisations contracting with it, other agencies or individuals with which it has any business dealings.

5.5 Risk management is an integral part of effective management and planning. It is concerned with identifying and managing key obstacles to the achievement of objectives.

## **6 Internal Control**

6.4 S151 Officer is responsible for:

6.4.1 Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutory and other authorities that govern their use.

6.4.2 Responding to the annual review of the effectiveness of the system of internal control and agreeing the results of this within the Council's Annual Governance Statement, which is published alongside the annual Financial Statements.

6.5 Senior Officers or nominated representatives (in conjunction with Senior Finance Officers) are responsible for:

6.5.1 Complying with the controls set down in these Regulations and the Financial Procedures.

6.5.2 Taking appropriate corrective actions in respect of any non-compliance by staff with relevant rules, regulations, procedures, and codes of conduct.

6.5.3 Implementing effective systems of internal control including adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.

6.5.4 Planning, appraising, authorising, and controlling their operations to achieve continuous improvement, economy, efficiency, and effectiveness and for achieving their objectives, standards, and targets.

## **7 Internal and External Audit**

7.4 S151 Officer is responsible for:

7.4.1 Ensuring that the statutory requirements for external audit are complied with and that the external auditor can effectively scrutinise the Council's records.

7.4.2 Ensuring that external audit plans and results are reported to the Audit and Performance Committee.

7.5 Senior Finance Officers (in conjunction with Senior Officers) are responsible for:

7.5.1 Ensuring that the appointed auditors have access to all documents and records for the purposes of the audit and are afforded all facilities, cooperation and explanation deemed necessary.

7.5.2 Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.

7.5.3 Implementing audit recommendations within agreed timescales.

## **8 Preventing Fraud and Corruption**

8.1 S151 Officer is responsible for:

8.1.1 Advising on the controls required for fraud prevention and detection with respect to the financial system and preparation of financial statements.

8.1.2 Appointing a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.

8.2 Senior Officers (in conjunction with Senior Finance Officers) are responsible for:

8.2.2 Complying with the Council's anti-fraud and corruption strategy.

8.2.3 Ensuring that there are sound systems of internal control within their directorates and teams for fraud prevention and detection.

8.2.4 Ensuring they follow all controls policies and regulations to minimise fraud and taking all necessary action with their staff if fraud is suspected.

8.2.5 Reporting cases of suspected fraud or irregularity to internal audit for investigation whilst complying with the Council's "Speak Out!" policy.

8.2.6 Implementing audit recommendations within agreed timescales.

8.2.7 Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.

## 9 *Risk Management*

9.1 S151 Officer is responsible for identifying risks for inclusion in the Council's financial risk management strategy and advising on the management of financial risks.

9.2 Senior Officers (in conjunction with Senior Finance Officers) are responsible for:

9.2.2 Implementing the Council's risk management strategy.

9.2.3 Integrating risk management within business planning and performance management arrangements.

9.2.4 Mitigating, monitoring, and reporting on risks.

9.2.5 Maintaining and testing business continuity plans.

## *Part F: Financial Systems and Procedures*

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## 10 *Principles*

10.1 Good systems and procedures are essential to the effective management and administration of the Council's financial affairs. This includes:

- **Accounting:** The main accounting system provides the prime source of financial data for management accounts, statutory accounts, and government returns. It is essential that this system complies with legislation and proper accounting practice and that all information is recorded accurately, completely and in a timely manner, and that any errors are detected promptly and rectified.
- **Income:** Effective systems are necessary to ensure that all income due is collected, receipted, recorded, and banked properly. Where possible income should be collected in advance to improve cash flow and avoid costs of debt collection. Debts should only be written off once all reasonable avenues have been exhausted or where it would prove uneconomical to pursue.
- **Expenditure:** Expenditure should only be incurred where budget and/or other approved provisions are available and must comply with the Council's procurement rules and approved payment processes. The Council has adopted a No PO no Pay policy and therefore purchase orders must be raised to ensure

that the expenditure is recorded as a commitment in the Council's main accounting system. Whilst the Council adopts a No PO no pay policy, it is recognised that this is not always practical and therefore in very exceptional circumstances a one- off manual payment request can be made in writing to the finance payments team. The request will require supporting evidence and approval from the budget manager.

