

CHAPTER 12.1 – FINANCIAL REGULATIONS

Wokingham Borough Council is a Unitary Authority established in 1998 under the Local Government Act 1992 Part II and provides the following diverse range of services to its residents:

- Building Control
- Car Parks
- Council Tax and National Non Domestic Rate Collection
- Country Parks
- Emergency Planning
- Environmental Protection and Energy Efficiency
- Housing Benefits
- Libraries
- Licencing
- Open Spaces
- Planning Control
- Public Rights of Way
- Recreation and Leisure
- Recycling
- Registration of Births, Deaths and Marriages
- Roads and Highways
- Schools
- Social and Sheltered Housing
- Social Services
- Street Lighting
- Subsidised Public Transport
- Trading Standards
- Traffic Management
- Waste Collection and Disposal

Wokingham Borough Council's governance structure is laid down in its Constitution which sets out how the Council operates, how decisions are made and the procedures that are followed.

Wokingham Borough Council has adopted a leader and a cabinet form of Executive.

Note: The term "Director" includes the post of Head of Governance and Improvement Services.

12.1.1. Status of Financial Regulations

Financial regulations provide the framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf.

The regulations encompass the financial responsibilities of the Council, Executive and Overview and Scrutiny Committees, the Chief Executive, the Monitoring Officer, Director of Finance and Resources (Chief Finance Officer) and other Directors which are incorporated in the Constitution and Rules of Procedure of the Council.

Executive Members, the Chief Executive and the Directors should maintain a written record where decision making has been delegated to members of their staff including seconded staff. Where decisions have been delegated or devolved to other responsible Officers, such as School Governors, references to the Directors in the regulations should be read as referring to them.

Director of Finance and Resources (Chief Finance Officer) is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Council for approval. Director of Finance and Resources (Chief Finance Officer) is also responsible for reporting significant breaches of the financial regulations to the appropriate person/s.

The Directors are responsible for ensuring that all staff in their Departments are aware of the existence and content of the Authority's financial regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their Departments.

Director of Finance and Resources (Chief Finance Officer) is responsible for issuing advice and guidance to underpin the financial regulations that Members, Officers and others acting on behalf of the Authority are required to follow.

12.1.2 The Statutory Officers

12.1.2.1 Head of Paid Service (Chief Executive)

The Head of Paid Service is responsible for the corporate and overall strategic management of the Authority as a whole. He or she must report to and provide information for the Executive, the Council, the Overview and Scrutiny Committees and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions.

12.1.2.2 Monitoring Officer¹

The requirement to designate a Monitoring Officer for the Council and the duties of this Officer are set out in Part 1, Section 5 of the Local Government and Housing Act 1989.

The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to the Executive and for ensuring that procedures for recording and reporting key decisions are operating effectively.

The Monitoring Officer must ensure that Executive decisions and the reasons for them are made public. He or she must also ensure that Council Members are aware of decisions made by the Executive and of those made by Officers who have delegated Executive responsibility.

The Monitoring Officer is responsible for advising all Councillors and Officers about who has authority to take a particular decision.

The Monitoring Officer is responsible for advising the Executive or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

The Monitoring Officer (together with the Director of Finance and Resources (Chief Finance Officer)) is responsible for advising the Executive or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- a) initiating a new policy;
- b) committing expenditure in current or future years to above budget level or when there is no budget;
- c) any break of virement limits; or
- d) causing unbudgeted expenditure to be incurred.

The Monitoring Officer is responsible for maintaining an up-to-date Constitution.

12.1.2.3 Chief Finance Officer²

Director of Finance and Resources (Chief Finance Officer) has statutory duties in relation to the financial administration and stewardship of the Authority. The statutory responsibility cannot be overridden. The statutory duties arise from:

- a) Section 151 of the Local Government Act 1972;
- b) The Local Government Finance Act 1988;

¹ Wokingham Borough Council has designated the Head of Governance and Improvement Services as the Monitoring Officer. The Head of Governance and Improvement Services has nominated the Borough Solicitor as the Deputy Monitoring Officer.

² Wokingham Borough Council has designated the Director of Finance and Resources as the Chief Finance Officer. The Director of Finance and Resources has nominated the Head of Finance Services as Deputy Chief Finance Officer.

- c) The Local Government and Housing Act 1989;
- d) The Accounts and Audit Regulations 2011; and
- e) The Local Government Act 2003.

12.1.2.4 Chief Finance Officer is responsible for:

- a) the proper administration of the Authority's financial affairs;
- b) setting and monitoring compliance with financial management standards;
- c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- d) providing financial information;
- e) preparing the revenue budget and capital programme; and
- f) treasury management.

12.1.2.5

Section 114 of the Local Government Finance Act 1988 requires the Director of Finance and Resources (Chief Financial Officer) to report to the Council, Executive and external auditor if the Authority of one of its Officers:

- a) has made, or is about to make, a decision which involves incurring unlawful expenditure;
- b) has taken, or is about to take, unlawful action which has resulted or would result in a loss or deficiency to the Authority; or
- c) is about to make an unlawful entry in the Authority's accounts.

12.1.2.6

Section 114 of the 1988 Act also requires:

- a) Director of Finance and Resources (Chief Finance Officer) to nominate a properly qualified member of staff to deputise should he or she being unable to perform the duties under Section 114 personally; and
- b) the Council to provide Director of Finance and Resources (Chief Finance Officer) with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

12.1.2.7 Summary of Material Decisions

The following areas must be approved and recorded by the Chief Executive or other relevant Directors as a Material Decisions.

A Material Decision is any decision identified as such within these Regulations. See Appendix A to the Regulations for information on how these decisions are to be recorded.

Financial Regulations

Virement

A Director may authorise, in consultation with the Director, Finance and Resources (Chief Finance Officer), virement of up to £150,000 in any financial year subject to there being service budget availability and overall budget availability.

12.1.16.15

The Chief Executive, in consultation with the Director of Finance and Resources (Chief Finance Officer), may vire up to £300,000 across Services in any financial year in total subject to overall budget availability.

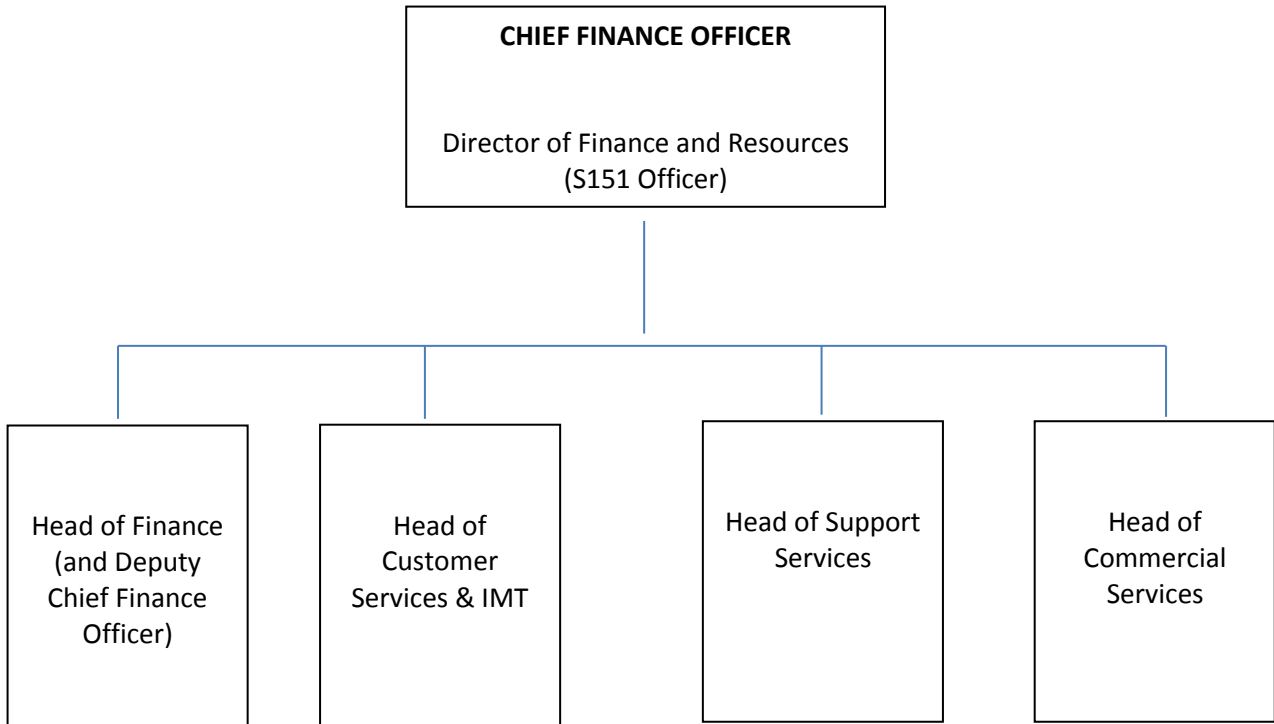
The Executive Member responsible for Council Budgets must be informed of all virements.

Write Offs and Waivers

Write off of uneconomic debts, or fees and charges, between £1,000 and £25,000.

12.1.19.17

CHIEF FINANCE OFFICER AND NOMINATED OFFICERS



12.1.4 Accounting Procedures and Standards

Why is this area important?

The Council has a statutory duty to prepare annual accounts of its transactions. This duty falls to Director of Finance and Resources (Chief Finance Officer) who is required to ensure that the accounting procedures of the Council are sufficient to assure that any statements of accounts are complete and that proper control systems exist to enable transactions to be timely and accurately recorded.

12.1.4.1 Accounting Standards

The form of accounts, accounting policies, procedures, and supporting financial records of the Council and its Officers and the Council's subsidiary organisations shall be determined by the Council's Chief Finance Officer.

12.1.4.2

No new accounting systems shall be introduced at the Council and its subsidiaries or changes to existing financial systems without the approval of Director of Finance and Resources (Chief Finance Officer).

12.1.4.3

The accounts of the Council shall be compiled by Director of Finance and Resources (Chief Finance Officer) or under his direction. Director of Finance and Resources (Chief Finance Officer) and the Head of Governance and Improvement Services shall be consulted before and records, books, forms or procedures which might affect the financial integrity of the systems are introduced.

12.1.4.4

The following principles shall be observed in the allocation of accounting duties:

- a) the duties of providing information regarding amounts to be received or paid by the Council and of calculating, checking and recording these sums, shall be separated from the duty of collecting or paying them;
- b) Officers who are responsible for examining and checking the accounts of cash transactions shall not also be engaged in these transactions; and
- c) adequate records are maintained to provide a management train leading from the source of income/expenditure through to accounting statements.

12.1.4.5

The Directors shall identify Officers authorised to act upon their behalf in respect of payments, income collection and placing orders including variations.

12.1.4.6

The names of authorised Officers, their signatures and limits of authority shall be recorded by each Director and supplied to the WiSER³ corporate finance staff on request.

³ WiSER is Wokingham Borough Council's Integrated Financial and Human Resources Management Information system (An ERP system).

Where these authorisations are held within WiSER, the Directors will be responsible for ensuring regular reviews take place to confirm these details remain up to date.

12.1.4.7

Proper security and privacy of information contained in the financial records shall be maintained at all times in accordance with the principles of the Data Protection Act.

12.1.4.8

Vouchers and documents with financial information shall not be destroyed except in accordance with arrangements approved by the Director of Finance and Resources (Chief Finance Officer).

12.1.4.9

Director of Finance and Resources (Chief Finance Officer) shall make arrangements for the audit of the Council's accounts in accordance with the latest Accounts and Audit Regulations.

12.1.4.10 The Annual Statement of Accounts

Director of Finance and Resources (Chief Finance Officer) shall ensure that the accounting arrangements of the Council comply with the CIPFA Code of Practice and the Accounts and Audit Regulations 2011 and shall approve, sign and date the Annual Statement of Accounts for the preceding financial year by 30th June stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March.

12.1.4.11

Director of Finance and Resources (Chief Finance Officer) shall ensure that the audited accounts of the Council are prepared and published in accordance with the statutory timetable which shall include the requirement for the audited Statement of Accounts to be approved by the Audit Committee and signed by the Chairman of the Audit Committee by 30th September each year.

