

## **FINANCIAL REGULATIONS**

**FROM April 2010.**

### **FINANCIAL REGULATIONS – INDEX**

<b>Financial Regulation</b>	<b>Number</b>
1 General.....	3
2 Financial Management.....	4
3 Budgets.....	5
4 Budgetary Control.....	9
5 Accounting.....	10
6 Maintenance of Balances and Reserves.....	11
7 Annual Statement of Accounts.....	11
8 Risk Management and Business Continuity.....	12
9 Internal Control Systems.....	12
10 Internal Audit.....	13
11 External Audit.....	14
12 Preventing Fraud and Corruption.....	14
13 Imprest, Petty Cash and cash float accounts.....	15
14 Banking Arrangements and cheques.....	16
15 Contracts for building, construction or Engineering works.....	16
16 Asset Registers.....	17
17 Intellectual Property.....	18
18 Asset Disposal.....	18
19 Income (incl. Write-Offs) .....	18
20 External Funding (including Grant Claims) .....	19
21 Insurances.....	20
22 Inventories.....	20
23 Treasury Management .....	20
24 Orders for work, goods and services.....	21

25	Payments of accounts.....	22
26	Use of Corporate Purchasing Cards.....	23
27	Hospitality and Gifts.....	23
28	Protection of private property.....	24
29	Salaries, wages and other emoluments.....	24
30	Security.....	25
31	Stocks and stores.....	25
32	Travelling, subsistence and allowances.....	25
33	Partnerships.....	26
34	Non Compliance.....	27

## 1. GENERAL

- 1.1 For the purpose of Section 151, Local Government Act 1972 and Section 114 (1) of the Local Government Finance Act 1988, the Director of Resources is the officer designated to have the responsibility for the proper administration of the financial affairs of the Council.
- 1.2 Each Director and Head of Service shall consult the Management Team with respect to any matter within his/her remit which is liable materially to affect the financial position of the Council before any provisional or other commitment is incurred. Before being reported to Committee the Director of Resources shall be given the opportunity to submit a report on the matter in question.
- 1.3 References in the regulations to Management Team is to a meeting of the following Directors and Heads of Services or an officer delegated to act in his/her absence, e.g.

Chief Executive  
Director of Resources  
Director of Community Services

- 1.4 The Director of Resources will have the duty, and without prejudice, to ensure that no payment that is unlawful or ultra vires is made. The Director of Resources is responsible for maintaining a continuous review of the Financial Regulations, and may where he/she considers it necessary, issue revisions during the year. Where the Director of Resources considers the revisions to be significant and material additions or changes, these will be reported to the full Council for noting and/or approval. The Director of Resources is also responsible for reporting, where appropriate, any breach of the financial regulations to the Council.
- 1.5 If a case of emergency necessitates the non-compliance with Financial Regulations the exception so made shall be sanctioned by the Chief Executive in consultation with Chair and Vice Chair of the Resources and Regeneration Committee, or in his/her absence, by a meeting of the Management Team, and shall be subsequently reported to the next Resources and Regeneration Committee.

### 1.6 **Application**

Every Committee and employee of this Council, or other persons acting on behalf of the Council, shall comply with these regulations and with any additional regulations and amendments made from time to time by the Council, upon the recommendation of the Resources and Regeneration Committee. These regulations and copies of Standing Orders relating to Contracts shall be supplied to private Architects, Quantity Surveyors, Engineers and Consultants on appointment by the Council.

- 1.7 Breaches of Financial Regulations of a serious nature will result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the Director of Resources or Chief Executive who shall determine, after consulting with the Monitoring Officer and Chief Executive, whether the matter shall be reported to the Council

## 1.8 **Delegated Powers**

A List of Directors and Heads of Services delegated powers shall be maintained by the Chief Executive. Any such delegated powers shall be operated in accordance with the Financial Regulations.

## 1.9 **Revision of Financial Limits**

Financial limits contained in these regulations will be reviewed annually by the Resources and Regeneration Committee and may be adjusted at the discretion of the Director of Resources.

1.10 In these regulations when reference is made to a requirement that a document should be signed by a Director and Head of Service, it infers that this requirement, unless otherwise stated, can be delegated by the Director or Head of Service to another officer so long as the Director of Resources is informed immediately of this delegation, accompanied by the signature and initials of the officer concerned. The Director of Resources shall maintain a record of all such signatures.

1.11 A Financial Regulation requiring a resolution of the Management Team means one so recorded in the Management Team minutes.

## 2 **FINANCIAL MANAGEMENT**

2.1 All Members and employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met

2.2 Responsibilities of the Director of Resources

- To ensure the proper administration of the financial affairs of the Council
- To ensure that proper practices are adhered to
- To advise on the key strategic controls necessary to secure sound financial management
- To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
- To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- Advising on setting and monitoring compliance with financial management standards, including ensuring that Financial Regulations are observed and kept up to date and that the Council has effective internal and managerial control systems in place
- Reporting to the Members of the Council and to the external auditors:
  - where the Council has made, or is about to make a decision which involves incurring expenditure which is unlawful
  - where the Council has taken or proposes to take action which if pursued to its conclusion, would be unlawful

- where the Council approves an item of expenditure which is unlawful
  - where it appears that the expenditure of Council in any financial year, or proposed expenditure, is likely to exceed the resources available to it to meet that expenditure
  - advising on the overall financial position of Council and on the key financial controls necessary to secure sound financial management
  - advising the Council on the robustness of the estimates, the adequacy of financial reserves and the prudential requirements
  - providing financial advice to the Council on all aspects of its activity, including the strategic planning and policy making process
  - preparing the annual statement of accounts
  - ensuring the provision of an effective internal audit service
  - securing the treasury management function, including loans and investments
  - advising on the safeguarding of assets, including risk management and insurance
  - arranging for the payment of the precept
- 2.3 Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts so that they present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of our resources.