- **Banking:** All transactions through the Council's bank accounts must be properly processed, recorded, and reconciled.
- **Treasury management:** Proper processes must be maintained for the investment of cash balances and for borrowing to fund the Capital Programme, ensuring compliance with the authorised annual Treasury Management Strategy Statement.
- **Taxation:** Effective systems must be in place to ensure that all tax liabilities and obligations are properly reported and accounted for, and that losses, fines and penalties are avoided.
- **Asset management:** The Council's assets must be properly recorded, safeguarded from loss/harm, and utilised effectively, and any disposals undertaken in a controlled manner.
- **Insurance:** Appropriate insurance cover is necessary to protect the Council from financial claims arising from unforeseen events such as damage to property or injury to employees or to the public.
- **Recharges and internal trading accounts:** The Council is required to allocate all its support services costs to service areas in compliance with accounting codes of practice.

## **11 Strategic Director of Finance, Commercialisation & Corporate Services Principles**

### **11.1 S151 Officer is responsible for:**

- 11.1.2 Determining the Council's main accounting system for the preparation of the Council's accounts and for monitoring all income and expenditure.
- 11.1.3 Determining any financial systems which may sit outside of the main accounting system and ensuring that these are sound and properly integrated and interfaced.
- 11.1.4 Issuing guidance on the use and maintenance of the main accounting system and related financial systems and ensuring that supporting records and documents are retained.
- 11.1.5 Ensuring that regular balance sheet and holding account reconciliations are undertaken.
- 11.1.6 Preparing the Council's consolidated accounts, balance sheet and governance statement for audit and publication, and issuing guidance (including a detailed timetable and plan) to ensure achievement of statutory deadline.

### **11.2 Senior Finance Officers (in conjunction with Senior Officers (or nominated representative) are responsible for:**

- 11.2.2 Ensuring that the main accounting system is used to accurately record financial transactions in accordance with guidance issued by S151 Officer.
- 11.2.3 Ensuring an adequate audit trail of financial information and compliance with the Council's policies in respect of the retention of documents.
- 11.2.4 Ensuring that the implementation of any financial system has the express approval of S151 Officer, and is adequately documented, tested, and interfaced

with the main accounting system.

11.2.5 Complying with the timetables required by S151 Officer to enable the production of consolidated accounts, budgets, and statutory information.

## **12 Income**

12.1 S151 Officer is responsible for:

12.1.2 Administering all invoicing, credit notes, income collection and debt recovery or, where local arrangements for such have been agreed, approving all procedures, systems and documentation used.

- a. Ensuring that claims for Government grants and other monies are made properly and promptly (including proper administration of match-funding).
- b. Ensuring that all monies received are properly receipted, recorded, and banked promptly.
- c. Administering the process for writing off irrecoverable debts, and monitoring and reporting on write off levels.
- d. Recommending and implementing the Council's debt management policy.

1.2 Senior Officers (or nominated representative) (in conjunction with Senior Finance Officers) are responsible for:

- a. Ensuring that fees and charges for services are reviewed at least annually, consulting with S151 Officer and Cabinet Members on the financial effect of the review and obtaining Cabinet Member approval to any proposal to introduce new charges.
- b. Collecting payment at point of sale wherever possible to improve cash flow.
- c. Timely initiation of 'sales order invoices' in respect of all fees and charges due.
- d. Administering any local systems for invoicing, income collection and debt recovery as directed by S151 Officer.
- e. Providing operational data and information to ensure that claims for Government grants and other monies are made properly and promptly (including proper administration of match-funding).
- f. Authorising the write-off of irrecoverable debts on the recommendation of S151 Officer and subject to the requirements set out in the Schedule of Financial Authority to Officers.

## **13 Expenditure - Procurement**

13.1 These rules and regulations are to be read in conjunction with the Procurement Act 2023 (link: [Procurement Act 2023](#)) and Contract Procedure Rules (found on the Intranet here: [Contract Procedure Rules](#)).

13.2 S151 Officer is responsible for:

13.2.2 Processing all payments due on receipt of a valid invoice or contract certificate which satisfies VAT regulations, and confirmation that works, goods and services have been received.