12.1.4.12

Director of Finance and Resources (Chief Finance Officer) shall report any unadjusted misstatements contained in the Accounts and other audit findings to the Audit Committee in consultation with the External Auditors.

12.1.4.13

Director of Finance and Resources (Chief Finance Officer) shall ensure an Annual Governance Statement prepared by the Head of Governance and Improvement Services is approved by the Audit Committee by the statutory deadline.

12.1.4.14

Government transparency aims to increase openness by sharing more government information with citizens. As such, the Council is increasingly encouraged to publish the information it has on how money is spent by the Council and its agencies, which companies have contracts with the Council and how the Council performs.

Citizens have the right to inspect the Council's detailed financial accounts and all books, deeds, contracts, bills, vouchers and receipts relating to them for a period of 20 working days prior to the appointed audit date, as set annually by the External Auditor. The Council will publish notice of when the 20 day period starts and ends on its website and in the local press for 14 days before the start of the period in line with the Accounts and Audit Regulations 2011. These rights allow the public to check any spending under the £500 threshold without having to submit a Freedom of Information Act request.

12.1.4.15

The Chief Financial Officer will publish details on Council payments and contracts for goods and services worth more than £500 on the Council's website to show residents how the Council spends its budget.

12.1.4.16

The Chief Financial Officer will make available (on request) all the books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within the Council's accounts to any member of the public for a period of 20 working days each year in accordance with statutory regulations.

12.1.4.17

Directors shall ensure that adequate records or books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within their service area are readily available and can be produced to the Chief Financial Officer when responding to a request from a member of the public during either the statutory period or as part of a Freedom of Information Act request.

12.1.4.18

The Chief Financial Officer will publish details of Councillor allowances and expenses on the Council's website on an annual basis as part of the transparency reporting. The Chief Financial Officer will also publish details of Officers who hold senior positions in the Council and what their job descriptions are and total remuneration (e.g. salaries, bonus' payments, pension payments and expenses) has been for the previous year.

12.1.5 Assets and Security

Why is this area important?
<p>It is important to protect and safeguard the assets of the Council. This is particularly relevant regarding attractive and portable items of equipment such as laptop computers, cameras and video recorders.</p> <p>Most departments also carry out stocks, which will in the main be items of stationery. As consumable items they should also be adequately safeguarded.</p>

12.1.5.1 Care and Custody

Each Director shall be responsible for the care and custody of all assets, equipment and stock in their Department.

12.1.5.2

Safes and similar receptacles should be kept locked up and their keys removed. The Directors shall ensure that security is kept under review and that keys are properly controlled. The loss of any such keys must be immediately reported to the Head of Governance and Improvement Services.

12.1.5.3

Each Director shall:

- a) report any break-ins, major deficiencies or loss immediately to the Head of Governance and Improvement Services and the Insurance Officer;
- b) ensure that land and buildings, plant and machinery and equipment are only used for Council business other than as may be directed by the appropriate Director;
- c) ensure that whenever equipment belonging to the Department and not allocated to individuals including but not limited to such items as computers, cameras and video recorders are taken off-site, appropriate procedures are put in place so that they are accounted for and properly controlled;
- d) supply Director of Finance and Resources (Chief Finance Officer) immediately after the end of the financial year with a statement of the value of any stock or stores of £5,000 or more, if applicable, held at the 31st March each year; and
- e) ensure that assets are identified, their location recorded, that they are appropriately marked and insured and are kept adequately secure;
- f) ensure that employees and/or agency staff leaving the employment of the Council return all laptops, mobile phones, any other equipment and that all monies outstanding are repaid prior to their departure.

12.1.5.4 Inventory

Where a central record is not maintained each Director shall ensure that:

- a) they maintain an inventory of furniture, fittings, plant and machinery and equipment with an individual purchase value in excess of £1,000 and keep it up to date for acquisitions and disposals;
- b) where a store of consumable items is maintained for future use, it is kept at an economic level, administered securely, and a physical check is made of any inventory at least annually. Take action in relation to surpluses or deficiencies and note the inventory accordingly. Any major differences over £1,000 shall be reported to the Head of Governance and Improvement Services.
- c) to provide the inventory to the insurance officer as required (see 12.1.10.15).

12.1.5.5

A Director may authorise disposal or write off of items, other than land and buildings, which are surplus to requirements up to a value of £2,000. Disposal shall be by competitive quotations or auction where appropriate. Any individual or group of items or capital assets (excluding land and buildings) which have an estimated

disposal value exceeding £2,000, shall not be disposed of without prior consultation with Director of Finance and Resources (Chief Finance Officer).

12.1.5.6 Property

The Service Manager, Strategic Assets shall maintain an Assets Register of all properties owned and leased by the Council for all assets valued in excess of £10,000, in a form agreed with Director of Finance and Resources (Chief Finance Officer). Recording the asset classification, the purposes for which held, value, location, plan reference, purchase details, nature of interest, rents payable and tenancies granted.

12.1.5.7

Any proposals for changes affecting the use or status of land and buildings or its asset classification shall not be made without the prior arrangement of the Service Manager, Strategic Assets.

12.1.5.8

The Service Manager, Strategic Assets shall ensure that assets are valued and reviewed for impairment at appropriate intervals in accordance with the current CIPFA Code of Practice and the Royal Institution of Chartered Surveyors (RICS) Valuation Standards.

12.1.5.9

The Service Manager, Strategic Assets may approve the disposal of land or buildings which is worth less than £150,000, in consultation with the appropriate Director, together with Director of Finance and Resources (Chief Finance Officer) and Executive Member. The disposal of surplus land or buildings of a higher value shall also be subject to the approval of the Executive.

12.1.5.10

Any disposal or part exchange of land and buildings shall follow normal and prudent commercial practices to achieve best price or best value in conjunction with the Service Manager, Strategic Assets who shall report this action to the Executive. No costs associated with the disposal of land and buildings may be capitalised unless they can be shown to have enhanced the value of the asset in accordance with the Institute of Public Finance and Accountancy – Practitioners’ Guide to Capital Finance in Local Government. This will exclude any residual expenditure to secure premises, maintain utility services or the fees of legal and selling agents.

12.1.5.11

No material alterations or other works to Council buildings shall take place without consultation with the Service Manager, Strategic Assets.

12.1.5.12

The Head of Governance and Improvement Services shall hold all title deeds under secure arrangements on behalf of the Council.

12.1.5.13

The Directors shall consult with the Service Manager, Strategic Assets and Chief Finance Officer on any proposed transactions including the rental, leasing, disposal,

or acquisition of real property, or property related agreements of any kind with third parties. This consultation must take place prior to any discussion or correspondence with third parties that commits or could be construed as implying commitment by the Council to a course of action or to any specific terms and conditions. Directors should have regard to paragraphs 12.1.5.6, 12.1.5.9, 12.1.13.7, 12.1.17 and 13.3.3.2.in seeking approval for leasing, disposal or acquisition of real property or property related agreements.

12.1.5.14

The Directors shall ensure that all lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement in a form approved by the Service Manager, Strategic Assets, in consultation with Director of Finance and Resources (Chief Finance Officer), has been established as appropriate and accounting arrangements have been properly determined.

12.1.5.15

Directors shall ensure that the Council does not enter into any leases to lease in property or land to the Council until a lease agreement in a form approved by the Service Manager, Strategic Assets, in consultation with the Director of Finance and Resources (Chief Finance Officer), has been established as appropriate, a business case has been evaluated and accounting arrangements have been properly determined. Directors should check with the Service Manager, Strategic Assets that there is no existing suitable Council owned accommodation available before submitting proposals to lease the property.

12.1.5.16

The Service Manager, Strategic Assets shall be responsible for all negotiations in respect of real property and for agreeing terms on behalf of the Council (see 11.3.9). Title deeds shall be passed to the Head of Governance and Improvement Services who is responsible for the custody of all title deeds on behalf of the Council.

12.1.6 Protection of Private Property

Why is this area important?
Many of the Council's responsibilities involve people coming under the guardianship or supervision of its Officers or facilities. The public is entitled on these occasions to expect the Council to exercise proper controls to safeguard their property and other assets in circumstances where they may be unable to manage for themselves.

12.1.6.1

Any Director who is responsible for the private property (including cash and other assets) of a person under their care or supervision shall:

- a) take all necessary measures to mitigate loss or damage to that property;
- b) maintain an inventory of that property prepared in the presence of two Officers; arrange the safekeeping of all items in that inventory to the satisfaction of Director of Finance and Resources (Chief Finance Officer);
- c) ensure that no-one shall use or remove any private property without the authorisation of the owner or their guardian; and

- d) comply with the rules and directions of the Treasury Solicitor with regard to the disposal of any property belonging to a deceased person previously in the care of the Council where it has not been possible to identify the next of kin.

12.1.7 Partnerships

Why is this area important?

Partnership arrangements are an increasingly significant feature of public service delivery. They are a response to the complex and multifaceted problems that face society and which cannot be tackled effectively by any individual body working alone. They can provide flexibility, innovation and additional financial and human capital resources to enhance service delivery to the community. These are powerful incentives for organisations to work with others and now all local public bodies work in partnerships to different degrees but partnerships also bring risks. Working across organisational boundaries brings complexity and ambiguity that can generate confusion and weaken accountability. The public needs assurance that public money is spent wisely in partnerships and it should be confident that its quality of life will improve as a result of this form of working.

The term partnership can encompass a wide range of collaborative arrangements. The Council defines a partnership as “a group of stakeholders brought together from a range of organisations to be responsible for tackling mainly long term challenges and opportunities in which they have a shared interest”.

12.1.7.1

Partnership activities should be carried out in accordance with the Council’s Partnership Protocol in Chapter 10.2, unless otherwise approved by the Head of Governance and Improvement Services.

12.1.7.2

The creation of any new partnership must be supported by a completed Partnership Approval Checklist in accordance with paragraph 10.2.13 of the partnership protocol. The anticipated level of Council resources to be directed at the partnership, the complexities of the partnership and its outcome will determine the extent to which the approval checklist is completed.

12.1.7.3

Before entering into agreements with external bodies, a Director shall ensure that:

- a) the need for the partnership has been assessed including legality and specific objectives determined;
- b) consideration has been given to how to make the partnership work including risk management, decision making procedures and performance management arrangements;
- c) a Partnership Agreement has been prepared in consultation with Finance, HR, IS/IT, Legal and Property Services where appropriate; and
- d) the Partnership Agreement has been properly authorised by a Director and the Monitoring Officer in consultation with Director of Finance and Resources (Chief Finance Officer). Executive approval may be required;

- e) where entering into a partnership agreement commits the Council to expenditure of more than £100,000, that Director of Finance and Resources (Chief Finance Officer) has been consulted and an evaluation of the relationship is undertaken for group reporting purposes.

12.1.7.4

A partnership arrangement can be a “shared service”. Prior to commencing discussions around a shared service, Director of Finance and Resources (Chief Finance Officer) shall be consulted.

12.1.7.5

All Council partnerships must agree a procedure for their review. The review should cover how the partnership works, in order to determine whether the outputs and outcomes of the partnership merit continued involvement as well as the general health of the partnership itself.

12.1.7.6

All Council partnerships must adhere to the Council’s Partnership Protocol.

12.1.7.7

Each Director and their staff must:

- a) provide appropriate information about partnerships under their control to the Strategic Commissioner for Communities to enable the Council’s Partnership Register and the Medium Term Financial Plan to be updated;
- b) ensure that all agreements and arrangements are properly documented and do not impact adversely upon the Services provided by the Council;
- c) consider and respond promptly to recommendations in formal evaluation reports so that agreed actions arising are carried out in a timely and efficient manner.

12.1.8 Work for Third Parties

Why is this area important?
<p>Current legislation enables the Council 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 work are minimised and that such work is intra-vires.</p> <p>A determination as to whether or not a service to an external body may be intra-vires is to be made by the Head of Governance and Improvement Services.</p>

12.1.8.1

The Directors shall ensure that:

- a) the approval of the Executive is obtained before an negotiations are concluded to work for third parties;
- b) a register of all contracts entered into with third parties is maintained;
- c) appropriate insurance arrangements are made;
- d) the Authority is not put at risk from any bad debts;

- e) no third party contracts are subsidised by the Council;
- f) wherever possible, payment is received in advance of the service delivery;
- g) the Department has the appropriate expertise to undertake the contract;
- h) third party contracts do not impact adversely upon the services provided for the Council;
- i) appropriate information is provided to Director of Finance and Resources (Chief Finance Officer) to enable a note to be entered into the statement of accounts and an evaluation of the arrangement for group reporting purposes to be undertaken;
- j) there are adequate existing resources; and
- k) appropriate trading accounts are established and maintained for the arrangement.