### **3. BUDGET**

- 3.1 The detailed form of capital and revenue estimates shall be determined by the Director of Resources, consistent with the general directions of the Resources and Regeneration Committee and after consultation with the Management Team.
- 3.1 It shall be the duty of the Director of Resources in consultation with the appropriate Directors and Heads of Services, as and when required, to prepare and present annually to each Committee:-
- (a) A review of the Council's charges;
  - (b) The estimate of future annual income and expenditure on Revenue Account. Annual revenue budgets shall in general be confined to items consequent upon and in accordance with decisions approved by the Council or a Committee under delegated powers;
  - (c) The estimates of future income and expenditure on capital account, together with an associated capital programme.
- 3.2 After consideration by Committee the Director of Resources shall collate such budgets and charges as approved and report to the Resources and Regeneration Committee thereon, such report to include financial implications.
- 3.3 The Resources and Regeneration Committee may refer budgets back to the appropriate spending Committee for amendment on the grounds of economy or otherwise, but in the event of dispute as to the inclusion or variation of any item in such budgets the matter shall be determined by the Council.

- 3.4 The Resources and Regeneration Committee shall consider the budgets of the various Committees and present them to the Council with such summaries, observations and recommendations thereon as it may deem desirable.
- 3.5 No new expenditure shall be committed prior to the approval of the annual budget unless agreed in advance by the Resources and Regeneration Committee.
- 3.6 On the approval of annual budgets by the Council, the appropriate Director or Head of Service shall be responsible to the Director of Resources for ensuring that all income is received and that expenditure is not exceeded, and for their assistance the Director of Resources shall furnish each Directors and Heads of Service, as appropriate, with a periodical statement of receipts and payments under each head of approved estimate and such other relevant information as the Chief Officer concerned may require after consultation with the Director of Resources.
- 3.7 Revised budgets compared with the original budgets for the current year shall be submitted to Committee at the same time and following the same procedure as budgets for the following year. Once approved these amounts replace the original budgets. Committees shall not act in anticipation of approval of any revision of budgets.
- 3.8 Approval of any capital proposal shall constitute authority to the Director of Resources to raise such loans as are necessary to finance the project.
- 3.9 The Resources and Regeneration Committee shall recommend to the Council:-
- (i) the amount required from the Collection Fund for Borough Council purposes;
  - (ii) the Council Tax for District purposes for the coming financial year.

### **Revenue**

- 3.10 Whenever it is proposed to introduce, revise or discontinue a scale of charges, the Director of Resources shall be consulted before the proposal is submitted to the Committee concerned.
- 3.11 For new items of expenditure not included in approved estimates or where it appears that the amount of any head of estimate may be exceeded by £500 or 5% or the amount of any such head of approved income may not be reached, it shall be the duty of the Director or Head of Service concerned after consultation with the Director of Resources, or of the Director of Resources as the case may require, to inform the appropriate Committee. The spending Committee must then refer this matter to the Resources and Regeneration Committee with a proposal on how it should be financed. Approval of the council is required for a supplementary estimate. No excess expenditure shall be incurred before approval is received other than in cases of emergency when Financial Regulation 1.5 shall apply.
- 3.12 The Director of Resources shall report to each Committee the outturn figures for the preceding financial year and draw attention to any major departures from budget and/or matters of importance as soon as practicable after the end of that year.

## **Capital**

- 3.13 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council such as land, buildings, and major items of plant, equipment or vehicles. The expenditure on any particular scheme or project has to be £3,000 or more to qualify as capital expenditure. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs. These should be quantified at the time the draft project is considered. Committees may amend their capital programmes with the approval of the Resources and Regeneration Committee. Urgent amendments which arise between meetings of the Resources and Regeneration Committee may be approved by the Chairman and Vice-Chairman and reported to the next meeting.
- 3.14 Capital projects included within the provision contained in any programme year may be commenced on or after the planned date for start, without further approval beyond that of the appropriate Committee and, if necessary, Government Department. Commencement before the planned programme year needs prior approval from the Resources and Regeneration Committee.
- 3.15 The inclusion of any capital proposal in the programme does not commit the Council to such expenditure, but upon the programme being approved by the Council, the Director or Head of Service concerned shall be authorised to :-
- (a) Take steps to enable land required for the purpose of the programme to be acquired in due time; and
  - (b) Prepare a scheme and estimates including associated revenue expenditure for approval by the appropriate Committee.
- 3.16 The Authority is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential code sets out the framework under which the Council will consider its spending plans. No Committee shall incur capital expenditure on any new project without first receiving and approving a detailed report from the appropriate Directors and Heads of Service showing the purpose for which the expenditure is to be incurred and stating the estimated expenditure and income on revenue account which it is anticipated will arise as a result of such capital expenditure (a) for each financial year during the construction of the works, and (b) upon the completion of the works. In the case of any capital work or project the expenditure on which it is expected to extend over more than one financial year, the estimate shall show (a) the total estimated expenditure, and (b) the amount proposed to be expended during the ensuing financial year.
- 3.17 If in respect of any capital project the sum approved in the current capital programme is likely to be exceeded, prior approval of the appropriate spending Committee and the Resources and Regeneration Committee shall be obtained if the excess is likely to be more than 5% or £500 whichever is the greater. Smaller excesses shall be approved and reported by the Director or Head of Service to the Resources and Regeneration Committee.
- 3.18 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.

