

West Somerset District Council
Financial Regulations

Issue details	
Title:	Financial Regulations
Issue and version number:	1.1
Officer	Graham Carne
Authorisation Level:	Corporate Management Team/Scrutiny Committee/Cabinet/Full Council
Authorisation Date:	July 2010
Review date:	July 2011

Financial Procedure Rules
FINANCIAL REGULATIONS
Introduction

1. All Local authorities are established under legislation that confers rights, powers and duties upon them and their officers.
2. Financial Regulations are a direct result of those statutory duties and ensure compliance with statutory requirements, accounting and auditing standards and codes of practice, which are established by the professional accounting bodies.
3. These financial regulations will apply to all staff employed by the Council (including consultants) and Members.
4. Where the term Group Manager is used this should apply equally to The Directors. Please refer to the latest key personnel list to identify staff such as the Section 151 Officer. The term Group Manager should be viewed as any post that reports directly to The Directors even if the job title does not include the phrase Group Manager.
5. Any failure to comply with Financial Regulations or associated Codes of Practice could result in appropriate disciplinary action being taken.
6. These definitions are intended to provide all staff and consultants with a clear indication of the financial framework within which this Council works.

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GENERAL

F.R.1 GENERAL

1. The Section 151 Officer shall have overall responsibility for the management of the Council's finances, but will consult with the Executive Director and Lead member for internal Resources and Support concerning financial policy and/or any matter which will affect the overall finances of the Council. Detailed reports will be submitted to the Corporate Management Team, the Cabinet and the Council, and, as appropriate, to any Regulatory or Scrutiny Committee under the Council's Constitution.

2. The Section 151 Officer exercises the statutory duties in relation to the financial administration and stewardship of the District Council. This statutory responsibility cannot be overridden.

The statutory duties arise from –

- Section 151 of the Local Government Act 1972
- Local Government Finance Act 1988
- The local Government and Housing Act 1989
- The Accounting and Audit Regulations 1996
- The Accounts and Audit Regulations 2003 and are underpinned by case law.

The Section 151 Officer is responsible for –

- The proper administration of the Council's financial affairs
- Setting and monitoring compliance with financial management standards
- Advising on the corporate financial position and the key controls necessary to secure sound financial management
- Preparing the draft medium term financial plan which incorporates the annual revenue budget and the capital investment programme
- Advising the council on the requirements to be observed in the setting of the revenue budget and the fixing of the precept and Treasury management
- Acceptance of Grant Conditions. Pursuant to Section 151 of the Local Government Act 1972, the responsible financial officer will have the power to enter into binding financial agreements including, but not limited to, applying for grants or making claims and accepting conditional or non-conditional grants and committing the Council to repay grants in the event that the terms and conditions are not met.

The Section 151 Officer shall review these Regulations annually.

3. References in these Regulations to Group Managers shall apply equally to all full members of the Council's Corporate Management Team.

4. All reports submitted to the Council, the Cabinet or Committees will be subject to comment on the financial aspects by the Section 151 Officer.

5. These Financial Regulations are created to facilitate and ensure proper control of the Council's finances, accounts, income, expenditure and assets. Adherence to and compliance with these Financial Regulations is a duty and responsibility of all staff employed by the Council.

6. The Financial Regulations ensure compliance with statutory requirements, accounting and auditing standards and codes of practice, which are established by the professional accounting bodies and shall apply to all staff employed by the Council, including consultants.

ACCOUNTING ARRANGEMENTS

F.R.2 ACCOUNTING ARRANGEMENTS

1. All accounts of the Council shall be compiled under the direction of the Section 151 Officer and all systems of accounting shall be subject to approval by the Section 151 Officer, statutory requirements and relevant codes of practice.

2. The Section 151 Officer shall arrange: -

(i) Whenever possible for the separation of duties so that staff dealing with the receipt of income shall not be involved with the creation of debits in respect of that income and/or decisions regarding the write off of such sums.

(ii) For all financial claims, subsidies and claims on external bodies, etc. to be prepared and submitted within prescribed periods and their receipt verified. All such claims shall be certified by the Section 151 Officer.