12.1.8.2

Section 106 contributions to third parties, require the submission of a bid from the third party, signed approval from Resources Manager (S106); the Executive Member responsible for the release of S106 money; and the Executive Member responsible for the area spending the S106 money.

12.1.9 Audit and Anti-Fraud

Why is this area important?

The Director of Finance and Resources (Chief Finance Officer) has a statutory responsibility for maintaining an adequate and effective internal audit of the accounting, financial and other operations of the Council and its Officers.

Internal audit highlights weaknesses in controls or unsound practice, offers advice and suggests improvements to existing arrangements and checks that financial and other systems and procedures are sound. The internal audit function is provided by the Shared Audit and Investigation Service within the Chief Executive's Department and is independent in its planning and operation and has direct access to the Chief Executive and the Audit Committee.

The Council's Accounts are also scrutinised by external auditors. The Local Government Finance Act 1982 set up the Audit Commission which is responsible for appointing external auditors to each local authority in England and Wales.

The external auditors must be satisfied that the statement of accounts represent a 'true and fair view' of the financial position of the Authority and its income and expenditure for the year in question and complies with the legal requirements.

The Audit Commission Code of Audit Practice issued in April 2005 sets out the auditor's objectives to review and report on:

- a) the Council's financial statements and its statements on internal control; and
- b) whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

12.1.9.1

The Head of Governance and Improvement Services in conjunction with the Director of Resources (Chief Finance Officer) shall ensure that an internal audit of all of the Council's accounting, financial and other operations is maintained and shall ascertain the resources required for approval by the Audit Committee.

12.1.9.2

The Head of Governance and Improvement Services, following consultation with Directors, shall present the strategic and annual audit plans to Audit Committee for approval. The plans should take into account the characteristics and relative risks of the activities involved and ensure proper liaison with the external auditors' work programme.

12.1.9.3

Internal and external auditors shall have access at all reasonable times to such premises, personnel, documents and records (including those of third parties and contractors) as they consider necessary for the purposes of their work.

12.1.9.4

The Head of Governance and Improvement Services shall report annually to the Audit Committee on the effectiveness of the Council's systems of internal control.

12.1.9.5

Each Director and their staff must:

- a) produce, if required by the auditors, any cash, stores or any other Council property under their control;
- b) ensure that auditors are provided with any information and explanations they seek in the course of their work;
- c) ensure that any material changes to any systems and procedures, which may affect income and expenditure or risk, are discussed with the Head of Governance and Improvement Services before being implemented; and
- d) consider and respond promptly to recommendations in audit reports so that agreed actions arising are carried out in a timely and efficient manner.

12.1.9.6

Director of Finance and Resources (Chief Finance Officer), as Section 151 Officer, has statutory responsibility for the Council's financial control environment and for the overall effectiveness of internal controls within the Council.

Each Director shall establish, document and maintain proper systems, controls and procedures within their areas to;

- a) ensure adherence to policies and directives in order to achieve the Council's objectives;
- b) safeguard assets and ensure resources are effectively managed;
- c) ensure compliance with statutory responsibilities;
- d) ensure information is relevant, accurate and complete to maintain the integrity of records;

e) ensure risk identified and appropriately managed.

12.1.9.7 Preventing Fraud and Corruption (excludes Benefit Fraud investigations)⁴

The Director of Finance and Resources (Chief Finance Officer) shall in conjunction with the Head of Governance and Improvement Services promote and maintain the Council's Anti-Fraud and Corruption Strategy.

12.1.9.8

In the event of any suspected fraud or irregularity, the relevant Director shall notify Director of Finance and Resources (Chief Finance Officer) and the Head of Governance and Improvement Services immediately and shall take all necessary steps, pending investigation and reporting, to prevent further loss and to secure records and documentation against removal or alteration (⁵Excludes Benefit Fraud).

The Council's Whistle Blowing Policy provides a safe environment for concerns to be raised confidentially and places an obligation on Council Employees to deal with allegations appropriately.

12.1.9.9

The Head of Governance and Improvement Services shall be kept informed of the progress and outcome of any investigation arising from suspected fraud or irregularity.

12.1.9.10

Where there is the possibility of criminal proceedings, any further investigations shall be conducted under the guidance of the Head of Governance and Improvement Services.

12.1.9.11

Any decision to refer a matter to the Police shall be made by the relevant Director after consultation with the Head of Governance and Improvement Services.

12.1.9.12

The Head of Governance and Improvement Services in consultation with Director of Finance and Resources (Chief Finance Officer) shall inform the Chief Executive of any significant suspected irregularities.

12.1.9.13

The Head of Governance and Improvement Services shall inform the Chair of the Audit Committee of any significant suspected irregularities and shall report to the Chair of the Audit Committee the outcome of such investigations. The Head of Governance and Improvement Services shall, at all times, have direct access to the Chief Executive and Chair of the Audit Committee.

⁴ Specific Procedures for dealing with Benefit Fraud investigations are set out in the Benefits Fraud Protocol

⁵ Please note that Virement is defined as "A budget transfer to enable expenditure on a different service, or a different way of providing that service, to that originally budgeted".

12.1.9.14

A Director shall ensure that the Council's disciplinary procedures are implemented where the outcome of an audit investigation indicates improper behaviour.

12.1.10 Insurance, Risk and Opportunity Management

Why is this area important?

Risk may be defined as the unwanted or unexpected exposure to adverse circumstances that can lead to loss, damage, injury or failure to achieve objectives.

Risk Management itself is the responsibility of everyone in the Authority, with no effective Risk Management there is no effective management.

Insurance is only a small part of the Authority's strategy for Risk Management, providing limited financial protection in certain defined circumstances.

12.1.10.1

The Head of Governance and Improvement Services shall assist the Chief Executive in preparing and promoting the Council's Risk and Opportunity Management Policy Statement, Strategy and Risk Register.

12.1.10.2

Each Director shall review annually, in their service planning, the exposure to risk in their areas having regard to advice from Director of Finance and Resources (Chief Finance Officer), the Head of Governance and Improvement Services and other Officers (including crime reduction, fire prevention, and health and safety).

12.1.10.3

The Head of Governance and Improvement Services shall effect all insurance cover on behalf of the Council.

12.1.10.4

Directors must identify and notify the Head of Governance and Improvement Services for any:

- a) amendments to, extension of or change in Service;
- b) acquisition or sale of equipment referred to in paragraph 12.1.10.5 below;
- c) acquisition, lease or sale of land or property;
- d) acquisition, lease or sale of plant or motor vehicles;
- e) all other risks in accordance with the Council's Risk Management Strategy;
- f) all other new risks, whether insurable or not, to which the Council may be exposed.

12.1.10.5

Each Director must submit an inventory of equipment that has a new replacement value of £1,000 or more which they choose to include in the Council's "All Risks" insurance policy.

Equipment with a new replacement value of £2,500 or more should be insured unless otherwise approved by the Head of Governance and Improvement Services. Equipment not so declared will not be covered by the Council's insurance.

12.1.10.6

Each Director shall:

- a) ensure that agreed risk management strategies are in place for all aspects of their Service's operations and that all Officers and staff are fully aware of the likelihood and impact of any identified risks or losses or opportunities for improvements;
- b) ensure that systems and procedures are risk assessed and documented and staff trained in their operation;
- c) immediately identify and notify the Insurance Officer of any incident involving loss or damage or actual or potential liability including all allegations of negligence, whether or not insured;
- d) in consultations with the Head of Governance and Improvement Services, inform the police of any incident or allegation referred to in c) above, where relevant to do so;
- e) advise the Insurance Officer and the Head of Governance and Improvement Services of the purchase, sale, hire, lease or granting of any licence or rights of or over any land or property prior to any contracts being agreed, signed, exchanged or completed;
- f) ensure that Officers or staff driving any vehicle on behalf of the Council have notified the Insurance Officer of any motoring convictions if driving a vehicle covered under the Councils' motor fleet insurance or their own insurers, if using their own vehicles;
- g) ensure that Officers or staff hold an appropriate licence for driving any vehicle on the business of the council;
- h) ensure that Officers or staff have in place appropriate motor insurance to cover business use while driving their own vehicle on the business of the Council;
- i) ensure that any plant or equipment that is subject to a statutory obligation to regularly inspect, is inspected in accordance with directions from the Council's insurers and notify the Council's Insurance Officer of any required inspections that have not been carried out;
- j) ensure that any work identified during any inspection referred to in h) above is carried out promptly;
- k) ensure that no repairs to vehicles or property arising from an insured incident are carried out (other than urgent and essential repairs to 'make safe') without having obtained authorisation from the Council's insurers.

12.1.10.7

At no time should any person:

- a) agree, offer or give any indemnity to a third party; or
- b) admit liability,

as this will prejudice the Council's insurance cover and could lead to the Council facing significant uninsured losses.

Indemnity forms, such as collateral warranties, shall not be signed without first consulting with the Head of Governance and Improvement Services and Insurance Officer.

No payments or compensation for loss, damage or injury shall be offered, agreed or made without prior consultation with the Head of Governance and Improvement Services. See 12.1.21.17.

12.1.10.8

The Head of Governance and Improvement Services shall manage all insurance claims (whether made by or against the Council) except where other statutory arrangements apply.

Any claim made against the Council remains at all times in the ownership of, and the responsibility of, the Director against which the claim has been bought.

In respect of any claim, Officers and Managers must provide the Head of Governance and Improvement Services and the Insurance Officers with their full and expeditious assistance at all times.

In respect of the handling of any claim, failure to provide such assistance or information within the timeframe required or as otherwise necessitated by the circumstances and status of the claim will result in the claim not being covered by insurance; the full costs of the claim will consequently be borne by the Service (s) against which it has been made.

12.1.10.9

All staff shall be covered under a Fidelity Guarantee insurance policy.

12.1.11 Internal Control

Why is this area important?

The Authority has statutory obligations and therefore requires internal controls to identify, meet and monitor compliance with these obligations.

The Authority 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.

The system of internal controls is established in order to provide measurable achievement of:

- a) efficient and effective operations;
- b) reliable financial information and reporting;
- c) compliance with laws and regulations; and
- d) risk management.

12.1.11.1

Director of Finance and Resources (Chief Finance Officer), as Section 151 Officer, has statutory responsibility for the Council's financial control environment and for the overall effectiveness of internal controls within the Council.

Each Director shall:

- a) ensure they maintain an appropriate control environment and effective internal controls within their Departments to provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations: and
- b) review existing controls in the light of changes affecting the Authority and establish and implement new ones in line with guidance from Director of Finance and Resources (Chief Finance Officer). The Directors should also be responsible for removing controls that are unnecessary or not cost or risk effective.

12.1.11.2

The Directors shall adhere to the guidance provided by Director of Finance and Resources (Chief Finance Officer), through these and other regulations issued from time to time, on internal financial controls covering budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.

12.1.11.3

An Annual Governance Statement shall be prepared by the Chief Executive and Leader for the Council for inclusion in the Statement of Accounts. This must be prepared in consultation with the Head of Governance and Improvement Services. This will set out the potential risks which the Council could face in the forthcoming financial year and also set out how the risk identified in the previous financial year have been addressed.

12.1.12 Banking Arrangements and Cheques

Why is this area important?
Strict control of bank accounts is required to enable benefits from management of cash flows to be maximised and the risks of losses from theft or mismanagement to be minimised. The Council will normally hold one main account, but where there is an administrative need, additional bank accounts will be established and maintained on an imprest basis.

12.1.12.1

All the Council's banking arrangements shall be made by or under arrangements approved by Director of Finance and Resources (Chief Finance Officer) who shall operate such banking accounts, including National Giro Accounts, as he may consider necessary and in accordance with the relevant bank mandates. No other accounts shall be opened without the agreement of Director of Finance and Resources (Chief Finance Officer).

12.1.12.2

All cheque stationery drawn on the Council's main bank account shall be ordered only on the authority of Director of Finance and Resources (Chief Finance Officer) who shall ensure that proper arrangements are in place for its safekeeping.