3.19 The Head of Finance, in consultation with other Heads of Service, will prepare a three year rolling programme of proposed capital expenditure for submission to the Council for approval. This shall cover the forthcoming financial year and the following two years. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.

3.20 Responsibilities of the Director of Resources .

- To make recommendations to the Council on the most appropriate level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme .
- To monitor expenditure throughout the year against the approved programme and to produce reports on spend to date and forecasts for the year to Committee.
- To submit joint capital monitoring reports to the Council on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme.
- To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.
- Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted to the Council for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

### **Financial Planning**

3.21 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the Council to plan, monitor and manage the way funds are allocated and spent.

3.22 To plan for the delivery and development of services and the priorities for the allocation of resources, the Council needs to undertake medium term financial planning. It does this by preparing a three year revenue forecast and three year capital programme.

The Director of Resources has a responsibility to:

3.23 To determine the format and timing of the medium term financial plans to be presented to the Council. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

3.24 To prepare a three year forecast of proposed income and expenditure for submission to the Council. This will cover the forthcoming financial year and the two following years. When preparing the forecast, the Director of Resources shall have regard to: .

- policy requirements approved by the Council as part of the policy framework
- unavoidable future commitments, including legislative requirements initiatives already underway
- revenue implications of the draft three year capital programme proposed service developments and plans which reflect public consultation
- the need to deliver efficiency and/or productivity savings and Central Government grant allocations
- capping criteria and announcements

3.25 To prepare a three year forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding. This will include potential implications for local taxation.

#### **4 BUDGETARY CONTROL**

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

4.2 The key controls for managing and controlling the revenue budget are that firstly there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control, and secondly the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

4.3 By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each budget holder is required to manage expenditure within their budget allocation, subject to the rules of virement.

4.4 The Head of Finance is required to provide appropriate financial information to enable budgets to be monitored effectively

4.5 The Director of Resources has a responsibility to:

- To ensure that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure
- To ensure that total spending remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Council, the Director of Resources shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the

Council.

4.6 Budget holders have a responsibility to manage income and expenditure within their area and to monitor performance, taking account of financial information provided by the Head of Finance. They should report to the Head of Finance on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance to any problems. Detailed budget monitoring is to be undertaken by budget holders and their accountant every month and reported to the Head of Finance.

#### 4.7 **Virement**

A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable budget holders to manage their budgets with a degree of flexibility within the overall policy framework determined by the Council and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

4.8 Key controls for the scheme of virement are:

- the overall budget is agreed by the Council. Devolved budget holders are therefore authorised to incur expenditure in accordance with their budget
- virement does not create additional overall budget liability.
- each Director and Head of Service shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

4.9 Heads of Service may approve virement from their devolved allocations to any other budget within their direct control subject to a limit of £1,000 and with the prior approval by the Director of Resources. Any virements requested over £1,000 will have to be approved at the next available Resources and Regeneration Committee. Virements between pay and non pay codes can only be approved at the next Resources and Regeneration Committee. Any virements between individual services must be reported to Management Team.

## 5 **ACCOUNTING**

5.1 The Director of Resources shall be responsible for:-

- Keeping proper accounts of the Council's financial transactions in accordance with current legislation;
- Preparing the annual Statement of Accounts for approval by the Resources and Regeneration Committee; and
- Preparing and submitting all financial returns, reports and statistics to meet both Council and Statutory requirements.
- To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable

5.2 All accounting procedures and accounting records of the Council and its officers shall be determined by the Director of Resources.

5.3 All accounts and accounting records of the Council shall be compiled by the Director of Resources or under his/her direction.

- 5.4 The following principles shall be observed in the allocation of accounting duties:-
- The duties providing information regarding sums due to or from the Council and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them;
  - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of those transactions.
- 5.5 The Director of Resources shall be responsible for providing all financial management information to Committee and Directors and Heads of Services and shall supply periodically such statements as may reasonably be required.

## **6 MAINTENANCE OF BALANCES AND RESERVES**

- 6.1 The Council must decide the level of general reserves and balances it wishes to retain before it can decide the level of council tax. Reserves and balances are maintained as a matter of prudence. They enable the Council to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future
- 6.2 The Director of Resources has a responsibility to:
- 6.3 To advise the Council on reasonable levels of balances and reserves.
- 6.4 To report to the Council's annual budget meeting on the adequacy of reserves and balances
- 6.5 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.

## **7 THE ANNUAL STATEMENT OF ACCOUNTS**

- 7.1 The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP). The Council is responsible for approving these annual accounts
- 7.2 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council resources
- 7.3 The Director of Resources has a responsibility to:
- To agree the timetable for final accounts preparation, together with the Head of Finance.

- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Statement of Recommended Practice (SORP)
- To prepare, sign and date the statement of accounts, stating that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for the financial year just ended
- To publish the approved and audited accounts of the Council each year, in accordance with the statutory timetable
- To produce summary accounts for publication on the website and distribution in hard copy

## **8 RISK MANAGEMENT AND BUSINESS CONTINUITY**

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

8.2 Like all organisations, whether private or public sector, this Council faces risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the Council and to ensure the continued corporate and financial well being of the Council. In essence it is, therefore, an integral part of good business practice.

8.3 The Director of Resources has a responsibility to advise the Council on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.

8.4 The Director of Resources is responsible for coordinating the preparation of the Council's Risk Management Policy and Strategy and for promoting a culture of risk management awareness throughout the Council and reviewing risk as an ongoing process. This entails the implementation of procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis

8.5 Directors and Heads of Service need to ensure that appropriate business continuity plans are developed implemented and tested on a regular basis

## **9 INTERNAL CONTROL SYSTEM**

9.1 Internal control refers to the systems of control devised by management to help ensure the Council objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded

9.2 The Council is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The Council has statutory obligations, and, therefore, requires a system of internal control to identify, meet

and monitor compliance with these obligations .

9.3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:

- efficient and effective operations
- reliable financial information and reporting
- compliance with laws and regulations
- risk management

9.4 Heads of Service have a responsibility to implement effective systems of internal control, in accordance with advice from the Director of Resources. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall also ensure that public resources are properly safeguarded and used economically, efficiently and effectively. .

9.5 Heads of Service must ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.

9.6 Heads of Service must ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures. .

9.7 It is the responsibility of the Chief Executive to produce an Annual Governance Statement for consideration and approval by the Council at the same meeting that it approves the annual statement of accounts. Following approval, the Annual Governance Statement should be signed by the Chief Executive, and the Leader of the Council.

## **10 INTERNAL AUDIT**

10.2 A continuous internal audit, under the independent control and direction of the Director of Resources shall be arranged to carry out an examination of accounting financial and other operations of the council and make such checks and tests as he/she deems necessary.

10.3 The Internal Auditor shall have the right to report direct to the Chief Executive in any case considered necessary.

10.4 The Director of Resources or his/her authorised representative shall have authority to :-

- Enter at all reasonable times on any council premises or land;
- Have access to all records, documents and correspondence relating to any financial and other transactions of the council;
- Require and receive such explanations as are necessary concerning any matter under examination;

- Require any employee of the council to produce cash, stores or any other council property under his control.

10.5 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or suspected irregularity in the exercise of the function of the Council, the Director or Head of Service of the department concerned shall forthwith notify the Director of Resources who shall take such steps as he/she considers necessary by way of investigation. If any irregularity is found the Director of Resources shall report to the Chief Executive who in conjunction with the Director of Resources and the Director or the Head of Service concerned, shall take such action as is appropriate.

10.6 The recommendations contained within all internal audit reports, once agreed, have to be implemented within 3 months of the date of the audit report, unless the reason for not so doing has been given to the Director of Resources.

## **11 EXTERNAL AUDIT**

11.1 Section 4 of the 1998 Audit Commission Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The 2008 Code of Practice characterises External Audit with three distinct features:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements, but also aspects of corporate governance and arrangements to secure the economic, efficient and effective use of resources; and
- auditors may report aspects of their work to the public and other key stakeholders.

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

11.3 Management Team and Heads of Service will ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to the Council premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance. In addition they will respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

11.4 The recommendations contained within all external audit reports, once agreed, have to be implemented within 3 months of the date of the audit report, unless the reason for not so doing has been given to the Director of Resources.

## **12 PREVENTING FRAUD AND CORRUPTION**

12.1 This Council will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside the Council. The Council's expectation of propriety and accountability is that Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Council also expects that individuals and

organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

The Director of Resources will:

- Maintain an effective anti-fraud and anti-corruption policy.
- Ensure that adequate and effective internal control arrangements are in place
- Implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.

The Internal Audit Manager will:

- Maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to the Monitoring Officer. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Executive shall ensure that all employees are aware of any approved whistle blowing policy.

### **13 IMPREST, PETTY CASH AND CASH FLOAT ACCOUNTS**

- 13.1 The Director of Resources shall provide such advance accounts as he/she considers appropriate for such officers of the Council as may need them for the purposes of defraying petty cash and other expenses. Such accounts shall be maintained in the Imprest system.
- 13.1 The balance of cash held and maximum payment permissible from these accounts shall be determined by the Director of Resources from time to time.
- 13.2 No income received on behalf of the Council may be paid into an advance account but must be banked or paid to the Council as provided elsewhere in these regulations.
- 13.3 Payments shall be limited to minor items of expenditure and shall be supported by a receipted voucher in the form that the Director of Resources may require.
- 13.4 The Director of Resources shall provide such floats as he/she considers appropriate for such officers of the Council as may need them for the purpose of receiving monies due to the council.
- 13.5 An officer responsible for an advance or float shall every quarter and also at other times as the Director of Resources requests, provide the Director of Resources with a certificate as to the balance held.
- 13.6 Prior to leaving the employment of the Council or otherwise ceasing to be entitled to hold an advance or float, the officer shall immediately account for the amount advanced to him, and repay any balance of cash.