F.R.3 BUDGETARY PROCEDURES

1. The Council's Section 151 Officer will submit a three-year medium term financial plan annually, for approval by the Cabinet and Council.

2. The Section 151 Officer, in conjunction with appropriate Finance and Group Managers, shall prepare annual estimates of income and expenditure for both capital and revenue for each service area. These estimates shall be revised 6 monthly. All estimates shall be presented to The Cabinet prior to approval by Council.

3. The Section 151 Officer shall report to The Cabinet if any estimate of expenditure at cost centre level will be significantly exceeded or estimate of income will be significantly unrealised, subject to approved virements. All Group Managers are required to provide comments on monthly reports on their budget areas, as requested by the Section 151 Officer, for submission to Corporate Management Team.

4. All requests for supplementary estimates shall be submitted to the Cabinet by the Section 151 Officer for recommendation to Council.

5. Subject to the provisions of F.R.5e below, Group Managers may, with the approval of the Section 151 Officer, vire up to £10,000 within any budget head under their control. A number of virements under £10,000 cannot be aggregated to increase a budget by more than £10,000.

6. Requests for virement –

o in excess of £10,000 must be approved by The Cabinet

o any request to vire from income budgets to expenditure budgets must be approved by The Cabinet.

o in excess of £25,000 must be approved by Council (after Cabinet consideration).

7. No virement will be permitted from specific approved resource bids, approved carry forwards, salary budgets and associated budget lines, insurances, central support charges or capital charges.

8. If a revenue budget does not exist and a virement cannot be identified, a new budget may be created but only if supported by the Section 151 Officer and approved by Council

9. The Section 151 Officer shall report to The Cabinet such financial *matters* as may be considered necessary, or as may be required.

10. All carry forwards of under spends must be approved by Council. Carry forwards must be £5,000 or greater. Requests for carry forward of budgets should be identified whilst revising budget estimates in December each year. Requests after this date will not be considered unless exceptional circumstances can be demonstrated.

11. The Head of Paid Service and Chief Officers, in consultation with the relevant portfolio holder, have delegated authority from Cabinet to alter staffing within Services,

where no redundancies are proposed, as long as this remains within existing salary budget provision.

12. When submitting structures for consideration all structures should be shown at the anticipated cost for the current year, the anticipated costs for the next full financial year and also at the maximum of grade to enable comparisons.

F.R.4 RECHARGE OF PROFESSIONAL SERVICES

1. The Section 151 Officer shall, within overall budgetary arrangements, make provision for the recharging of the costs of central services to the appropriate cost centres.

2. Each Group Manager shall be responsible for maintaining adequate detailed records as required by the Section 151 Officer in order that actual expenditure may be regularly and accurately recharged to clients' cost centres within specified deadlines.

F.R.5 CAPITAL EXPENDITURE

1. The Council shall have full regard to The Prudential Code for Capital Finance in Local Authorities.

2. Prudential indicators will be produced at least six monthly and reported to Council via The Cabinet.

3. The Council shall, during each financial year, approve a programme of capital expenditure for a minimum of three years.

4. Whenever it is proposed to embark upon one of the schemes identified in the capital programme, the Group Manager concerned shall complete a capital submission document and copies of the Business Case and Project Plan for consideration by the Corporate Management Team. This also applies to schemes that are not directly funded by West Somerset Council.

5. Every proposed capital scheme shall be evaluated and prioritised by the Corporate Management Team and submitted to the Cabinet to enable a prudent and sustainable capital programme to be approved. New Schemes may only be added to the programme with the approval of the Council.

6. If, during the progress of the scheme, it becomes apparent that the estimates originally submitted are likely to be materially varied (in excess of 10% or £10,000 which ever is the greater) either up or down, the Group Manager shall report and explain the facts as soon as possible to The Cabinet.

7. The duties of a Group Manager under this Regulation may be exercised by any architect, engineer or surveyor engaged by the Council as a consultant where circumstances require it.

F.R.6 MANAGEMENT OF CONTRACTS ([See also Contract Standing Orders](#))

1. The Section 151 Officer will be responsible for maintaining a register of contractual payments. The register will demonstrate the current financial position for those contracts of a staged payment nature (generally involving construction). All contracts must be recorded in this Register, including those for goods and services, and use of consultants.