12.1.12.3

Cheques drawn on the Council's main banking accounts shall bear the facsimile signature of Director of Finance and Resources (Chief Finance Officer) or be signed personally by Director of Finance and Resources (Chief Finance Officer) or one of his/her authorised Officers.

12.1.12.4

Where the value of a cheque drawn on the Council's main bank account exceeds £10,000, it shall be countersigned by one of the authorised Officers.

12.1.12.5

No accounts shall be opened in the name of any individual Officer.

12.1.12.6

All accounts shall recognise the **Council's interest** and, where applicable, the Service or Department in respect of which the account is required.

12.1.12.7

Cheques drawn on any account, other than the Council's main accounts, shall be signed by at least two signatories. Each Director shall provide Director of Finance and Resources (Chief Finance Officer) with the names of all signatories to the account together with specimen signatures and details of the limits of their authorisation and position within the organisation.

12.1.12.8

Directors shall ensure that chequebooks relating to Imprest accounts are kept secure.

12.1.12.9

Director of Finance and Resources (Chief Finance Officer) may agree arrangements for the use of a debit, credit, or procurement card to make payments. Applications for such arrangements must be supported by a business case agreed with the relevant Director before being forwarded to Director of Finance and Resources (Chief Finance Officer) and shall have the same force as these financial regulations.

12.1.12.10

Where credit/procurement cards or Imprest accounts are used, the Directors must ensure they are regularly reconciled to bank statements. See 12.1.20.11.

12.1.12.11

Prior to an employee leaving the Council's employment, or otherwise ceasing entitlement to hold a corporate credit card or corporate procurement card, the responsible Director must ensure that the employee returns any card issued to them to the Director of Finance and Resources (Chief Finance Officer) and obtain a receipt certifying that the card has been destroyed.

12.1.12.12

Director of Finance and Resources (Chief Finance Officer) shall manage all electronic funds transfer arrangements on behalf of the Council.

12.1.12.13 Authorised Signatories

The following people are currently authorised to sign cheques, BACS & CHAPS payment requests and legal documents on behalf of the Council:

a) Cheques (any two of)

Director of Finance and Resources (the Chief Finance Officer)
Head of Corporate Finance (the Deputy Chief Finance Officer)
Head of Governance and Improvement Services (the Monitoring Officer)
Service Manager - Group Finance
Service Manager - Finance Business Partnering

b) BACS (Bankline) Payments

Director of Finance and Resources (the Chief Finance Officer)
Head of Corporate Finance (the Deputy Chief Finance Officer)
Head of Governance and Improvement Services (the Monitoring Officer)
Service Manager - Group Finance
Service Manager - Finance Business Partnering

c) CHAPS Payments

Director of Finance and Resources (the Chief Finance Officer)
Head of Corporate Finance (the Deputy Chief Finance Officer)
Head of Governance and Improvement Services (the Monitoring Officer)
Service Manager - Group Finance
Service Manager - Finance Business Partnering

d) Legal Documents

Head of Governance and Improvement Services (the Monitoring Officer)
Borough Solicitor (the Deputy Monitoring Officer)

12.1.13 Investments, Borrowing, Treasury Management, Leasing and Trust Funds

Why is this area important?
The Council manages large sums of money and has a significant involvement in the financial markets. As these markets are volatile, there is a need for constant care in the management of borrowing and investment activities to control any risk exposure. There is also a growing need to be aware of performance in the fields of borrowing and investment, as elsewhere, to achieve economies, savings and improved returns.

12.1.13.1 Treasury Management

Director of Finance and Resources (Chief Finance Officer) and his staff are required to act in accordance with CIPFA's "Code of Practice for Treasury Management in the Public Services", the "CIPFA Prudential Code for Capital Finance in Local Authorities" and the Council's treasury management practices.

12.1.13.2

The Council will create and maintain as the cornerstones for effective treasury management:

- a) a treasury management policy statement stating the policies and objectives and approach to risk management of its treasury management activities;
- b) suitable treasury management practices setting out the manner in which the Council will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

12.1.13.3

All monies held by the Council shall be aggregated for the purposes of treasury management and shall be under the control of Director of Finance and Resources (Chief Finance Officer) who shall arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA “Code of Practice for Treasury Management in the Public Services” and the Council’s Treasury Management Policy statement and strategy.

12.1.13.4

Before the start of each financial year, Director of Finance and Resources (Chief Finance Officer) shall report in the first instance to the Audit Committee on the strategies for treasury management and investment proposed for adoption for the coming financial year including the prudential indicators. The Council will only borrow in advance of need if supported by a strong business case setting out the reasons and also the security of the resulting counterparties used to invest the funds.

12.1.13.5

Director of Finance and Resources (Chief Finance Officer) shall provide a mid-year and annual report to the Audit Committee, prior to being approved by Council, on the exercise of the treasury management powers delegated, treasury management performance and on any material departure from the code of practice.

12.1.13.6

All securities, whether the property of or held in the name of the Council or its nominees together with the title deeds of property in its ownership, shall be held in secure custody by the Head of Governance and Improvement Services.

12.1.13.7 Loans, Leases and Guarantees

No lending or leasing arrangements including hire purchase or similar agreements or provision of loan or other financial guarantees shall be entered into without first consulting Director of Finance and Resources (Chief Finance Officer) and, in addition, in relation to land and buildings, the Service Manager, Strategic Assets. Where arrangements or guarantees exceed an estimated whole life value of £150,000, the approval of the Council’s Executive should be sought.

Leasing arrangements are defined as:-

- a) agreements that have the formal status of a lease whereby a lessor conveys the right to use an asset for an agreed period of time under a lease contract to a lessee in return for a payment or a series of payments;
- b) agreements that do not have the legal form of lease but convey the right to use an asset in return for payments (embedded lease).

Where these are provided, consideration should be given to whether or not:

- a) any leasing arrangement is deemed to be an operating or financing lease for accounting purposes and, therefore, whether it should be treated as revenue or capital expenditure;
- b) the transaction will count against the Council's borrowing limit and prudential indicators;
- c) requires the provision of information to Director of Finance and Resources (Chief Finance Officer) for inclusion in the Lease Register and the Council's Statement of Accounts;
- d) there are any implications for VAT or other taxes.

To aid evaluation of the arrangement, the contract agreement should split the payment between those elements applicable for the asset and those elements applicable for the service.

Loans to other organisations by the Council shall be charged at Market Rates unless otherwise directed by Director of Finance and Resources (Chief Finance Officer). If loans are provided at below market rates, the difference in interest income will be paid by the Service. Directors should ensure that loan arrangements are properly constituted by formal agreement in consultation with Director of Finance and Resources (Chief Finance Officer) and Head of Governance and Improvement Services.

12.1.13.8

The Directors shall advise Director of Finance and Resources (Chief Finance Officer) of any transactions or proposed actions that may impact on the Council's investment policy or funds management.

12.1.13.9 Trust Fund

The existence of sums of money held on trust for others must be declared to an appropriate third party. For schools, this shall be the Headteacher and Governors and for Social Services, the Directors of Children's Services or Health and Wellbeing.

12.1.13.10

All trust funds are to be held in the name of the Council. All Officers acting as trustees by virtue of their official position shall deposit all securities etc, relating to the trust with the Head of Governance and Improvement Services unless the deed make other provisions.

12.1.13.11

Directors shall:

- a) where funds are held on behalf of third parties, arrange for their secure administration approved by Director of Finance and Resources (Chief Finance Officer) and maintain written records of all transactions; and
- b) ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

12.1.13.12 Investments and Borrowing

Director of Finance and Resources (Chief Finance Officer) shall:

- a) ensure all investments of money are made in the name of the Council or in the name of nominees approved by the Council; and
- b) ensure all borrowings are made in the name of the Council.

12.1.13.13

Director of Finance and Resources (Chief Finance Officer) shall act as the Council's Registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.

12.1.13.14

No interests shall be acquired in any Company, Joint Venture or other enterprise without the approval of the Executive following consultation with Director of Finance and Resources (Chief Finance Officer). See 12.1.24.

12.1.13.15

The Council, in consultation with Director of Finance and Resources (Chief Finance Officer), shall determine the maximum borrowing limits under the Prudential Code in the context of affordability.

12.1.13.16 Service Concession Arrangements

Where a contract is proposed which includes the use of a specific asset or conveys the right to use a specific asset as part of the arrangement, the contract shall be treated as an embedded lease as outlined in section 12.1.13.7. Contracts that convey to the operator the right to provide services that give the public access to major economic and social facilities and include the use of particular assets under which the Council controls the services provided and any residual interest in the asset should be treated as a Service Concession Arrangement.

Such contracts are typically but not exclusively related to Private Finance Initiative/Public Private Partnership (PFI/PPP) arrangements, however, some contracts that were not planned as PFI/PPP schemes could also be classified as Service Concession Arrangements (e.g. certain asset transfers where the Council retains a legal charge over the infrastructure). Directors should inform and consult Director of Finance and Resources (Chief Finance Officer) where any such arrangements are proposed to enable a proper evaluation of the accounting treatment of the arrangement.

12.1.14 External Funding

Why is the area important?

With increasing pressure on Council expenditure, external funding is potentially a very important source of income. However, terms and conditions attached to funding need to be carefully considered to ensure they are adhered to and compatible with the aims and objectives of the Council. Funds from external agencies as well as project funding from Central Government Departments, sponsorship and other Corporate Social Responsibility contributions from private companies and other donors, provide additional resources which can enable the Authority to augment services it delivers to the local community.

12.1.14.1

Director of Finance and Resources (Chief Finance Officer) shall ensure that all funding from external bodies is properly recorded in the Authority's accounts.

12.1.14.2

Prior to any external funding arrangements being entered into by a Director, he/she shall consult with Director of Finance and Resources (Chief Finance Officer) to ensure that any match funding requirements and future budget implications are fully considered.

12.1.14.3

Any proposal to spend monies received from any external funding source must be in accordance with revenue or capital budgets.

12.1.14.4

The Directors shall ensure that the project progresses in accordance with the agreed project plan, that all expenditure is properly incurred and recorded and all claims for funds are made by the due date.

12.1.14.5

Director of Finance and Resources (Chief Finance Officer) and Head of Governance and Improvement Services shall ensure that audit requirements of any external funding sources are met.

12.1.14.6

Prior to bidding/allocating out of external funding, the Corporate Leadership Team, Lead Member and Executive Member responsible for Council Budgets must first be consulted to ensure alignment with the Council's strategic priorities and that any implications across Services are fully considered.

12.1.15 Petty Cash and Imprest Accounts

Why is this area important?

Petty cash and Imprest accounts are issued for administrative convenience. As they are vulnerable to theft or misappropriation, it is important that the use of such accounts is properly controlled and that the floats are secured.

12.1.15.1

Requests for new Imprest accounts and Petty Cash accounts, or any changes to the existing accounts, or procurement cards, must be supported by a business case agreed with the Relevant Director before being forwarded to Director of Finance and Resources (Chief Finance Officer) who shall provide these as considered appropriate unless other statutory arrangements apply.

12.1.15.2

The Director shall ensure that there are three signatories to each Imprest account and that any cheques shall be signed by any two of these signatories. The signatories shall be selected to ensure that there is adequate control of the account without affecting the day to day operation of the service.

12.1.15.3

Reimbursement of payments from Imprest or Petty Cash Accounts shall be made on receipt of a properly completed Imprest return in a form approved by the Director of Finance and Resources (Chief Finance Officer). The return shall show the cost centres to be charged and the amounts relating to each cost centre. Payment will be limited to such items of expenditure as may be approved by Director of Finance and Resources (Chief Finance Officer). Vouchers supporting claims must be retained for audit purposes.

12.1.15.4

Where necessary, Director of Finance and Resources (Chief Finance Officer) will open an account with the Council's bankers to be operated on an Imprest basis. The account holder shall not allow the account to be overdrawn without prior agreement from Director of Finance and Resources (Chief Finance Officer).

12.1.15.5

No income received on behalf of the Council, other than for schools, may be paid into an Imprest account without the approval of Director of Finance and Resources (Chief Finance Officer) subject to appropriate accounting procedures being in place. Where a Service receives income into an Imprest account, it shall issue a VAT receipt showing the rate and amount of VAT included in the receipt and shall record the income in full (net of VAT) before any expenses are met from it.