#### **14 BANKING ARRANGEMENTS. CHEQUES and BACS.**

- 14.1 All arrangements with the Council's bankers shall be made by the Director of Resources, who shall be authorised to operate such banking accounts as he/she may consider necessary. All accounts shall include in its title "Oadby and Wigston Borough Council"
- 14.2 A consistent and secure approach to banking services is essential in order to achieve optimum performance from the Council's bankers and the best possible value for money
- 14.3 All cheques shall be ordered only on the authority of the Director of Resources, who shall make proper arrangements for the safe custody of blank cheques and the preparation, signing and despatch of cheques.
- 14.4 Cheques drawn on the Council's main banking accounts shall bear the facsimile signature of the Director of Resources. Cheques and or other instruments of payment drawn on the Council's Bank Accounts equal to or in excess of the sum of £5000 shall bear the facsimile signature of the Director of Resources and either the Chief Executive or Monitoring Officer.
- 14.5 The Resources and Regeneration Committee shall, from time to time, review the charges made for the keeping of the various bank accounts and shall report thereon to the council.
- 14.6 The Director of Resources shall make proper arrangements for all the Council's bank accounts to be independently reconciled and ensure that this is undertaken on a monthly basis. The Head of Finance needs to sign off that this is done.

#### **15 CONTRACTS FOR BUILDING, CONSTRUCTIONAL OR ENGINEERING WORK**

- 15.1 Where contracts provide for payment by instalments, the Director of Resources shall arrange for the keeping of the contract register to show the state of account on each contract between the council and contractor, together with any other payments and the related professional fees. For this purpose the Head of Legal and Licensing shall render to the Director of Resources such information as is required relating to all contracts as soon as possible after execution.
- 15.2 Except after consultation with the Chief Executive, an officer shall not authorise work to be commenced or goods to be supplied where such work or goods are to be the subject of a formal contract entered into between the Council and the contractor, until the Head of Legal and Licensing has advised such officer that the contract has been signed by the contractor.
- 15.3 Payment to contractors in respect of all contracts shall be authorised only by a certificate signed by the person made responsible by the contract for issuing such certificates ("the certifying officer"). In the case of private architects, quantity surveyors, engineers or consultants, certificates shall be countersigned as to validity by the appropriate Directors and Heads of Service who appointed them. The certifying officer shall be responsible for the correct certification of all aspects of contract payments.
- 15.4 Every extra or variation on a contract shall be authorised in writing by the certifying officer and shall specify the basis of the charge. This authorisation shall be issued before the work is carried out, or in the case of an emergency

immediately thereafter. A copy of all such variations shall be forwarded to the Solicitor of the council.

- 15.5 Where any extras or variations exceed the amount of the accepted tender by the greater of 5% of the tender either individually or taken cumulatively with previously authorised extras or variations, the prior approval of the appropriate Committee shall be obtained. Where the extras or variations have to be dealt with as an emergency, the work shall be carried out in accordance with Regulation 1.5 and reported to the appropriate Committee as soon as practicable.
- 15.6 The final sum due under any contract shall not be certified for payment until the appropriate Directors and Heads of Service or the case may be in Regulation 15.3 above has produced to the Director of Resources a detailed statement of account, all relevant documents, and has received the Director of Resource's agreement to issue the final certificates.
- 15.7 The Director of Resources shall, to the extent he/she considers necessary, examine the final and any interim accounts for contracts and he/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may require in order to satisfy himself/herself as to the accuracy of the accounts.
- 15.8 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Head of Legal and Licensing for consideration of the Councils legal liability before a settlement is reached. The Director of Resources shall be informed of the amount of such claims before final settlement to enable him to consider the financial implications.
- 15.9 Where completion of a contract is delayed beyond the contract period, without prior approval, it shall be the duty of the appropriate Directors and Heads of Service concerned to take appropriate action in respect of any claim for liquidated damages and to report his action to the Committee concerned.
- 15.10 In any case where the total cost of any work carried out under contract varies by more than 5% of the approved contract sum, a report of such cost shall, after agreement of the final account, be submitted to the appropriate Committee.
- 15.11 Work carried out by any in-house trading unit must conform to the terms of any legislation on competitive tendering. Directors and Heads of Services should supervise the work and approve payments to the in-house contractor strictly under the terms of the agreement as they would any external contractor.

## 16 ASSET REGISTERS

- 16.1 The Director of Resources will:
  - maintain a register of all properties owned by the Council (except dwellings provided by the Housing Acts) recording the holding Committee, purpose for which it is held, location, extent and place reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted

- To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the Director of Resources. Assets are to be recorded when they are acquired by the Council. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the Director of Resources
  - ensure assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
  - valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the Council
- 16.2 The Head of Legal and Licensing shall be responsible for the custody of all title deeds and appropriate documents.
- 16.3 Discretionary acquisitions and disposals not otherwise authorised under any delegation shall be submitted for approval by the Council on the recommendation of the Resources and Regeneration Committee.

## **17 INTELLECTUAL PROPERTY**

- 17.1 It is Council policy that if any Intellectual Property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Council may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 17.2 In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal advice.

## **18 ASSET DISPOSAL**

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

## **19 INCOME**

- 19.1 The collection of all monies due to the Council shall be under the supervision of the Director of Resources.
- 19.2 Each Director and Heads of Service shall furnish the Director of Resources with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him/her to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due.
- 19.3 The Director of Resources shall be notified promptly of all monies due to the Council and of contracts, leases and other agreements entered into which involve the receipt of monies by the Council and the Director of Resources

shall have the right to inspect any documents or other evidence in this connection as he may decide.