2. Contract Payment Certificates will be prepared by the Group Manager nominated in the contract. All externally prepared certificates will be passed to the appropriate Client Manager for certification. Payment will be made through the Section 151 Officer on receipt of authorized certificates.

4. The Final Certificate for staged payments will not be issued until a Final Account (see contract conditions) has been verified by the Group Manager and presented to the Section 151 Officer for payment.

5. Where Liquidated/Ascertained Damages are imposed on the contractor for failure to complete the contract within the stipulated time-scales (including authorised extension), the relevant Contract Administrator will inform the Section 151 Officer in writing of the sum to be deducted.

6. On receipt of the confirmed Final Account sum for contracts over £100,000, the Group Manager will report the agreed outcome to The Cabinet.

7. Claims submitted relating to matters outside the terms of any existing contract shall be referred to –

(i) The relevant Chief Officer in charge of Legal Services for legal liabilities, and

(ii) The Section 151 Officer for financial matters.

Appropriate Group Managers will be consulted before any settlement is reached.

Every contract over £50,000 should also include as a minimum the following requirements: -

8. An overseeing project team, consisting of appropriate and/or relevant Councillors and Officers, and possibly co-opted and appropriately qualified member(s) of the public, is established from the outset of a project to monitor and oversee the project and make reports to Council. This would include the appointment of any Employer's Agent and the terms of payment of the Employer's Agent and terms for any overrun of the project, together with the tender process and appointment of contractor(s).

9. That the specification prior to the tender process is clearly identified to ensure cost certainty to the contract.

10. That clear and documented delegations of authority are given to employed staff involved in the management of future projects.

11. That staff who are to be involved in the management of projects are to have received the necessary project management training.

12. That all staff involved in the delivery of key projects be adequately supported.

13. That the Council ensures there is adequate monitoring and reporting of the management of projects to both Officers and Members.

14. That the Council is represented at all Project Team meetings. No meetings of the Project Team will take place where there is no representative of the Council present.

15. That for all future projects, of whatever size, the Council is able to provide fully supportive minutes and actions to support the decision making process.

16. That the Council ensures that all relevant records, appropriately cross-referenced, are made available to ensure full compliance and demonstrate a clear audit trail using its own records.

17. There is a clear 'sign off' by Officers to the relevant member body, fully minuted, so ensuring that Councillors are part of the process of delivering within their Delegation of Authority levels.

18. That the thresholds of delegation referred to in Financial Regulation FR6 'Management of Contracts' are reviewed as part of the annual review of Financial Regulations.

ORDERING OF GOODS AND SERVICES

F.R.7 ORDERING OF GOODS AND SERVICES

1. Orders shall be issued for all goods and services to be supplied to the Council, except for utility services, small value purchases made from petty cash accounts and any other exceptions as may be approved by the Section 151 Officer. Please also refer to FR6 Management of Contracts and Contracts Standing Orders for orders of more than £5,000.

2. Orders shall be placed using the Council's purchase order system.

3. Orders shall not be issued for goods and services unless the cost is covered by an approved budget or other financial provision. A minimum of three written competitive quotations must be obtained for goods and services estimated to exceed a cost of £10,000, excluding VAT. For goods and services estimated to exceed a cost of £50,000 excluding VAT (but less than the EU thresholds) tenders should be invited in accordance with contract standing orders. For goods and services estimated to exceed EU thresholds reference should be made to contract standing orders. Occasionally there may be reasons for seeking exceptions to these rules. For orders under £10,000 these may be approved by Corporate Management Team. For exemptions for orders over £10,000 see Contract Standing Orders.

4. Details of quantities, prices and discounts must be recorded. All verbal orders must be confirmed in writing.

5. Orders are to be approved by a Group Manager, or authorized signatory on their behalf. These signatures must be in full - not in the form of initials.

6. Orders for the provision of services, *which are subject to Contract Standing Orders*, shall not be issued until or unless the provider has been appropriately verified and accredited for insurance purposes.

F.R.8 FINANCIAL AGREEMENTS FOR SERVICES (see also Contracts Procedures Rules)

1. All written agreements with a committed value exceeding £10,000 but below £50,000 entered into with external organisations will be subject to conditions detailed under F.R.7 Ordering Goods & Services.