12.1.15.6

Each Director shall ensure that any Imprest or Petty Cash account is not used for:

- a) encashment of personal cheques;
- b) payment of any disbursements which may be taxable and should be paid through WISER Employee Services (or any replacement system);
- c) mileage allowance for travelling, lump sum payments or other taxable benefit which should be paid through WISER Employee Services (or any replacement system). Other than costs which are a reimbursement of actual expense and are supported by a receipt;
- d) cash advances except where this falls within arrangements agreed for appropriate clients of Children's Services or Health and Wellbeing;
- e) loans to employees.

12.1.15.7

Where an Imprest or Petty Cash account is authorised, the Officers concerned shall maintain a record of their receipts and payments and shall give the Director or Director of Finance and Resources (Chief Finance Officer) annually after the 31st March, a certificate signed by the holder confirming they continue to hold the account and the amount held at that date. For Imprest accounts, the statement must be supported by a bank statement at the 31st March and a reconciliation of the transactions now shown at the bank to agree with the amount certified.

12.1.15.8

On leaving the Council's employment or otherwise ceasing entitlement to hold an Imprest or Petty Cash account, the employee must account to Director of Finance and Resources (Chief Finance Officer) for any monies advanced to them.

12.1.15.9

Each Director shall ensure the Imprest or Petty Cash account is:

- a) routinely monitored for appropriate usage;
- b) sufficient to allow for reimbursement claims every 4-6 weeks;
- c) kept securely;
- d) that proper records are maintained and transactions are recorded promptly;
- e) only accessed by authorised staff. A list of staff and specimen signatures to be sent to the Manager WISER Services (or other authorised staff);
- f) checked on a periodic basis for completeness of funds;
- g) available with receipts to be produced on demand to the Director of Finance and Resources (Chief Finance Officer) and auditors;
- h) Petty Cash accounts are not used for payments exceeding £100.00. Payments in excess of this to be requested by cheque from the Manager WISER Services (or any replacement system) in exceptional circumstances, payments exceeding £100 may be made from Petty Cash accounts with the approval of Director of Finance and Resources (Chief Finance Officer); and
- i) Payments in excess of £100 from an Imprest account shall be countersigned by the Budget Manager.

12.1.15.10

All payments made by Imprest or Petty Cash must be supported with a receipt or acknowledgement of payment that identified (where applicable) the supplier's VAT registration number, any VAT paid and details of items purchased.

12.1.16 Revenue and Capital Budgets (including Virement)

Why is this area important?

The Authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with priorities reflected within the Community, Corporate and Service Plans. The budget is the financial expression of the Authority's plans and policies.

Budgets (spending plans) are needed so that the Authority can set its Council Tax, set targets for Budget Managers, provide authority to spend and to provide a basis to measure performance.

Medium-term planning involves a planning cycle in which the Council develops its Corporate plans. This ensures that the Authority is always preparing for events in advance and provides opportunities to identify areas where up-front investment can generate savings in the future.

The scheme of virement is intended to enable the Executive, the Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council and to optimise service delivery.

12.1.16.1 Budgets and Medium-Term Planning

Director of Finance and Resources (Chief Finance Officer) shall report annually to the Executive/Council on the revenue and capital budget including any resource constraints which may be set by the Government taking account of medium term planning, the implications of spending decisions and adequacy of the level of revenue and capital reserves. The annual report will include an opinion on the robustness of the budgets presented, adequacy of reserves and any finance or service Risks.

12.1.16.2

Director of Finance and Resources (Chief Finance Officer) shall present the capital and revenue budgets to comply with the general directions of the Council, the Chartered Institute of Public Finance and Accountancy – Service Reporting Code of Practice (SeRCOP) and all legal requirements.

12.1.16.3

Each Director in consultation with Director of Finance and Resources (Chief Finance Officer) shall prepare future year estimates of revenue and capital. These shall be collated by Director of Finance and Resources (Chief Finance Officer) who shall present them to the Executive and report of the implications for the Council including the level of Council Tax.

12.1.16.4

Each Director shall carry out a Budget Risk Assessment each year to identify financial and service risks and the extent of the risk in order to ascertain potential unbudgeted liabilities and provide information in setting the level of reserves. Each Director shall also undertake and record equality impact assessments of proposals to amend service levels as required by the Equality Act 2010.

12.1.16.5

For all proposed budget bids, each Director shall complete a budget submission prescribed by Director of Finance and Resources (Chief Finance Officer).

12.1.16.6 Budget Preparation, Monitoring and Control

Each Director is responsible for the management of their Department's budget and shall ensure it is properly monitored in accordance with the Council's Budget Management Protocol.

12.1.16.7

Directors shall inform the Executive of any instance where a budget is likely to be exceeded by an increase in costs or reduction in income (which cannot be contained within existing budgets under the Virement rules) after consulting with Director of Finance and Resources (Chief Finance Officer).

12.1.16.8

Each Director shall report to the Executive any instances where he/she is unable to operate within his/her budgets. The Executive may:

- a) instruct a Director to take action to the correct position;
- b) make a transfer within the Council's budgets (in excess of the virement limits below see 12.1.16.15); or
- c) approve a supplementary estimate.

12.1.16.9

Each Director shall consult with Director of Finance and Resources (Chief Finance Officer) to ensure that reports to the Executive and Council which propose action, show the financial implications of that action for the current financial year and any subsequent years.

12.1.16.10

Any commitment which may be contained in the current year's budget but generates growth in future years shall only be entered into with the proper approval of the Executive. This is particularly relevant to grant funded expenditure.

12.1.16.11

Each Director shall consult with the Director of Finance and Resources (Chief Finance Officer) before reporting to the Executive any proposed course of action which may have material financial implications beyond their Department budget.

12.1.16.12

The Directors shall in consultation with Director of Finance and Resources (Chief Finance Officer) prepare monthly budget monitoring reports, identifying and giving reasons for significant movements from budgets and detailing proposed corrective action together with any potential impact on the levels of service. These shall be periodically presented to the Executive,

12.1.16.13

Director of Finance and Resources (Chief Finance Officer) shall inform the Executive of any budget variances which significantly affect the Prudential Indicators that are approved by Executive on an annual basis as required by the CIPFA Prudential Code for Capital Finance in Local Authorities.

12.1.16.14 Resource Allocation

No revenue or capital expenditure may be committed, which is not authorised, through the capital or revenue budgets except in the event of an emergency, as defined in Section 138 of the Local Government Act 1972, or where the commitment

can demonstrate value for money to the Council and with the agreement of Director of Finance and Resources (Chief Finance Officer) regarding budget implications.

Such action to be reported to Director of Finance and Resources (Chief Finance Officer) as soon as possible and to the Executive at the next practical opportunity. This provision includes those staff that represent the Council on the Thames Valley Strategic Coordinating Group.

12.1.16.15 Virements

The term “Virement” is used to describe the situation where:

- a) a decision has been made to change policy and move budget from one purpose to another (e.g. budget is moved from non-staffing to staffing related expenditure) or,
- b) a decision has been made to incur expenditure against something that has not previously been approved and money is moved from other budgets to finance it or,
- c) Where budget is moved from one purpose to another to cover unforeseen expenditure.

Each Director who sits on the Leadership Board, in consultation with Director of Finance and Resources (Chief Finance Officer), may vire up to a total of £150,000 in any financial year subject to service budget availability and overall budget availability.

The Chief Executive, in consultation with Director of Finance and Resources (Chief Financial Officer), may vire up to £300,000 across Services in any financial year subject to overall budget availability.

All virements must be recorded as a Material Decision (see Appendix A) and must be submitted to Director of Finance and Resources (Chief Finance Officer) and, if affecting the Capital Programme, must also be in consultation with the Service Manager, Strategic Assets.

The Executive Member responsible for Council Budgets **must** be informed of all virements.

12.1.16.16

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

12.1.16.17

When an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement provided that the amount is used in accordance with the purposes for which it was established.

12.1.16.18 Treatment of Year End Carry Forwards

Schools' balances will be automatically carried forward to support the expenditure of the school concerned. Where an unplanned deficit occurs, the Governing Body shall

prepare a detailed financial recovery plan for consideration by the Chief Executive in consultation with Director of Finance and Resources (Chief Finance Officer). Schools will normally be expected to agree to a plan to recover the deficit within a defined period.

12.1.16.19

Other statutory ring-fenced budgets such as the Housing Revenue Account and Building Control will be automatically carried forward.

12.1.16.20

Budgets for capital schemes which are in progress or have been contractually committed, will be carried forward automatically. This excludes amounts below £1,000 except where there are statutory or other requirements for the budgets to be carried forward.

12.1.16.21

All other carry forward requests shall be considered by the Corporate Leadership Team prior to seeking the approval of the Executive.

12.1.16.22 Maintenance of Reserves

Director of Finance and Resources (Chief Finance Officer) shall advise the Executive on the nature and prudent level of any reserves required and shall ensure these are maintained in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.

12.1.16.23

Earmarked Reserves may be set up by the Director of Finance and Resources (Chief Finance Officer) subject to budget availability.

12.1.16.24 Fees and Charges

Directors shall set the established fees and charges annually. These shall be increased in accordance with the Corporate Charging Policy and the rate of inflation as confirmed by Director of Finance and Resources (Chief Finance Officer) and the Executive Member responsible for Council Budgets.

12.1.16.25

In-year increases above inflation can be approved as an Individual Member Decision subject to no adverse on-going budgetary implications and in consultation with Director of Finance and Resources (Chief Finance Officer) and the Executive Member responsible for Council Budgets.

12.1.16.26

In exceptional circumstances and subject to the forgoing requirement, charges may be increased, reduced or waived for a specified period to promote a service or facility as an Individual Member Decision subject to there being no ongoing budgetary implications and in consultation with Director of Finance and Resources (Chief Finance Officer) and the Executive Member responsible for Council Budgets. This may include introducing a casual charge for the purpose of defraying costs of a special event. Any such change must be fully documented.

12.1. 17 Capital Schemes (including funded by S106 Developer Contributions and Community Infrastructure Levy)

Why is this area important?

Capital expenditure needs to be properly prioritised and monitored in order to maximise the benefit from scarce resources. No new capital scheme can be committed unless sufficient capital finance is available and provision has been made to cover any on-going revenue consequences.

12.1.17.1

A project may only proceed where it has been provided for in the Capital Programme and is in accordance with the Council's Capital Strategy and Key Priorities, as agreed by the Executive/Council.

12.1.17.2

All work to improve or alter any of the Council's buildings must be approved by the Service Manager, Strategic Assets. See 12.1.5.11. Such works may only be capitalised if they enhance the life, use or value of a building as defined by the Institute of Public Finance and Accountancy – Practitioner's Guide to Capital Finance in Local Government.

12.1.17.3 Section 106 Developer Contributions

The utilisation (including the creation of new projects in the capital programme) of all Section 106 Developer Contributions, and other funding from developers received under specific legislation, up to £25,000 are to be agreed by the Resources Manager (S106) and the relevant Head of Service. Between £25,000 and £100,000 to be agreed by the Head of Finance (this authority has been delegated by the Head of Finance to the Head of Development Delivery); the Service Manager responsible for the release of S106 money and the Executive Member responsible for the area spending the S106 money. Above £100,000 will require approval from Executive.

12.1.17.4

Director of Finance and Resources (Chief Finance Officer) shall maintain and publish, at least on an annual basis, a record of the Developers Contributions received under S106, Community Infrastructure Levy or other legislation together with all expenditure incurred from those funds.

12.1.17.5

On approval by the Executive of a programme of capital expenditure, the Directors concerned may request the Service Manager, Strategic Assets to take steps to enable land required for the purposes of the programme to be acquired in time. Subject to approval by the Executive before any acquisition is finalised.

12.1.17.6

Where payment is made by certificate each Director shall ensure:

- a) any stage payments do not exceed the value of work completed;
- b) certificates are authorised by the appropriate Officer or consultant in accordance with the conditions of the contract;

- c) that before authorising final payment, the contractors final account accords with any Bill of Quantities or Schedule of Rates that the contract has been satisfactorily performed and is within approved budgets. This check must be independent of the Contract or Project Manager; and
- d) any penalties or liquidated damages, where applicable, are deducted prior to the final payment.