13.2.3 Agreeing any exceptions to the requirement to raise purchase orders for all works, goods, and services.

13.2.4 Administering procurement cards and credit cards and processing payments.

13.2.5 Agreeing the use of any pre-loaded payment cards.

13.2.6 Ensuring that the Contract Procedure Rules are followed.

13.3 Senior Officers (or nominated representative) are responsible for:

13.3.2 Ensuring that all purchase orders are raised using the Council's financial system, for all works, goods, and services other than:

- Purchases appropriately made through petty cash, procurement card or credit card.
- Continuous charges for utilities supplies, or periodic payments such as rents or rates, and treasury management payments.
- Expenditure incurred on the Housing Revenue Account.

13.3.2.1 Manual payments as outlined in Part F 1.1 above.

13.3.3 Any other exceptions agreed with S151 Officer ensuring that no purchase orders are placed without the proper approvals and financial authorities set out in the Schedule of Financial Authority to Officers and the procurement code.

13.3.4 Receipting works, goods, and services on the financial system.

13.3.5 Ensuring the proper completion and authorisation of payment certification vouchers, including confirming that the invoice has not previously been paid.

13.3.6 Ensuring that payments are made only where works goods and services have been received to the correct price, quantity, and quality standards.

13.3.7 Complying with the requirements of the Council's Contract Procedure Rules.

13.3.8 Ensuring that all procurement and credit cards are appropriately controlled, and that all expenses and other transactions are reviewed and authorised by the relevant line manager, are for proper business purposes, are supported by receipts, and are compliant with any other restrictions in force.

13.3.9 Ensuring that the transactions recorded on procurement or pre-paid cards is properly recorded on the Council's primary finance system.

13.3.10 Complying with approval limits set out in the Schedule of Financial Authority to Officers and any further limitations set out within the Contract Procedure Rules.

13.4 Other responsibilities:

13.4.2 Strategic Directors are empowered to expend from within their allocated service budget expenditure up to the amount set out in the Schedule of Financial Authority to Officers in any single case where the Chief Executive is of the view that a finding of maladministration with injustice is likely to be found by the Local Government Ombudsman.

13.4.3 In circumstances where compensation is above the amount set out in the Schedule of Financial Authority to Officers, the committee authority is required.

## **14 Expenditure - Payroll**

S151 Officer is responsible for making emergency payments to staff in extreme circumstances such as payroll failure.

14.1 The Director of Business, Performance and People Services is responsible for:

14.1.2 Operating sound arrangements for the payment of salaries, pensions, and expenses to officers and in accordance with the Members Allowances Scheme administered by the Head of Governance and Councillor Liaison.

14.1.3 Providing a corporate payroll system for recording all payroll data and generating payments to employees and Members, including payment of pensions and expenses.

- 14.1.4 The proper calculation of all pays and allowances, National Insurance and pension contributions, income tax and other deductions.
- 14.1.5 Completing all HMRC returns regarding PAYE and providing advice and guidance on employment related taxation.
- 14.1.6 Maintaining an accurate and up to date record of the Council's employee establishment.

14.2 Senior Officers (or nominated representative) are responsible for:

- 14.2.2 Controlling resources and containing staff numbers within approved establishment and budget levels.
- 14.2.3 Ensuring that all employee appointments, including temporary staff, are made in compliance with the Council's policies.
- 14.2.4 Ensuring that the Managed Service Provider for Council's ERP System is notified promptly of starters and leavers, and all information relating to employees' pay and expenses.
- 14.2.5 Ensuring that all payments made to employees are properly authorised in compliance with the requirements and financial limits set out in Council's human resources policies.
- 14.2.6 Ensuring that for expenses, managers review their audit samples of expense claims, validate that there are appropriate receipts in place, and make these available for audit as and when required.
- 14.2.7 Ensuring that all people employed by the Council are paid through the Council's payroll, other than where the Director of People Services has agreed that the individual is bona fide self-employed or employed by a recognised agency.
- 14.2.8 Ensuring that all temporary employees are appropriately recorded as per IR35 regulations.

**15 Expenditure - Banking**

15.1 S151 Officer is responsible for:

- 15.1.2 Managing and operating all the Council's bank accounts and ensuring that all payment methods, have the appropriate authorisations, approvals, and signatures.
- 15.1.3 Ensuring that adequate controls are in place for the control of payment methods covering access, ordering, custody, preparation, signing and dispatch as appropriate.
- 15.1.4 Ensuring regular reconciliations are carried out between all bank accounts and the financial records of the Council.