2. Arrangements for agreements constituting "contracts" in excess of £50,000 are dealt with in Contracts Procedure Rules.

3. The relevant Chief Officer in charge of Legal Services will invite the Section 151 Officer to confirm the acceptability of any financial provisions prior to his formal approval of the terms of the agreements.

F.R.9 EMPLOYMENT OF CONSULTANTS

1. Any appointment of consultants must be in accordance FR7 and Contract Standing Orders section 10.5.

2. No consultant shall make any decision on whether to award a contract or who a contract shall be awarded to. The authorised officer shall ensure that the consultant's performance is monitored.

F.R.10 INFORMATION TECHNOLOGY

1. All hardware and external software purchases, and all items relating to voice/data communications must be made through the Group Manager responsible for Information Technology, who shall report to the Corporate Management Team upon any requests that appear to be of a non-corporate nature.

2. When developing a new system, or making significant variations to an existing system the system manager should advise the following Officers -

(i) the Officer responsible for Data Protection, and

(ii) the Council's Internal Audit Manager

prior to reliance on the new/updated system.

PAYMENTS FOR GOODS

F.R.11 PETTY CASH/PURCHASING CARD ACCOUNTS

1. The Section 151 Officer shall provide petty cash accounts or purchasing cards as considered necessary for the purpose of meeting small value expenses. Petty cash should only be used when no other payment method is possible.

Petty Cash –

(i) Income received shall not be paid into petty cash accounts, but must be accounted for and paid to the Council as provided for in F.R.19.

(ii) Payments to be limited to small value items under £25 and must ensure compliance with Best Value; each payment shall be supported by either an acceptable VAT receipt (as appropriate) or a receipted voucher. Failure to produce such a receipt may mean that reimbursement is not given.

(iii) A different employee should certify the petty cash request to the employee that is receiving the cash (iv) Employees responsible for petty cash accounts shall, when requested but at least annually, supply the Section 151 Officer with a certificate showing the state of the account.

(v) On leaving the employment of the Council, or otherwise ceasing to be responsible for a petty cash account, each employee shall be required to account to the Section 151 Officer for the current balance of the account. Transfers of cash in hand and relevant supporting documents to replacement employees shall be evidenced on every occasion.

F.R.12 PAYMENTS OF CREDITORS

1. The approved method of payment of creditors by the Council shall be by BACS, cheque or other instrument drawn on the Council's bank account by the Section 151 Officer or other nominated member of staff. The Council's preferred method of payment is BACS.

2. Certifying Officers are responsible for ensuring that –

(i) The expenditure has been properly incurred and is within the approved estimate provision,

(ii) The invoice complies with contract standing orders (iii) The invoice is accurate,

(iv) Goods and Services have been received and

(v) The invoices has not previously been certified and paid and is properly payable by the Council.

3. Certifying Officers should not certify invoices for payments to relations or friends.

4. All certifications will be evidenced by personal signatures in full - initials will not be accepted.

5. Pro forma Invoices should state the appropriate Committee minute reference and date, or, if this is not available, then sufficient narrative.

6. Each Group Manager will retain up to date specimen signatures of employees personally authorised by them to certify invoices. Copies of these lists must be passed to the Section 151 Officer.

7. Goods and services received should be signed (using a full signature) by a person other than the certifying officer. This person is signing to say that they are satisfied that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.

8. Group Managers shall, by early April each year (exact date to be notified by the Section 151 officer each year), notify the Section 151 Officer in writing, of all outstanding invoices relating to the previous financial year.

9. When it is a condition of trade that payment accompanies an order, it will be the responsibility of the certifying officer to ensure that goods and services are received.

10. Group Managers are responsible for prompt submission of invoices (in the prescribed format) for payment to ensure compliance with BVPI8.

11. All invoices that have previously been in dispute should be marked as such in the special instructions box of the accompanying front sheet, including a brief description of the dispute.

12. All suppliers should be asked to quote on all invoices the name of the ordering section, the order number, the contract reference where applicable and the place where the work was done or the goods delivered.