12.1.17.7

Credit arrangements, such as leasing agreements, shall not be entered into without the prior approval of Director of Finance and Resources (Chief Finance Officer) and, if applicable, inclusion of the scheme in the Capital Programme. See 12.1.13.7.

12.1.17.8 Capital Resources

All borrowing, disposals or use of capital reserves to finance the Capital Programme must be approved by the Council when setting the Capital Programme or by Executive thereafter, **or in exceptional circumstances by the Director of Finance and Resources subject to the Executive being notified immediately and the subsequent approval by Executive at the earliest opportunity. Ring fence grants and contributions received will require the same approval as virements (see 12.1.16.15) for release into the capital programme in year.**

12.1.17.9 Update of Capital Forms detail required for WISER

Before making any commitment in respect of a project included in the Approved Capital Programme, a Budget manager shall authorise release of budget via full completion of the Capital Project Setup (CPS) . Following release of funds by CPS approval, any subsequent budget adjustments shall also be approved through the CPS process following any necessary virement approvals.

12.1.17.10 Forward Funding of Capital Schemes

The Director of Finance and Resources, in consultation with the Executive Member responsible for Council Budgets, can approve forward funding for capital projects of up to £1m against approved capital schemes, i.e. spending income from contributions or grants in advance of their actual receipt.

12.1.18 Information and Communication Technology (ICT)

Why is this area important?

The Council is increasingly reliant on information technology incorporating, as it does, computers, printing services and telecommunication services to process and record financial and management information and to support its business and decision making processes.

The Information and Communication Technology (ICT) used by the Council must be resilient, secure and effective. Systems and procedures must be fully integrated and well administered. The impact of ICT is not limited to individual sections, Departments or the Council itself. Decisions about ICT investment must be taken holistically in order to deliver maximum benefit to the Council and the community that it serves.

12.1.18.1

The ICT Operations shall be responsible for providing all corporate ICT services including the procurement of equipment, software and services and telecommunications. It is the responsibility of the Directors to ensure this requirement is complied with.

12.1.18.2

Any proposal to acquire ICT equipment, software or services shall be subject to a business case that clearly weighs the full life costs against the business benefits and must be in accordance with the Council's Corporate Plan and ICT Strategy.

12.1.18.3

The Directors shall, in consultation with the Head of Customer Services and IMT, make arrangements to:

- a) ensure that their staff comply with the Acceptable Use of IT Policy;
- b) ensure that their staff comply with the software licencing requirements;
- c) ensure that their staff comply with the Council's Information Security Policy and Guidelines; and
- d) ensure that, where appropriate, computer systems and databases are registered in accordance with data protection, legislation and that staff are aware of their responsibilities under the legislation.

12.1.19 Income

Why is the area important?
Income is a vulnerable asset and effective income collection systems are therefore necessary to ensure that all income due is identified, all collections are receipted and banked promptly and completely and the Council's accounting records are properly and promptly updated.
Cash is particularly vulnerable and must be properly controlled and held securely.

12.1.19.1

Director of Finance and Resources (Chief Finance Officer) shall determine arrangements for the collection and recording of all monies due to the Council.

12.1.19.2

Director of Finance and Resources (Chief Finance Officer) shall be notified promptly of all contracts, leases and other agreements which will involve the receipt of money by the Council.

12.1.19.3

Director of Finance and Resources (Chief Finance Officer) shall order and supply to Departments all receipt forms, books or tickets and similar items for internal control.

12.1.19.4 Cash Collection

Each Director shall be responsible for the identification and collection of income due from activities in their service areas.

12.1.19.5

Each Director shall ensure that where income is collected, Officers shall:

- a) issue an official receipt or maintain other formal documentation;
- b) note the form in which it was received e.g. credit card, cheque, cash;
- c) enter details of the debt on the back of the cheque; and
- d) ensure all income prior to banking is held securely against loss or theft and that at no time the amount held exceeds the limits set for insurance purposes

12.1.19.6

All money received on its behalf by any of the Council's establishments shall be paid without delay, and intact, directly into the Council's income collection account, the appropriate school account or into any other bank account established with the approval of Director of Finance and Resources (Chief Finance Officer). ~~Where practical, income should be paid into the Council's Main Cash Office.~~ Money collected and deposited must be reconciled to the bank account on a regular basis.

12.1.19.7

Details to be provided on any Bank Paying In Slip shall include:

- a) the name of the collecting establishment;
- b) the payee;
- c) the income and VAT codes;
- d) the date collected: and
- e) the initials of two Officers who have prepared the amount for deposit.

12.1.19.8

Each Director shall:

- a) supply Director of Finance and Resources (Chief Finance Officer) with details relating to work done, goods supplied, services rendered or other amounts due, to enable Director of Finance and Resources (Chief Finance Officer) to record correctly the sums due to the Authority and to ensure accounts are sent out promptly;
- b) establish performance management systems to monitor recovery of income and notify the Service Manager, Shared Audit and Investigations Service and Director of Finance and Resources (Chief Finance Officer) of any serious shortage of missing income immediately;
- c) record every transfer of money between employees of the Authority. The Receiving Officer must sign for the transfer and the transferor must retain a copy;
- d) ensure income is not used for the encashment of personal cheques or for any other payments;
- e) ensure that, where practical, at least two employees are present when post is opened and ensure that income received is properly identified and recorded on receipt;

- f) ensure that the transfer of income between staff is immediately acknowledged by the issue of a receipt or a signature in a cash accounting record;
- g) ensure that receipts, tickets and other records of income are securely retained in accordance with the Council's Records Management Policy;
- h) ensure that all blank receipt books, tickets and other income records are retained and controlled in a secure manner;
- i) review annually all fees and charges for the supply of goods or services, other than those set by schools, in accordance with the Income Generation Strategy and Charging Policy and;
- j) implement appropriate recovery proceedings, up to legal action, in respect of debts which are not paid promptly except where Director of Finance and Resources (Chief Finance Officer) determines other arrangements.

12.1.19.9 Debtors and Credit Income

Director of Finance and Resources (Chief Finance Officer) is responsible for approving the arrangements for the collection of the debts of the Council, other than schools, and, where appropriate, shall be supplied with all necessary supporting documents in order to achieve recovery.

12.1.19.10

A bona fide debt once raised may not be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt. **Credit notes must be approved by Budget Managers.**

12.1.19.11

Where payment for goods or services provided by the Council, other than schools, is not received at the time of supply, Service Manager, Income & Payments shall raise an invoice for the due sum and shall ensure suitable arrangements are in place to recover the debt. Except where Director of Finance and Resources (Chief Finance Officer) has agreed suitable alternative arrangements.

12.1.19.12

Director of Finance and Resources (Chief Finance Officer) may approve the raising of debtors invoices outside the main systems where they are satisfied that suitable alternative procedures are in place.

12.1.19.13

All charges for goods and services shall be invoiced within 28 days of provision unless payment is required in advance.

12.1.19.14

Recovery action in respect of all the Council's unpaid debtor invoices shall be co-ordinated by Service Manager, Income & Payments who will liaise with the Borough Solicitor. Sufficient documentary evidence to substantiate the debt must be passed to Service Manager, Income & Payments where any court action is considered.

12.1.19.15

Requests to raise a debtor invoice shall be approved by the Budget Manager, and shall include information about the cost centres to be charged and the application of VAT.

12.1.19.16

The Directors shall notify Director of Finance and Resources (Chief Finance Officer) of outstanding income not yet invoiced and relating to the previous financial year, as soon as possible after 31st March each year, in line with the timetable determined by Director of Finance and Resources (Chief Finance Officer).

12.1.19.17 Write Offs and Waivers

Debts may be written off via a material decision where an account remains unpaid and further action to recover debt would evidently be uneconomic:

- a) up to £1,000, by Budget Managers subject to the agreement of the Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded;
- b) above £1,000 **but less than £10,000**, by Heads of Service subject to the agreement of the Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded;
- c) above £10,000 but less than £25,000 by a Director or the Head of Governance and Improvement Services, subject to the agreement of the Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded;
- d) above £25,000, subject to the approval of the Executive.

Directors will be required to supply schedule of proposed debt write-offs for sums below £25,000 to the Director of Finance and Resources (Chief Finance Officer) on a quarterly basis.

12.1.19.18

Discretionary Rate Relief may be authorised by Director of Finance and Resources (Chief Finance Officer) in accordance with Council Policy. Appeals shall be considered by the appropriate Lead Member.

12.1.19.19 PayPal Account

Set up and operation of a PayPal account for the collection of income from specific website transactions within services shall require the approval of Director of Finance and Resources (Chief Finance Officer) who shall establish appropriate procedures for their operation. Where applicable, a Director should nominate a separate PayPal administrator and certifying officer whose responsibility will entail reconciling the income received via the PayPal account to the Council's financial system.

12.1.20 Orders for Work, Goods, Services and Consultancy

Why is this area important?

Placing an order commits the Council to expenditure. It is therefore important that none is placed without authorisation or full consideration at the outset of the budget implications, specifications, health and safety, trading terms and the cost

effectiveness of any work, goods services or consultancy required.

12.1.20.1

All orders for work, goods, services or consultants shall be made in accordance with the Council's Procurement and Contract [Rules and ProceduresRegulations](#).

Payment vouchers must not be used in place of orders, and must only be used where orders are not appropriate. Payment vouchers must be paid by BACS, not cheques, wherever possible. See Chapter 132.2.

12.1.20.2

A purchase order is defined as a type of contract raised by the WISER Procurement System (or on any replacement or alternative system, such as Framework-i) for the purpose of procuring goods and services and shall require authorisation by a Budget Manager, as set out in [12.1.21.42.1.21.4](#).

[In the following circumstances](#), Purchase Orders shall be supported by a written contract document signed or sealed in accordance **with the Procurement and Contract [Rules and ProceduresRegulations](#) as set out in paragraph [13.3.2.1 and 13.3.2.12.2.3.2.1](#)**

(Purchase Orders shall not be broken down for the purpose of avoiding these regulations).

For Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual the above limits do not apply providing:

- d) the Director for Health & Wellbeing maintains a scheme of delegation setting out the limits to be applied at each level of the management structure for the purchase of social care; and**
- e) the purchase order is raised using the designated Social Care system ; and**
- f) the supplier meets all relevant registration requirements as determined by the Department of Health; and**
- g) the supplier is already contracted to the council for this purpose; and**
- h) the unit price is in accordance with the suppliers contract.**

The reason for this exception is that the purchase of personal care will in almost all case have no end date and will not therefore conform to a) above.

12.1.20.3

Director of Finance and Resources (Chief Finance Officer) shall determine the style and format of purchase order forms and may agree suitable alternative arrangements.

12.1.20.4

All Purchase Orders for work, goods, services or consultancy shall be issued through the WISER Procurement system (or any replacement system) except:

- a) where services are provided by the public utilities or are rents or rates;
- b) where the purchase order is raised using an alternative system agreed with Director of Finance and Resources (Chief Finance Officer);
- c) where other statutory arrangements apply;
- d) where, agreed in consultation with the Director, that purchase is made by telephone or other direct communication such as the internet, however, this must be followed immediately by an authorised purchase order. A copy of the order should be sent to the supplier noting, where appropriate, if the order is a confirmation of instructions already given;
- e) where the WISER system (or any replacement system) is not available and Director of Finance and Resources (Chief Finance Officer) has determined an emergency procedure; or
- f) where an alternative method of procurement has been identified and implemented by Director of Finance and Resources (Chief Finance Officer).

12.1.20.5

Use of Purchase Orders should conform to any guidelines set by Director of Finance and Resources (Chief Finance Officer) regarding central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Head of Governance and Improvement Services.

12.1.20.6

Each Director shall ensure that:

- a) Purchase Orders placed with external suppliers are only use for goods and services required by the Council. Individuals must in no circumstances use official orders to obtain goods and services from external suppliers for their private use;
- b) goods and services are checked on receipt to verify that they are in accordance with the purchase order. This check should be carried out by a different person from that authorising the order who shall also process confirmation of the receipt through the WISER system (or any replacement system).

12.1.20.7

Approval of the official order shall ensure that:

- a) budget provision (including other committed items) is available;
- b) the goods or services are appropriate to need; and
- c) quotations, tenders or other similar measures have been taken to ensure best practice and value for money.

For Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual a) above does not apply. This is because the council has a duty to assess and if the individual meets care criteria a duty to provide assessed care irrespective of budget availability (LASSL(97)13, 11 November 1997).

12.1.20.8 In-House Service Provision and Corporate Contracts

Where a service is already provided by an in-house unit, orders must be placed with this unit and shall not be placed externally without consultation with the Director providing the service. Where a Council wide contract is in existence, all orders for goods and services available under these contracts must use these contracts unless an alternative has been agreed with the Director of Finance and Resources (Chief Finance Officer).

12.1.20.9 Temporary Staff

All temporary staff appointments **must** be placed **via** the Council's **Approved Agencycentral contract**, where possible. Exceptions should be approved by Director of Finance and Resources (Chief Finance Officer).

12.1.20.10 Corporate Transport Unit

Any requirements for vehicles must be referred to the Corporate Transport Unit who shall place orders for purchase or leasing, contracting or redistribution of existing vehicles, as appropriate, to satisfy the requirement and ensure the Council's vehicle's strategy operates in the most efficient manner.

12.1.20.11 Procurement Cards

In some circumstances, the Director of Finance and Resources (Chief Finance Officer) will issue a procurement card to Service Managers **or other staff as appropriate**. The procurement card operates in a similar way to a credit card, to allow purchases to be made quickly over the phone, in person or via the internet.

Request for new procurement cards or any changes to existing cards, must be supported by a business case agreed with the relevant Director before being forwarded to Director of Finance and Resources (Chief Finance Officer).

The Director shall ensure that:

- a) nominated cardholders sign confirmation of receipt of the procurement card and acceptance of their conditions of usage;
- b) the card is kept securely and only nominated cardholders use it;
- c) any loss or misuse of the card is reported immediately to the Council's bank account provider and to the Group Finance Team at Shute End;
- d) card limits are not exceeded;
- e) there is an appropriate limit for individual transactions incurred on the card and that the limit is applied consistently;
- f) the card must not be used to obtain cash **(with the exception of emergency duty officers)** or any items personal to the Holder or other staff or for making loans to employees;
- g) the card must not be used to circumvent Wokingham Borough Council's Procurement policies/processes. See 12.1.20 and Chapter [132.2](#);
- h) no loyalty rewards (e.g. Air Miles etc) or other personal benefits are collected by the cardholder;
- i) all purchase vouchers and till receipts or invoices must be retained for attachment to the card statement as proof of purchase for VAT purposes

and for reporting under the Council's Transparency Reporting procedures. See 12.1.4.14;

- j) monthly charge reports are reviewed monthly by the cardholder. The cardholder will check this report for accuracy of expenditure incurred and coding of expenditure to WISER (or any replacement systems) and advise the Group Finance Team if any coding changes are required. Any queries on the statement should be addressed immediately to the bank and a note attached to the statement stating the action being taken to redress any errors forwarded to Group Finance Team at Shute End;
- k) the cardholder shall return any card which is no longer required, or on cessation of entitlement, to the Group Finance Team at Shute End who will destroy the card;
- l) the cardholder is mindful of their duty in public office and under the Council's Code of Conduct and does not incur any expenditure on the card that could embarrass the Council or lead to any accusation of abuse;
- m) breaches of the Conditions of Use and the Finance and Procurement Regulations will result in the card being withdrawn and disciplinary action being taken against officers;

12.1.21 Payment for Work, Goods and Services

Why is this area important?
<p>It is important that the Council has firm control over its payments to ensure its suppliers are paid in accordance with their trading terms, that invoices are not overlooked or duplicated and that payment is only made where goods and services have been received satisfactorily.</p> <p>Accounting for VAT also requires clear procedures to be in place to ensure it is correctly claimed. See 12.1.23.</p>

12.1.21.1

All payments on behalf of the Council shall be made by Director of Finance and Resources (Chief Finance Officer) except where delegated powers have been given to holders of alternative bank accounts or procurement cards authorised by Director of Finance and Resources (Chief Finance Officer).

12.1.21.2

Every Officer and Member of the Authority shall declare in the Register of Interests (Declaration of Interests) held on WISER (or any replacement systems), any links or personal interests they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority in accordance with the Council's Code of Conduct.

12.1.21.3

All invoices or requests for payment for work, goods and services shall be matched to ensure that they are in accordance with Purchase Orders held in WISER (or any replacement systems) unless an alternative arrangement has been agreed by Director of Finance and Resources (Chief Finance Officer). Wherever possible, this check should be carried out by a different Officer from the person who placed the

order. Any unmatched vouchers will be referred to the relevant Budget Manager for approval.

12.1.21.4

Each Budget Manager is responsible for the authenticity and coding of Purchase Orders or payments and shall approve up to £50,000.

The Budget Manager may delegate authority to approve orders or payments up to £2,500 to one or more nominated representatives subject to the agreement of the Director of Finance and Resources (Chief Finance Officer).

Each Service Manager (within their area of budget responsibility) can approve orders or payments up to £100,000 and is responsible for the authenticity and coding of Purchase Orders. Each Head of Service (within their area of budget responsibility) can approve orders of payments up to £250,000 and is responsible for the authenticity and coding of Purchase Orders.

12.1.21.5

Requests for Purchase Orders or payments **between £250,000 and £1,000,000** shall be approved by a Director or the Deputy Chief Finance Officer.

12.1.21.6

Requests for Purchase Orders or payments, exceeding £1,000,000, shall be approved by the Director of Finance and Resources (Chief Finance Officer) or the Chief Executive or in their absence, the Head of Finance.

For all Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual paragraphs 12.1.21.4, 12.1.21.5, and 12.1.21.6 do not apply providing:

- a) the Director for Health & Wellbeing maintains a scheme of delegation setting out the limits to be applied at each level of the management structure for the purchase of social care; and***
- b) the purchase order is raised using the designated Social Care system ; and***
- c) the supplier meets all relevant registration requirements as determined by the Department of Health; and***
- d) the supplier is already contracted to the council for this purpose; and***
- e) the unit price is in accordance with the suppliers contract.***

12.1.21.7

The Directors shall provide Director of Finance and Resources (Chief Finance Officer) with a list of Budget Managers authorised to approve orders and payments in this respect. Where these authorisations are held within the Authority's accounting systems, the Directors shall ensure they are reviewed regularly and kept up-to-date.

12.1.21.8

Prior to invoices being passed for payment, the Approving Officer, who shall not be the Examining Officer, shall ensure the following checks have been made:

- a) the invoice complies with VAT requirements;
- b) there is evidence that work, goods or services have been satisfactorily received;
- c) the invoice has not been previously paid;
- d) expenditure is a proper liability of the Council;
- e) prices and arithmetic are correct and as quoted or estimated;
- f) the voucher has been properly coded to the correct account;
- g) discounts have been taken where available; and
- h) where payment relates to a Contractor's Final Account, that an independent scrutiny of the account has been undertaken.

12.1.21.9

Director of Finance and Resources (Chief Finance Officer) may approve other arrangements for authorising payments where adequate alternative controls can be demonstrated.

12.1.21.10

Payments shall only be made where an original VAT invoice is provided as a supporting voucher or the invoice is produced electronically by a system approved by Director of Finance and Resources (Chief Finance Officer) other than where payment is supported by a contract certificate or internal payment voucher. Any alteration to a sum due shall be supported by a debit or credit note.

12.1.21.11

All unmatched invoices and those from approved alternative systems 12.1.20.4b must have attached to them a cover slip, as determined by Director of Finance and Resources (Chief Finance Officer), showing that the required checks have been carried out and bearing the signature of the Examining Officer.

12.1.21.12

The normal method of payment shall be BACS, or where authorised by Director of Finance and Resources (Chief Finance Officer), by direct debit or cheque.

Wherever possible, services should not request cheques due to their greater administrative cost and bank charges. Once instant Pre-Paid Cards become available, they will become the normal method of payment where a cheque would previously have been drawn. The continued use of cheque payments will then only continue where a payment by BACS, Direct Debit or Pre-Paid Card is not possible.

12.1.21.13

All undisputed invoices shall be paid in accordance with Corporate Terms of Payment of 28 days unless contractual obligations require earlier payment which shall not in any case be less than 14 days. Prompt payment discounts shall be taken where available.

12.1.21.14

Payments by debit card, credit card or procurement card shall be in accordance with the approval given by Director of Finance and Resources (Chief Finance Officer) when setting up the arrangement. See 12.1.20.11.

12.1.21.15

The Directors shall notify the Director of Finance and Resources (Chief Financial Officer) of outstanding expenditure, not yet passed for payment, relating to the previous financial year as soon as possible after 31st March each year, in line with the timetable determined by the Director of Finance and Resources (Chief Finance Officer).

12.1.21.16

Payments in advance for Goods and Services exceeding £1,000 shall not be made except with the approval of Director of Finance and Resources (Chief Finance Officer) who may require evidence of a satisfactory Financial Health Check of the supplier (excludes Social Services residential placements and payment by schools of examination fees).

12.1.21.17 Compensation Payments

No payments for compensation of loss, damages or injury shall be made without consultation with the Head of Governance and Improvement Services. See 12.1.10.7.

12.1.22 Salaries, Wages and Other Emoluments

Why is this area important?

In most Departments the largest item of expenditure is the cost of staffing. It is therefore important to have controls in place to ensure that payments are only made to bona fide employees in accordance with individual's conditions of employment, in respect of services provided to the Department and that all amendments to the payroll are properly authorised.

The following regulations are not applicable to schools which may make their own arrangements for payroll services. Schools must ensure that any arrangements they make for these services comply with relevant employment and taxation legislation.

12.1.22.1

The payment of all salaries, wages, compensation and other emoluments to all employees, or former employees, of the Council shall be made by Director of Finance and Resources (Chief Finance Officer) or under arrangements approved and controlled by him/her.

12.1.22.2

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

12.1.22.3

The format of all-time records, claims or other pay documents shall be approved by Director of Finance and Resources (Chief Finance Officer) and shall be approved by a Budget Manager.

12.1.22.4

Director of Finance and Resources (Chief Finance Officer) shall make arrangements for the accurate and timely payment of tax, superannuation and other deductions.

12.1.22.5

Director of Finance and Resources (Chief Finance Officer) shall make arrangements for the payment of Members allowances as per Democratic Services.

12.1.22.6

The Directors must establish adequate and effective systems and procedures to ensure that:

- a) payments are only authorised to bona fide employees;
- b) payments are only made where this is a valid entitlement;
- c) conditions and contracts of employment are correctly applied; and
- d) employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

12.1.22.7

Each Director shall:

- a) notify the Employee Services and Payment Manager of all appointments, terminations or variations which may affect the pay or pension of an employee, or former employee, as soon as they are aware of them;
- b) retain personnel records securely and administer those records held on computer files in accordance with the provisions of the Data Protection legislation;
- c) ensure that payroll transactions such as mileage claims or reimbursement of expenses which are not supported by receipts, are processed only through the payroll system;
- d) give careful consideration to the employment status of individuals employed on a self-employed consultant or sub-contract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from Director of Finance and Resources (Chief Finance Officer);
- e) check and approve through I-Expenses or Purchase to Pay systems, travel and subsistence claims and other allowances. Check and approve is taken to mean that journeys were authorised and expenses properly and necessarily incurred, that allowances are properly payable by the Authority ensuring that cost-effective use of travel arrangements is achieved and that expenses are supported by VAT receipts. Due consideration should be given to tax implications and that VAT is applied correctly where appropriate; and

- f) ensure that the Employee Services & Payments Manager is notified of the details of any employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

12.1.22.8

Each Director shall ensure that all payroll source data is:

- a) maintained as required on WISER;
- b) retained by the Department for the period defined in the Council's Records Management Policy;
- c) authorised, certified and submitted to the Department Administrator or other designated Officer; and
- d) supported with receipts or other documentation to fully verify the claims for expenses or subsistence.

12.1.22.9

All payments made under the relocation scheme shall be in accordance with the scheme. A formal agreement, as supplied by the Head of Human Resources, must be signed by the member of staff prior to receipt of any benefit.

12.1.22.10

All employees seeking reimbursement of expenses in respect of post entry training courses shall enter into **a signed agreement with the Council , to repay all appropriate training expenses should he or she leave the Council's employment within two years following completion of training.** The agreement to be signed before any payment is made.