15.2 All Officers are responsible for:

- 15.2.2 Ensuring that no bank accounts are opened in the name of the Council other than with the express written authority of S151 Officer.
- 15.2.3 Reporting to S151 Officer on the nature and state of any bank accounts for which they are responsible.
- 15.2.4 The proper administration of any local cash, including record keeping, document retention, paying in income, reconciliation and control of cheques including ordering, custody, preparation, signing and dispatch.

## 16 Treasury Management

### 16.1 S151 Officer is responsible for:

16.1.2 Preparing and presenting an annual Treasury Management Strategy Statement to Cabinet prior to submission to the Council for approval.

16.1.3 Implementing, reviewing, and reporting on the progress and outturn performance of the strategy and recommending any changes.

16.1.4 Preparing and maintaining a Treasury Management Policy Statement, stating the policies, objectives, and approach to risk management of its treasury management activities.

16.1.5 Preparing and maintaining suitable Treasury Management Practices (TMPs), setting out the way the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

16.1.6 The content of the Treasury Management Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Treasury Management in the Public Services Code of Practice (the Code), subject only to amendment where necessary to reflect the circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

16.1.7 Ensuring that the organisation (i.e. Full Council) receives reports on its treasury management policies, practices, and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual outturn report after its close, in the form prescribed in its TMPs.

16.1.8 Effecting all investments and arranging borrowings within the limits imposed by the Council and reporting on the funding methods used.

### 16.1.9 Approving the use of any finance leases.

16.1.10 Ensuring that the use of any financial derivatives is within the scope of the Council's authority and properly risk assessed and monitored.

16.1.11 Ensuring compliance with all applicable laws, regulations and codes of practice relating to treasury management and capital finance.

16.1.12 Ensuring that cash flow forecasting and monitoring systems are in place.

16.1.13 Maintaining and authorising any amendments to the approved counterparty list.

### 16.2 Senior Officers (or nominated representative) (in conjunction with Senior Finance Officers) are responsible for:

16.3 Assisting cash flow through timely billing of income owing due consideration of contracts payment terms and minimising advance payments wherever possible.

16.4 Supporting cash flow forecasting and notifying the Treasury Team in advance of any high value receipts or payments that may impact on investments and borrowings.

### 16.5 Ensuring that no finance leases or borrowings are entered into without the approval of S151 Officer.

### 16.6 Other responsibilities:

16.7 This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies, strategies and practices to Cabinet, and for the execution and administration of treasury management decisions to S151 Officer, who will act in accordance with the organisation's policy statement, strategy

statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

16.8 This organisation nominates the Scrutiny Committee and the Audit Standards Committee to be responsible for the effective oversight of the treasury management strategy and policies, in line with their respective terms of reference.

## **17 Taxation**

17.1 S151 Officer is responsible for:

17.1.1 Ensuring that transactions comply with relevant statutory requirements and authorities.

17.1.2 Completing a monthly return of VAT inputs and outputs to HMRC, ensuring prompt recovery of sums due, and reconciliation of tax records to the main accounting system.

17.1.3 Making monthly Construction Industry Scheme (CIS) returns to HMRC.

17.1.4 Managing the Council's partial exemption position.

17.1.5 Preparing and submitting Voluntary Disclosure Notices to HMRC and recovery of any revenues due.

17.1.6 Providing advice and guidance on taxation issues.

17.1.7 Maintaining and updating the Council's VAT manual.

17.2 Budget Managers are responsible for:

17.2.1 Ensuring that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.

17.2.2 Seeking advice on the potential tax implication of any new initiatives for the delivery of Council activity and services.

17.2.3 Ensuring that the taxation implications of proposed land and building acquisitions and sales are properly identified and considered at the planning stage.

17.2.4 Where construction and maintenance works are undertaken, ensuring that the contractor fulfils the necessary construction industry scheme deduction requirements.

17.2.5 Adhering to all aspects of the Council's VAT manual.

## **18 Asset Management**

18.1 S151 Officer is responsible for:

18.1.1 Ensuring that asset registers are maintained in the appropriate format for accounting purposes for all fixed assets valued in excess of the limit set out in the Schedule of Financial Authority to Officers, and that valuations are made in accordance with the local authority accounting code of practice.