BANKING ARRANGEMENTS

F.R.13 BANKING ARRANGEMENTS

1. Arrangements with the Council's bankers, including tendering for services shall be the responsibility of the Section 151 Officer, subject to procedures contained in F.R.6.

2. Cheques drawn on the Council's bank accounts shall bear the name of the Section 151 Officer and/or be signed manually by Officers nominated and included on the Council's mandate issued to the Council's bankers.

3. All cheques with a value of £10,000 or greater shall bear a manual second signature of an Officer approved by the Council.

4. All BACS release documents shall be authorised by an employee or member of staff nominated by the Section 151 Officer. A sample of payments exceeding £10,000 shall be checked by this employee as part of this process.

5. Bank account reconciliation should be undertaken on a monthly basis.

SALARIES AND RELATED PAYMENTS

F.R.14 SALARIES AND RELATED PAYMENTS

1. The payment of all salaries, wages, compensation and other emoluments to employees, or former employees, and deductions therefrom shall be the responsibility of the relevant Chief Officer in charge of Finance.

2. The appropriate Group Manager shall notify the relevant Chief Officer in charge of Finance as soon as possible, and in the form prescribed by him, of all matters affecting the payment of salaries, wages or emoluments and, in particular –

- (i) appointments, resignations, dismissals, suspensions, secondments and transfers,
- (ii) absences due to sickness and other reasons (excluding annual leave and flexitime),
- (iii) information necessary to maintain records of service for superannuation, income tax, national insurance, etc.

3. The Executive Director is required to maintain a record of the Council's approved establishment.

4. Appointment of all employees shall be made in accordance with the Regulations of the Council, approved establishments, grades and rates of pay. Grades shall be subject to the Council's Job Evaluation process.

Payments for overtime to salaried staff must be made in accordance with the guidance notes issued to all Group Managers by the Executive Director.

5. Overtime claims, in a form approved by the Section 151 Officer, shall be certified by, or on behalf of, a Group Manager for all staff and submitted to the Section 151 Officer. The names of employees authorised to certify overtime claims, together with specimen signatures, shall be approved by the Section 151 Officer. Facsimile signatures are not permitted.

6. In applying conditions of service, Group Managers shall consult with the Executive Director.

F.R.15 TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES – Members and Officers

1. Payments to eligible Members (including co-opted Members of the Council or its Committees) for allowances will be made by the relevant Chief Officer in charge of Finance – Claims in respect of attendances, duly certified, should be submitted to the relevant Chief Officer in charge of Finance by the 10th day of the following month. The certifications shall mean that Members are entitled to the allowances and that no part of the sum claimed could have been, or will be, claimed from another source. Members are personally responsible for ensuring that their vehicle insurance cover includes journeys on behalf of the Council.
2. All claims for payment of employees' car allowances, subsistence or other related expenses shall be submitted, properly certified, to the relevant Chief Officer in charge of Finance for payment by the 10th day of the following month. All travelling, subsistence and other allowances, shall be paid through the Council's payroll system. 'Cash in hand' and other non-PAYE payments are not permitted under any circumstances.
3. Certification of expenses claims shall in all instances be made by the claimants' line manager, with the exception of the Head of Paid Service whose claim should be certified by the Section 151 Officer or Monitoring Officer. The names of employees authorised to certify the claims shall be sent to the relevant Chief Officer in charge of Finance by Group Managers together with specimen signatures. The certifications shall mean that claimants possess a valid driving licence and their vehicle insurance includes cover for business use.
4. Employees are required to provide proof of valid driving licence and insurance cover annually to the Section 151 Officer. Failure to do this will invalidate travel claims.
5. Claims submitted more than six months after the expenses have been incurred shall be paid only under extenuating circumstances, as approved by the Group Manager and counter-signed by a Chief Officer.

F.R.16 PAYMENTS TO/FROM EMPLOYEES.