12.1.22.11

Each Director shall ensure that adequate records are kept detailing the total financial support for training, relocation or other purposes given to each member of staff, within their area of responsibility, to enable costs to be ascertained when an employee leaves the Council prematurely.

12.1.22.12

Where an employee leaves the employment of the Council before the terms of any agreement such as for post entry training, relocation or car loan are met, or the employee otherwise becomes ineligible or unable to complete the terms of the agreement, the relevant Directors shall notify Director of Finance and Resources (Chief Finance Officer) and Head of Human Resources of any monies which are to be repaid under the terms of the agreement so that an invoice may be raised.

12.1.22.13

A Director may not waive any monies which become due from an employee in accordance with the terms of any loan agreement or other agreement for financial assistance other than at the discretion of the Head of Governance and Improvement Services.

12.1.23 Taxation/VAT

Why is this area important?

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

12.1.23.1

Director of Finance and Resources (Chief Finance Officer) shall complete all returns regarding PAYE and monthly returns of VAT inputs and outputs to HM Revenue and Customs on behalf of the Council and shall provide details to the HM Revenue and Customs regarding payments made under the construction industry tax deduction scheme.

12.1.23.2

Director of Finance and Resources (Chief Finance Officer) shall maintain up-to-date guidance for the Council's employees on taxation issues.

12.1.23.3

The Directors shall follow the guidance on taxation issued by Director of Finance and Resources (Chief Finance Officer) in the VAT manual and establish procedures to ensure that:

- a) the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations;
- b) where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements; and
- c) all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments except where the individuals are bona fide self-employed by a recognised staff agency.

12.1.23.4

The Directors shall inform Director of Finance and Resources (Chief Finance Officer) of all proposed capital schemes, disposals or leasing arrangements to ensure VAT implications are fully considered and shall seek Director of Finance and Resources (Chief Finance Officer) 's approval before entering into, or committing to, any land, property, leasing contract or partnership arrangement or setting up or engaging with any company on behalf of the Council.

12.1.24 Local Authority Companies

Why is this area important?

The Local Government Act 2003 has enabled best value authorities to trade through the medium of a company provided that the nature of the trading is connected with their statutory functions. The Council has adopted a council wide policy on income generation which seeks to explore the greater use of its trading powers and opportunities.

The establishment of a company and adopting business models can facilitate this process in introducing innovative, efficient and sustainable forms of delivery with value for money for Council Tax payers. In essence, the establishment of a company will enable the flexibility and 'fleetness of foot' to take advantage of entrepreneurial opportunities not normally associated with a multi-statutorily regulated public body such as a Council.

The medium of the company is also normally essential if the Council wishes to trade to make a commercial profit (as distinct from simply covering its costs).

12.1.24.1 Local Authority Companies

Directors must:

- a) seek approval from both the Head of Governance and Improvement Services and the Director of Finance and Resources (Chief Finance Officer) prior to the setting up or formal involvement in companies. This will involve consideration of whether the trading should be carried out by an existing Council-owned company, a subsidiary of an existing company or a newly incorporated company;
- b) include any clauses, within the company's Memorandum and Articles of Association to safeguard the Council's position as required by the Head of Governance and Improvement Services and the Director of Finance and Resources;
- c) obtain Executive approval before any negotiations are concluded;
- d) ensure all agreements and arrangements are properly documented;
- e) ensure that governance arrangements are in place including arrangements for exit, if necessary;
- f) ensure that risk management processes are in place to identify and assess all known risks;
- g) ensure that a satisfactory business case and business plan are prepared before trading by the company commences;
- h) ensure that any Council Officers who are to be Directors are aware of their responsibilities under company legislation and the company's articles and that appropriate indemnities and insurances are in place for the Council and the company;
- i) ensure that the accounting policies adopted and followed by the Council, see 12.1.4.1, are adopted and followed by the company where the Council is the majority shareholder in the company;
- j) that the company has appropriate financial procedures in place to properly record and account for the income and expenditure, assets and liabilities of the company;
- k) that adequate supporting records of the income, expenditure, assets and liabilities of the company are held;
- l) that the company operates a financial year 1st April to 31st March and prepares its financial statements, as per 12.1.4.10, in accordance with the timetable set by the Council's Chief Finance Officer;
- m) that adequate information is provided to the Council in accordance with the timetable set out by Director of Finance and Resources (Chief Finance Officer) of the Council to enable the consolidation of the company's accounts with the accounts of the Council for group reporting purposes;

- n) that arrangements are made for the audit of the company's accounts in accordance with the requirements set out in the Companies Act 2006 and the Accounts and Audit (England) Regulations 2011;
- o) ensure that where the Council is not the majority shareholder in the company that the Council's procurement regulations, Chapter 13, are followed when contracting services between the Council and the company.

12.1.24.2

The Head of Governance and Improvement Services should advise the Executive on the following key elements:

- a) scheme appraisal for financial viability;
- b) risk appraisal;
- c) governance arrangements;
- d) resourcing, including taxation issues; and
- e) audit requirements.

GLOSSARY OF TERMS AND DEFINITIONS	
Chief Finance Officer (Section 151 Officer)	Wokingham Borough Council designated Chief Finance Officer (Section 151 Officer). The Head of Finance has been designated as the Deputy Chief Finance Officer (Section 151 Officer)
Commissioning Forum	A group of Officers to consider funding for individual packages of support.
Consultant	Any person or company commissioned to provide professional expert advice or services outside the Council's fixed establishment
Contract	Any commitment made for or on behalf of the Council with a contractor. The commitment may be made by official purchase order or other method as approved by Director of Finance and Resources (Chief Finance Officer), Section 151 Officer..
Contract Certificates	A formal certificate, issued in accordance with the terms of a contract, confirming the value of work, goods, and materials supplied at the time of valuation. Such certificates should only be signed by a qualified engineer or architect or consultant employed for the purpose of managing the contract or the responsible Director.
Contracts Register	Where all contracts valued over £520,000 must be recorded. The Register is located on the WBC staff network.
Contract Value	All values in this document relate to the total ascertainable value of a contract (i.e. annual value x length of contract + any extension period, if applicable, and any options if applicable).
EOI	Expressions of Interest.
OJEU Procurement Directive	The directive issued by EU Regulations for procurement by Public Authorities, the directive has been implemented in the UK by the Public Contracts Regulations 2015 .
Material Decision	Any decision identified as such within the Financial and Contract Regulations. The template can be found on the WBC staff network.
Purchase Orders	For the purpose of these Regulations, a purchase order is defined as a type of contract raised through the WISER System (or any replacement system) for the purpose of procuring goods or services and shall require authorisation by a Budget Manager.
PQQ	Pre-Qualification Questionnaire.
ITT	Invitation to Tender.
Services	The provision of goods, materials and services to be supplied or the execution of works that are specified as fundamental to the contract.
Social Care	Refers to Adult and Children's Services.
Standing List	A list of contractors maintained, as per Regulations, these contractors may be invited to quote for the supply of services in specified categories for which they have been approved.
Tender	A formal sealed offer for services submitted in response to an invitation issued by the responsible Director.
Term	A formal contract under which services are supplied over the

Contractor	period of the contract at previously agreed rates submitted under approved tendering procedures.
Variation	Alterations to the specifications, methods or materials originally tendered affecting the cost of a contract, or which may also change the level of service achieved.
WISER	Wokingham Borough Council's Enterprise Resource Planning system.
Services	Includes for example, services such as maintenance of equipment, transportation, consultancy, technical service etc.
Supplies	Contracts are essentially those for the supply or hire of products. These are referred to as "Goods "in The Public Contracts Regulations 2015 and all associated procurement documentation.
Works	Defined as "the outcome of building or civil engineering, works taken as a whole that is sufficient of itself to fulfil an economic and technical function".



STATEMENT OF MATERIAL DECISIONS

Appendix A

General Managers are required to complete a Statement of Material Decisions for all material decisions within the Financial and Procurement & Contract Regulations (see 12.1.3).

Name: _____
General Manager of: _____
Date: _____

DECISION SHEET	
Nature of Decision (eg Virement):	_____
Decision:	_____ _____
Effective Date of Decision:	_____
Reason for Decision (incl. Demonstration of VFM):	_____ _____
Alternative Options Considered and Rejected at Time of Decision:	_____ _____
Risk Assessment & Action Taken to Mitigate Risk:	_____ _____
Supporting Documentation to Decision and Location Held (attach if possible):	_____ _____

Name of Budget Manager / Responsible Officer: _____

When completed template should be filed on the WBC staff network (Z drive\Finance\Material Decisions\.....)

NB Filenames should be in the format: [Name – yyyy mm dd] - eg: Graham Ebers 2010 06 01

MONETARY LIMITS

Appendix B

Reference	Description	Value £
12.1.5.3	Value of Stocks or Stores to be reported annually to Director of Finance and Resources (Chief Finance Officer).	5,000 or more
12.1.5.4(a)	A detailed inventory of furniture, fittings, plant and machinery and equipment with an individual purchase value in excess of:	1,000
12.1.5.4(b)	Unexplained differences of stores movements to be reported to the Business Assurance and Insurance Manager	1,000
12.1.5.5	Limit for write- off or disposal of surplus items other than land and buildings which a Director may authorise.	2,000
	Value at which items or groups of items to be referred to Director of Finance and Resources (Chief Finance Officer) prior to disposal.	2,000
	Value at which disposal of Capital Assets to be referred to Chief Finance Officer.	2,000 or more
12.1.5.6	Value at which the Service Manager, Strategic Assets shall maintain an Assets Register of all properties owned by the Council.	10,000
12.1.10.5	Value at which items to be included in Department inventories for inclusion in the Council's "All Risk" insurance policies.	1,000
	Value of items, not specifically insured, to be included in the Service's risk planning and agreement not to specifically insure to be formally obtained from the Head of Governance and Improvement Services.	2,500
12.1.12.4	Level where countersigning of cheques is required.	10,000
12.1.15.9	Value above which withdrawals from Imprest accounts to be countersigned,	100
12.1.16.15	Limit for virements in total which can be approved in any financial year by a Director in consultation with Director of Finance and Resources (Chief Finance Officer).	150,000
	Limit for virements which can be approved in any financial year by the Chief Executive in consultation with Director of Finance and Resources (Chief Finance Officer).	300,000
12.1.19.17	Write- Offs and Waivers Debts may be written off where an account remains unpaid and further action to recover debt would evidently be uneconomic as set out below :.	
	a) By Budget Managers subject to the agreement of	

	Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded.	Up to 1,000
b)	By Heads of Service subject to the agreement of the Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded.	Up to 10,000
c)	By Director or the Head of Governance and Improvement Services subject to the agreement of the Director of Finance and Resources (Chief Finance Officer). Such action to be fully recorded.	Above 10,000 but less than 25,000
d)	Subject to the approval of the Executive.	Above 25,000
	Directors are required to supply a schedule of proposed debt write-offs for sums below £25,000 to the Director of Finance and Resources (Chief Finance Officer) on a quarterly basis.	
12.1.20.2(b)	Level at which a purchase order or series of Purchase Orders with one supplier must be supported by a Contract.	50,000
12.1.21.4	Each Budget Manager is responsible for the authenticity and coding of purchase Orders or payments and shall approve up to:	50,000
	The Budget Manager may delegate authority to one or more nominated representatives subject to the agreement of the Director of Finance and Resources (Chief Finance Officer) to approve order or payments up to:	2,500
	Each Services Manager (within area of budget responsibility) is responsible for the authenticity and coding of Purchase Orders and can approve orders or payments up to:	100,000
	Each Head of Service (within their area of budget responsibility) is responsible for the authenticity and coding of Purchase Orders and can approve orders or payments up to:	250,000
12.1.21.5	Requests for purchase orders or payments between £250,000 and £1,000,000 shall be approved by a Director or the Deputy Chief Finance Officer	1,000,000
12.1.21.6	Requests for purchase orders or payments exceeding £1,000,000 shall be approved by a the Director of Finance and Resources, or the Chief Executive, or in their absence, the Deputy Chief Finance Officer	Exceeding 1,000,000
12.1.21.16	Limit above which any Payments in Advance need the approval of:	1,000