18.1.2 Ensuring that the Strategic Directors, Directors and Commercial Partnerships put in place an asset management plan that details short-, medium- and long-term use of assets, and establish arrangements for monitoring and reporting on asset performance.

18.1.3 Ensuring that all asset acquisitions and disposals are properly recorded and comply with the disposal policy and investment strategy.

18.1.4 Prescribing the records to be maintained for any stocks and stores and for inventories of moveable assets.

18.1.5 Approving the write-off of deficiencies in any stocks, stores and inventory items subject to the limits set out in the Schedule of Financial Authority to Officers.



- 18.2 The Director of Digital Innovation and Commercialisation is responsible for:
- 18.2.1 Maintaining up to date records of all land and buildings, including values, for inclusion in the corporate fixed asset registering the format prescribed by the Strategic Director of Finance, Commercialisation & Corporate Services.
  - 18.2.2 Arranging for the regular valuation of assets for accounting purposes to meet the requirements specified by S151 Officer.
  - 18.2.3 Establishing an asset management plan that details short-, medium- and long-term use of assets, and monitoring and reporting on performance.
  - 18.2.4 Arranging the disposal of surplus assets in compliance with the disposal policy and subject to the necessary approvals.
  - 18.2.5 The acquisition of land and buildings on behalf of the Council in accordance with the asset management plan, Capital Programme, and medium-term financial plan, and subject to the necessary approvals.
- 18.3 Notifying S151 Officer of acquisitions and disposals so that the accounting records can be updated. The Strategic Director of Housing Environment & Communities is responsible for:
- 18.3.1 Maintaining up to date records for the Council's housing stock in the format prescribed by S151 Officer.
  - 18.3.2 Arranging for the regular valuation of assets for accounting purposes (including social housing beacon classifications) to meet the requirements specified by S151 Officer.
  - 18.3.3 Establishing an asset management plan that details short-, medium-, and long-term investment requirements to maintain the condition of council-owned housing stock and ensures that these requirements are built into the HRA Business Plan (with delivery monitored and reported on a periodic basis).
  - 18.3.4 Arranging for the disposal of surplus assets in compliance with the disposal policy and asset management plan, subject to the necessary approvals. The acquisition of land and buildings on behalf of the Council in accordance with the asset management plan, Capital Programme and HRA Business Plan, subject to the necessary approvals.
- 18.4 Senior Officers (or nominated representative) are responsible for:
- 18.4.1 Providing the Strategic Directors, Directors and Commercial Partnerships with all relevant information and documentation for the purpose of maintaining an up to date and complete fixed asset register.
  - 18.4.2 Maintaining local inventories of moveable assets as directed by S151 Officer.
  - 18.4.3 Ensuring that any stocks and stores are properly recorded and that unnecessarily high levels do not accumulate.
  - 18.4.4 Ensuring that any cash holdings are kept to a minimum, within insurance limits and held securely.
  - 18.4.5 Ensuring the proper security and safe custody of assets and reporting any assets that are lost, stolen, or destroyed to the insurance team, facilities management, and internal audit as appropriate.
  - 18.4.6 Complying with guidance issued by S151 Officer on disposal of assets.
  - 18.4.7 Seeking approval to write off deficiencies in any stocks, stores, or inventory items,

subject to the limits set out in the Schedule of Financial Authority to Officers.

18.4.8 Ensuring that assets are used only during the Council's business unless specific permission has been given otherwise.

## **19 Insurance**

19.1S151 Officer is responsible for:

19.1.1 Determining the nature and level of insurance cover to be selected.

19.1.2 Effecting insurance cover and processing and settlement of all claims.

19.2The Director of Finance, Revenues & Benefits (or nominated representative) is responsible for:

19.2.1 All new risks, properties or vehicles for which insurance is required.

19.2.2 Alterations affecting insurance arrangements.

19.2.3 Any loss, damage, or claim.

## **20 Recharges**

20.1S151 Officer is responsible for:

20.1.1 Maintaining an appropriate system of internal recharges which ensures that costs are recharged correctly between ring-fenced funding sources.

20.2Senior Finance Officers are responsible for:

20.2.1 Agreeing the basis of internal charges/recharges in advance of the financial year as part of the budget setting process.

20.2.2 Maintaining appropriate systems to calculate recharges or justify their apportionment.

20.2.3 Providing data to enable recharges to be processed on a regular and timely basis and responding in the event of any disputed charges.