- 19.4 All receipt forms, books, tickets and other such documents shall be ordered, controlled by and issued by the Director of Resources. Every issue of any such document shall be authorised by the Director or Head of Service of the department concerned and acknowledged by the signature of the employee receiving the document.
- 19.5 No employee or agent shall give a receipt for money received on behalf of the Council on any form other than an official receipt form, unless authorised by the Director of Resources.
- 19.6 All monies received by an officer on behalf of the Council shall be paid promptly to one of the Council's bank accounts. No deduction may be made from such money save to the extent that the Director of Resources may specifically authorise. Each officer who so banks money shall enter on the paying in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the cheque. On each cheque, the officer shall enter the receipt number or other identifying details.
- 19.7 Every transfer of official monies from one member of staff to another will be evidenced in the records of the department concerned by the signature of the receiving officer.
- 19.8 Where any sum is irrecoverable the Director of Resources may authorise the sum to be written off provided the sum does not exceed £500. Sums in excess of £500 but not greater than £2,000 may be written off by the Director of Resources in consultation with the Chair of the Resources and Regeneration Committee. All proposed write-offs which exceed £2,000 will be submitted to the Resources and Regeneration Committee for authorisation.

## **20 EXTERNAL FUNDING (INCLUDING GRANT CLAIMS)**

- 20.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Funds from external agencies provide additional resources to enable the Council to deliver its policing objectives. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan .
- 20.2 It is the responsibility of all Directors and Heads of Service to actively pursue any opportunities for additional funding where this is considered to be in the interests of the Council. It is also necessary to ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.
- 20.3 The Head of Finance will ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met .

- 20.4 Before a grant claim or return is submitted to an external body, it needs to be checked and certified by an appropriate officer. Evidence of this check needs to be made on the retained documentation.

## **21 INSURANCE**

- 21.1 The Director of Resources shall effect all insurance cover and negotiate all claims in consultation with other Directors and Heads of Service where necessary, under any guidelines that may be made by the Resources and Regeneration Committee.
- 21.2 Directors and Heads of Services shall give prompt notification to the Director of Resources of all new risks, properties or vehicles which require to be insured and of any alteration effecting existing insurances.
- 21.3 Directors and Heads of Services shall forthwith notify the Director of Resources of any loss, liability or damage or any event likely to lead to a claim, and inform the police if appropriate.
- 21.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.
- 21.5 The Director of Resources shall annually or at such other period as he/she may consider necessary, review all insurances in consultation with other Chief Officers as appropriate.
- 21.6 Directors and Heads of Service shall consult the Director of Resources and the Solicitor of the Council respecting the terms of any indemnity which the Council is requested to give.

## **22 INVENTORIES**

- 22.1 Inventories shall be maintained by all departments and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery. At 31<sup>st</sup> March each year a certified copy of the inventory shall be forwarded to the Director of Resources.
- 22.2 Directors and Heads of Service shall be responsible for taking action in relation to surpluses or deficiencies and noting the inventory accordingly.
- 22.3 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the council's business or otherwise than for the Council's purpose except in accordance with specific directions issued by the Chief Officer concerned .
- 22.4 Budget holders will undertake a check, at least annually, of all items on the inventory in order to verify their location, review condition and investigate any surpluses or deficiencies, annotating the inventory with the outcome accordingly. The annual check is to be undertaken by the responsible budget holder or his or her representative, who shall not be responsible for the day to day maintenance of the inventory.

## **23 TREASURY MANAGEMENT**

- 23.1 This Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.
- 23.2 Accordingly, this Council will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of its treasury management activities
  - suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 23.3 The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key recommendations.
- 23.4 This Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.
- 23.5 This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Director of Resources, and for the execution and administration of treasury management decisions to the Director of Resources, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- 23.6 All investments of money under its control shall be made in the name of the Council or in the name of nominees approved by the Resources and Regeneration Committee.
- 23.7 All borrowings shall be effected in the name of the Council.
- 23.8 The Director of Resources shall be the Council's registrar of stocks, bonds and mortgages and shall maintain all records relating thereto.
- 23.9 All trust funds shall, wherever possible, be in the name of the Council.
- 23.10 All officers acting as trustees by virtue of their official position shall deposit all securities etc. relating to the trust with the Director of Resources unless the deed otherwise provides.

## **24 ORDERS FOR WORK, GOODS AND SERVICES**

- 24.1 Official orders shall be in a form approved by the Director of Resources and are to be authorised electronically or otherwise by officers identified by the appropriate Directors and Heads of Service who shall be responsible for official orders issued from his department.

- 24.2 Official orders shall be issued for all work, goods or services to be supplied to the council except for supplies of public utility services, for periodical payments such as rent or rates, for petty cash purchases or such exceptions as the Director of Resources approves.
- 24.3 Official order forms shall only be supplied by the Director of Resources and the Directors and Heads of Service shall be responsible for the validity of all orders issued and for the control and safe custody of all official order books issued to him/her.
- 24.4 The duties of ordering goods, receiving goods and certifying accounts for payment shall not be performed by one officer (subject to the Director of Resources being informed where such a division of duties is not possible).
- 24.5 Each order shall conform to any directions of the Resources and Regeneration Committee with respect to central purchasing and the standardisation of supplies and materials.
- 24.6 A copy of each order shall be supplied to the Director of Resources as soon as possible after issuing the order or as the Director of Resources may require.
- 24.7 Urgent orders given verbally shall be confirmed by an official order produced electronically or otherwise not later than the next working day following the day on which an oral order is given.
- 24.8 All orders for work, goods or services will comply with the European Community Services Directive and the Public Services Contract Regulations 1993.

## **25 PAYMENT OF ACCOUNTS**

- 25.1 Apart from any petty cash payments from advance accounts the Director of Resources is authorised to make all payments as they become due by cheque or other instrument drawn on the council's banking account.
- 25.2 The Director or Head of Service issuing:
- A Manual Order, is responsible, without undue delay, for examining, verifying and certifying the related invoice(s), which should be on suppliers printed forms, and similarly, for any other payment vouchers or accounts arising from sources in his/her department. Such certification shall be in manuscript by or on behalf of the Director or Head of Service.
  - An electronic order, shall be deemed to have examined and verified the related invoice(s) upon electronic entry of the Goods Received Note without delay to the Purchase Ordering System.
- 25.3 Before electronically posting the Goods Received Note or certifying an account, the responsible officer shall have satisfied himself/herself that:-
- The work, goods or services to which the Goods Received Note or account related have been received, carried out, examined and approved;

- The prices, extensions, calculations, additions, trade discounts, other allowances, credits and tax are correct;
  - The relevant expenditure has been properly incurred, is within the relevant estimate provision and has been correctly allocated an expenditure code number;
  - Appropriate entries have been made in inventories, stores records or stock books as required; and
  - The account has not been previously passed for payment and is a proper liability of the council.
- 25.4 Duly certified accounts shall be passed without delay to the Director of Resources who shall examine them to the extent that he/she considers necessary, for which purpose he/she shall be entitled to make such enquiries and to receive such information and explanations as he may require.
- 25.5 Any amendment to an account, other than those affecting VAT, shall be made in ink and initialled by the officer making it, stating briefly the reasons where they are not self-evident.
- 25.6 Paragraph 25.5 does not apply to a VAT invoice which must be returned to the supplier for amendment or receipt of another invoice.
- 25.7 Each Directors and Heads of Service shall, by the 10<sup>th</sup> April, notify the Director of Resources of all outstanding income and expenditure relating to the previous financial year.

## **26 USE OF CORPORATE PURCHASING CARDS**

- 26.1 The form of corporate purchasing cards and users of purchasing cards must be approved by Resources and Regeneration Committee.
- 26.2 Where purchases are made using a corporate purchasing card approved by Resources and Regeneration Committee, orders will not be required but details should be maintained of all purchases made in accordance with procedures laid down by the Director of Resources.
- 26.3 Corporate purchasing cards should only be used for Council purchases, unless in exceptional circumstances and with the prior agreement of the Director of Resources. Usage should be in accordance with the conditions of use as laid down by the Director of Resources.
- 26.4 Limits will be set as to individual transactions and the cumulative credit allowed on each card. Authorised users should ensure that such limits are not exceeded. Where limits are exceeded unintentionally, the Director of Resources should be informed immediately.
- 26.5 Corporate purchasing cards are the personal responsibility of those users to whom they are issued. Such authorised users should not pass their card to other individuals to use on their behalf.

## **27 HOSPITALITY AND GIFTS**

- 27.1 The Monitoring Officer will:

- maintain a policy for the registering of interests and the receipt (or offer if declined) of hospitality and gifts covering both Members and employees. A register of hospitality and gifts shall be maintained for Members and employees. Any gift or hospitality received (or offer if declined) over the value of £10 for Officers and £25 for Members should be recorded in the Register. This therefore excludes low value items such as diaries, most pens, teas and coffees, and note pads etc.

## **28 PROTECTION OF PRIVATE PROPERTY**

- 28.1 All valuables such as jewellery, watches and other small articles of a similar nature and documents of title found upon any Council establishment shall unless in any case otherwise decided by the Director of Resources be deposited with him/her without delay for safe custody. The Director of Resources shall maintain a record of such items found and be responsible for the manner in which the items are disposed of.

## **29 SALARIES, WAGES AND OTHER EMOLUMENTS**

- 29.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees, members or former employees of the council shall be made by the Director of Resources or under arrangements approved and controlled by him/her.

- 29.2 The appropriate Directors and Heads of Service shall notify the Chief Executive as soon as possible and in the form prescribed by him of all matters affecting the payment of such emoluments. The Chief Executive shall record such information and shall without undue delay notify the Director of Resources of such matters and in particular:-

- Appointments, resignations, dismissals, suspensions, secondments and transfers;
- Changes in remuneration, other than normal increments and pay awards and pay awards and agreements of general application;
- Information necessary to maintain records of service for superannuation, income tax, national insurance and the like.

- 29.3 Absences from duty for sickness or other reasons, apart from approved leave shall be notified to the Director of Resources by the appropriate Directors and Heads of Service in the form prescribed by the Director of Resources.

- 29.4 Appointments of all employees shall be made in accordance with any directions of the Resources and Regeneration Committee and the approved establishment, grades and rates of pay.

- 29.5 All time records or other documents relating to salaries and wages shall be in the form prescribed or approved by the Director of Resources and shall be certified in manuscript by the appropriate Directors and Heads of Service.