20.2.4 Complying with guidance issued by S151 Officer in relation to the operation of trading accounts.

## **Part G: External Arrangements**

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## **21 Principles**

21.1All partnerships and joint working arrangements with outside bodies must be properly evaluated for risk before they are entered into, and be supported by clear governance, accounting and audit arrangements. Full Cabinet approval is required to set up a new entity, such as a joint venture.

21.2External funding can prove an important source of income, but funding conditions and restrictions must be carefully examined before any agreement is entered into to ensure they are compatible with the aims and objectives of Council.

21.3Legislation enables the Council to trade and provide services to third parties. All such work must be within the scope of authority and the respective risks and financial benefits associated with such work must be properly considered and a business case approved before any trading activities take place.

## **22 Partnerships and Joint Working**

22.1 S151 Officer is responsible for advising on the financing, accounting and control of partnership arrangements including:

22.1.1 Financial viability in current and future years.

22.1.2 Risk appraisal and risk management arrangements.

22.1.3 Resourcing and taxation.

22.1.4 Audit, security and control requirements.

22.1.5 Assessing any financial implications that may arise from these arrangements under IFRS9 and where applicable IFRS16.

22.1.6 Any related party or inter-company party transactions are accurately accounted for within the Council's financial system and within the related parties and group notes in the Annual accounts.

22.2 Senior Officers (or nominated representative) are responsible for:

22.2.1 Ensuring that any arrangements do not impact adversely upon Council services, that risk assessments have been carried out, and that appropriate approvals have been obtained before entering into any agreements.

22.2.2 Ensuring that agreements and arrangements are properly documented.

22.2.3 Maintaining local registers of partnerships entered into.

22.3 Senior Finance Officers are responsible for:

22.3.1 Providing appropriate information to S151 Officer to enable relevant entries to be made in the Council's accounts.

22.3.2 Any related party or inter-company party transactions are accurately accounted for within the Council's financial system.

a. Ensuring that appropriate mechanisms are in place to monitor and report on performance.

## **23 External Funding**

23.1 S151 Officer is responsible for:

a. Ensuring that any match-funding requirements are considered prior to entering into any agreement, that future revenue budgets reflect these requirements, and that any longer-term sustainability costs have been properly assessed.

b. Ensuring that all external funding is received and properly recorded in the Council's accounts and in the name of the Council.

c. Maintaining a central register of external funding/grant arrangements.

d. Ensuring that all audit requirements are met.

23.2 Senior Finance Officers (in conjunction with service officers) are responsible for:

e. Ensuring that the sustainability of funding is assessed for risk, any agreements entered into are consistent with and support the Council's service priorities, and necessary approvals have been obtained.

f. All claims for funds are made by the due date.

g. Work is progressed in accordance with the project plan and all expenditure is properly incurred and recorded.

## **24 Trading**

24.1 S151 Officer is responsible for:

24.1.1 Issuing guidance on the assessment of trading opportunities and options.

24.1.2 Advising on and approving the financial implications of any proposed trading arrangements between the Council and third parties.

24.1.3 Advising on the establishment and operation of trading accounts to ensure that the accounting and control processes comply with Council and statutory requirements and that the results of trading operations are properly recorded and reported.

24.1.4 Consulting with the CMT as deemed appropriate for any trading arrangements and adhering to their terms of reference.

24.2 Senior Finance Officers (in conjunction with Senior Officers) are responsible for:

24.2.1 Identifying potential trading opportunities and evaluating the respective risks and financial benefits in accordance with the guidance issued by S151 Officer.

24.2.2 Obtaining the approval of S151 Officer and the Cabinet Member before proceeding.

24.2.3 Maintaining up to date details of all contracts on the corporate contracts register.

24.2.4 Complying with guidance issued by S151 Officer in relation to the operation of trading accounts and the proper recording and reporting of trading results.

3.3. All budget managers are to ensure that stakeholders are aware of the financial implications of new arrangement.

### **Group Structure.**

The council wholly owns a subsidiary, Aspire (CRP) Limited, which forms the overall group. The subsidiary is responsible for ensuring that there are appropriate financial rules and processes in place that are aligned to those of the Council.

### **Subsidiary activities**

The principal activity of the company is the ownership of a 50% share in joint venture 'Chesterford Park Limited Partnership'. The JV owns a property, Chesterford Research Park.

### **Governance**

#### Shareholder Committee

The Shareholder Committee forms part of the overall governance arrangements for Uttlesford District Council in relation to companies and other legal entities which are wholly or partly owned or controlled by the Council (including where such control comes about indirectly, such as via a loan agreement). The Committee meets three times a year or more frequently if required.

The Shareholder Committee has a role in ensuring proper governance of the Council's Subsidiaries, such role includes:

- Monitoring information from the Subsidiary, in particular on financial and other risks and escalating such risks within the Council as appropriate.
- Exercising decisions relating to the Council's role as shareholder, member, owner, lender, or other position of significant control over the Subsidiary, where those decisions have been delegated to the Shareholder Committee; and

- Making reports and recommendations to the Cabinet on areas outside of the Shareholder Committee's delegated authority.

The day-to-day operation of the subsidiary is overseen by an appointed board, each board has a representation from the Council.

## **SCHEDULE OF FINANCIAL AUTHORITY TO OFFICERS**

### **INTRODUCTION**

1. The Scheme of Delegated Authority to Officers sets out the powers and duties delegated to members of the Corporate Management Team (CMT). CMT members may appoint appropriate “authorised officers” to act on their behalf. For the purposes of these Regulations a member of CMT is defined as any post holder who is Band 13, 14 or 15.
2. This Schedule sets out the approved financial limits within which CMT officers, and authorised officers, may conduct the Council’s business.  
Changes to the limits/values contained within this Schedule may only be made with the approval of S151 Officer. Additionally, any changes to officers approval levels also require the approval of Council on recommendation of the Cabinet Member for Finance and Council Reform.
3. The relevant CMT officer has discretion to appoint appropriate authorised officers to act on their behalf. In all cases the CMT officer remains accountable for the effective operation of their area of responsibility and must:
  - Maintain a written record of authorised officers.
  - Ensure that an appropriate segregation of duties is in operation, e.g., between ordering and paying for goods, between claiming and approving expenses.
  - Ensure compliance with the financial limits in this Schedule and any additional financial restrictions and limitations imposed by the Procurement Code (e.g., limits relating to waivers, extensions, and variations) and HR policies (e.g., limits relating to overtime, allowances, honoraria and expenses).

# FINANCIAL MONITORING AND CONTROL (FINANCIAL REGULATIONS – PART D)

REF	DESCRIPTION		LIMIT/VALUE	APPROVER
Table 1	Individual Revenue and Capital Virements:	<ul style="list-style-type: none"> <li>Virements between budget and capital project headings. (Reallocation of approved budgets; system errors, technical accounting adjustments, coding changes within revenue budget and capital project headings).</li> </ul>	Over £500k	Council except in emergency circumstances when the section 151 officer can make use of their statutory powers.
			£25k to £500k	Requires Cabinet approval, except in emergency circumstances, when the section 151 officer can make use of their statutory powers.
			£10k to £25k	Budget Holders and S151 Officer and reported to cabinet
			£1k to £10k	Budget Holders and S151 Officer

<b>A revenue virement is permissible only when approved by the above delegated authority and in the following circumstances:</b>	<b>The following transfers are generally not permitted:</b>
<ul style="list-style-type: none"> <li>To correct any errors made in the initial loading of the budget onto the accounting system.</li> </ul>	<ul style="list-style-type: none"> <li>Transfers between capital and revenue.</li> </ul>
<ul style="list-style-type: none"> <li>To reflect a structural reorganisation.</li> </ul>	<ul style="list-style-type: none"> <li>Transfers between employee related and non-employee budgets.</li> </ul>
<ul style="list-style-type: none"> <li>To reflect a change in corporate priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Transfers between controllable and non-controllable (recharges and capital financing) codes.</li> </ul>
<ul style="list-style-type: none"> <li>The receipt of additional grant or other funding.</li> </ul>	
<ul style="list-style-type: none"> <li>The distribution of centrally held budgets.</li> </ul>	
<ul style="list-style-type: none"> <li>To reorganise a service's budgets within its approved overall budget allocation.</li> </ul>	
<ul style="list-style-type: none"> <li>To reallocate capital project budgets within the overall approved capital programme budget allocation.</li> </ul>	
<ul style="list-style-type: none"> <li>To reflect technical adjustments at the discretion of S151 Officer.</li> </ul>	
<ul style="list-style-type: none"> <li>To make an adjustment for the use of reserves in revenue or capital project budgets.</li> </ul>	