- 29.6 Tax, superannuation, national insurance and all other deductions from pay and related matters shall be recorded and controlled in such a manner as may be determined by the Director of Resources.

## **30 SECURITY**

- 30.1 Each Director and Heads of Service is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash etc., under his control. Where security is thought to be defective or where it is considered that special security arrangements may be needed he/she shall consult the Director of Resources who shall in any case have the right to check any security matters and arrangements in order to comply with his/her obligations under any insurance requirements or legal obligations.
- 30.2 Maximum limits for cash holdings shall be agreed with the Director of Resources and shall not be exceeded without his/her express authority.
- 30.3 Keys to safes and similar receptacles are to be carried on the person of those responsible when on official duty and otherwise be retained in a place of safety as shall be agreed by the appropriate Directors and Heads of Service in consultation with the Director of Resources. The loss of any such keys must be reported to the Director of Resources forthwith.
- 30.5 An appropriate form of identification shall be issued by the Chief Executive to each officer who for the necessary performance of his/her duties either requires access to council establishments other than that in which he/she is normally employed, or to identify himself/herself to members of the public.

## **31 STOCKS AND STORES**

- 31.1 Each Directors and Heads of Service shall be responsible for the care and custody of the stock and stores in his department.
- 31.2 Stocks shall not be in excess of normal requirements except in special circumstances with the approval of the Committee concerned.
- 31.3 Directors and Heads of Services shall arrange for twice yearly test examinations of stocks by persons other than storekeepers and shall ensure that all stocks are checked at least once in every year.
- 31.4 The Director of Resources shall be entitled to receive from each Directors and Heads of Service such Information as he/she requires in relation to stores for the accounting, costing and financial records. Surplus materials, stores and equipment with an estimated value of not more than £500 may be disposed of on the written authority of the Director of Resources. Other such items shall be disposed of by competitive quote or tender or by public auction unless the Resources and Regeneration Committee decide otherwise in a particular case.
- 31.5 Any surplus or deficiency revealed in any items of stock at any stock-taking shall be reported to the Director of Resources who may authorise the write-off of deficiencies or adjustment of surpluses not exceeding £100 on any one item. Deficiencies or surpluses greater than £100 shall be reported to the Resources and Regeneration Committee by the Director of Resources.

## **32 TRAVELLING, SUBSISTENCE AND ALLOWANCES**

- 32.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be certified and submitted to the Director of Resources in accordance with the Council's "Travelling and Subsistence" policy, made up to the end of each month, within seven days thereof.

- 32.2 Payments to Members, including co-opted members, of the Council or its Committees who are entitled to claim travelling or other allowances will be made by the Head of Finance upon receipt of the form prescribed by him/her duly completed. All claims for a financial year are to be submitted within one month of 31<sup>st</sup> March.
- 32.3 The certification by or on behalf of the Director or Head of Service shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the council, in accordance with the current Car Allowance Policy.
- 32.4 Officers claims submitted more than six months after the expenses were incurred will be paid only with the express approval of the Director of Resources and only in extreme circumstances.

### **33 PARTNERSHIPS**

- 33.1 Partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:
- are otherwise independent bodies;
  - agree to co-operate to achieve a common goal; and
  - achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards
- 33.2 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
- deliver strategic objectives;
  - improve service quality and cost effectiveness;
  - ensure the best use of scarce resources; and
  - deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.
- 33.3 The Council must ensure each of its partnerships has an appropriate form of governance that is formally documented. The document sets out the legal status, accountabilities, decision making processes, and roles and responsibilities of the partnership. The partnership objectives focus on achieving better outcomes for local people.
- In addition there must be constructive working relationships between the council and its partnerships, including ensuring appropriate information is shared with partners in a timely manner. Each of the council's key partnerships should have effective procedures for resolving disputes and these procedures are followed when needed.
- 33.4 The Council must demonstrate that stakeholders and local people have confidence in our partnerships, including the standards of conduct of Members and staff, and have confidence in its partnership governance arrangements.

The council should regularly review the effectiveness of its partnership working and can demonstrate that partnerships are providing effective outcomes and value for money.

- 33.5 The Council should sign a locality-wide, agreement governing its relations with voluntary and community organisations. The agreement clearly sets out roles and responsibilities of each partner and their contribution to delivering better outcomes for local people.
- 33.6 Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

- **Statutory based**

These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs), Local Area Agreements (LAAs) and Local Strategic Partnerships (LSPs)

- **Strategic**

These are partnerships set up to deliver core policing objectives. They can either be County-wide or local

- **Ad-hoc**

These are typically locally based informal arrangements agreed by the Chief Executive.

Directors and Heads of Service are responsible for consulting the Head of Finance to ensure the correct treatment of taxation and other accounting arrangements and the production of a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Monitoring Officer.

#### 34 **NON COMPLIANCE WITH AND INTERPRETATION OF REGULATIONS**

- 34.1 The Director of Resources shall, if necessary, after consultation with the Head of Legal and Licensing, the Chief Executive and the Director or Head of Service of the Directorate concerned, report to Council any non-compliance with Financial Regulations.
- 34.2 Any doubt as to the interpretation of these regulations, if unresolved after consultation with the Head of Legal and Licensing, shall be referred to Council.
- 34.3 The attention of all employees and members is drawn to the Local Government (England) Accounts and Audit Regulations 2003 and the Audit Code of Practice.