**FINANCIAL SYSTEMS AND PROCEDURES (FINANCIAL REGULATIONS – PART F), AND FINANCIAL PLANNING AND BUDGETING (FINANCIAL REGULATIONS – PART C)**

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
<b>INCOME WRITE OFFS</b>			
Table 2	Individual Sundry debtor account write offs (note this is the sum of debt on an account to be written off not individual invoices).	Over £10k	Reviewed by relevant Strategic Director, reported to Cabinet by Section 151 officer (or deputy), and approved by Cabinet.
	Individual Council Tax (incl refunds), NNDR (incl refunds), housing benefits overpayments, current and former client rent arrears write offs (per account / reference).	£1k to £10k	Reviewed by relevant Strategic Director, approved by Section 151 officer, and reported to Cabinet for information.
	A list of all write offs across the council to be prepared by officers quarterly and reviewed and approved as listed to the right.	£200 to £1k	Reviewed by relevant Director, and approved by Deputy Section 151 officer.
		Up to £200	Reviewed by relevant Team Leader, and approved by Head of Finance.



Job titles	Hierarchy levels
CEO & s151	1
Strategic Directors	2
Director	3
Head of Service/Service Manager	4
Senior Officer	5
Officer	6

## EXPENDITURE

Table 3	Expenditure	Limit	Approver
	<p>Approving contract awards and purchase orders (PO's) with suppliers and contractors.</p> <p>Also, approving payments without PO where there is a legitimate PO exemption. (White slip approvals)</p> <p><u>Note:</u> These only apply after budget has been approved as detailed above. Responsibilities can be delegated to official deputies.</p>	Unlimited	Chief Executive, level 1 S151 Officer, level 1
		£1m	Strategic Directors, level 2
		500k	Directors, level 3 Head of Legal (as part of CMT), level 3
		50k	Officers level 4
		20k	Officers level 5
		5k	Officers level 6

Corporate credit card transactions (emergency use)	Over £5,000	Emergency Planning Officer, Strategic Directors and S151 Officer.
Procurement card transactions/expenses (card limits can be changed on request by approval of Chief Executive Officer or s151 Officer)	Up to £5,000	Officers level 3.
	Up to £2,000	Officers level 4.
	Up to £1,000	Officers level 5.
	Up to £500	Officers level 6.
Emergency expenditure	Unlimited	S151 Officer
	Up to £500k	Directors level 3 and Deputy S151 Officer
Approving compensatory payments.	Over £20,000	Strategic Directors, level 2 and S151 Officer.
	Up to £20,000	Directors level 3 and Deputy S151 Officer.
	Up to £2,000	Officers level 4 and Head of Finance.
Cash payments (exceptional use).	Up to £1,000 Up to £500 Up to £100	Officers level 4 Officers level 5 Officers level 6.

TREASURY MANAGEMENT		Approver
Table 5	Expenditure relating to treasury management investments and borrowing.	As per annual Treasury Management Strategy
	Placing treasury investments.	

ASSET MANAGEMENT			Approver
Table 6	Fleet disposals	Over £100k	Cabinet Member and the section 151 officer.
		Up to £100k	Director of Environmental Services and section 151 officer.
	Disposal of freehold and leasehold land and property. Purchase of Freehold, purchase of surrender, renewal, variation, and re- gearing of property leases. General Fund & HRA	Over £1m	Full Council. (Key decisions above £500k).
		£500k to £1m	Cabinet and Section 151 Officer. (Key decisions above £500k).
		Up to £500k	All Other Transactions - Section 151 officer and the Strategic Director of Housing and Communities. Right to Buy - Section 151 Officer or their deputy to agree.
	Value for including items in fixed assets register.	Over £10k	Section 151 Officer or their deputy.
		Up to £10k	Head of Finance.

## EXTERNAL ARRANGEMENTS (FINANCIAL REGULATIONS – PART G)

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
Table 7	External trading – business case approval.	Contracts over £1.5m.	Cabinet Member with S151 Officer
		Contracts up to £1.5m.	Director member in consultation with S151 Officer.