1. Relocation costs for new employees will be paid by the Section 151 Officer in accordance with the approved scheme.
2. Payment of professional subscriptions, home telephones and essential user allowances must be approved by the Section 151 Officer, in accordance with approved schemes.
3. If an external qualification course has been arranged and the employee decides to 'drop-out', the employee will be liable for any course fees incurred. It is the Line Manager's responsibility to inform the Personnel Officer if this situation arises.
4. Funding will normally be granted for the first attempt at an examination. Should the employee fail to be successful then additional costs must be met by the employee. When the employee is successful then the costs associated with that particular retaken examination will be reimbursed to the employee.
5. Study leave and/or financial assistance is granted on the condition that the employee agrees to remain within the Authority for a period of two years from the date on which the qualification is obtained or the date of study ceases. Employees leaving the Authority's service and failing to honour this obligation may be required to repay one twenty-fourth of the total grant for each remaining month of the two year period.
6. Employees attending approved courses are entitled to receive payment of -
 - the course fee
 - examination entry and/or exemption fee
 - student membership of a professional body where membership is a condition of entry to that body's examination

- the cost of excess fares, i.e. the cost of travel to the course or on an educational visit less the cost of the normal home to office journey. If public transport is not used and employees choose to travel by car they will be paid a mileage allowance based on the lowest Essential User Mileage Rate
 - Accommodation costs when attending block release courses. Prior application should be made for this allowance via the Personnel Officer (Employee Development)
 - subsistence, by way of the payment of 'Tea Allowance' where the course finishes at 7.00pm or later and 'Lunch Allowance' in respect of educational visits and placements or examinations taken away from the normal college
 - the cost of course books (against the production of receipts) up to a maximum value as stated in the training and development policy for each academic year of the course
 - reasonable expenses, approved in advance by the Service Manager, for the production of a thesis or project
7. Staff attending approved short courses will be reimbursed the following expenditure subject to the production of receipts/proof of purchase -
- the course fee (where not paid directly by the Council)
 - the travelling expenses (public transport or mileage at the lowest Essential User Mileage Rate) incurred in travelling to and from the course
 - subsistence expenses actually incurred based on the Council's current rates
 - "out of pocket" expenses (as specified in 'car allowances and subsistence') per night for staff attending residential courses.

INTERNAL CONTROL, AUDIT, FRAUD AND IRREGULARITIES

FR.17 INTERNAL CONTROL

AUDIT FRAUD AND IRREGULARITIES

1. Internal control is the system of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the council's assets and interests are safeguarded.
2. The Section 151 Officer is responsible for advising the Group Managers on effective systems of internal control. These arrangements need to ensure that all statutory and corporate requirements and other relevant statements of best practice are met. They should ensure that public funds are properly safeguarded and used economically and efficiently and in accordance with the statutory and other authorities that govern their use.
3. Group Managers are responsible for establishing, in line with that guidance, sound arrangements for planning, appraising, authorising and controlling operations in order to achieve continuous improvement, economy, efficiency and effectiveness in the use of resources in the delivery of their service and the achievement of their financial performance targets.

F.R.18 INTERNAL AUDIT

1. The relevant Chief Officer in charge of Audit shall ensure that a continuous internal audit service is provided to carry out examinations of accounting, financial and other operations of the Council, in accordance with the CIPFA Code of Practice.
2. The relevant Chief Officer in charge of Audit shall arrange for the provision of annual and strategic audit plans and consult with Corporate Management Team on their contents. These plans shall be reviewed at least six-monthly.

3. The Council's Section 151 Officer, relevant Chief Officer in charge of Audit and/or Audit Manager, shall have authority to:

- (i) Enter, at all reasonable times, on any Council premises or land,
- (ii) Access all records, documents, and correspondence relating to any financial and other transactions of the Council,
- (iii) Obtain explanations as necessary concerning any matter under examination, and
- (iv) Require any employee of the Council to produce cash, stores or other Council property under their control or for which they are responsible.

4. Quarterly statements of activity shall be submitted to the Cabinet.

5. The Council's Section 151 Officer will sign off the annual audit plan and quarterly performance reports submitted by the Internal Audit Manager as provided by south West audit Partnership.

F.R.19 FRAUD AND IRREGULARITIES

1. Where any employee has reason to believe an irregularity concerning Council property or transactions has occurred, they shall report the details in accordance with the Fraud Response Plan approved by the Council.

INCOME

F.R.20 INCOME

General

1. The collection of income due to the Council shall be under the supervision of the appropriate Group Managers, although the responsibility for its collection shall remain with the Section 151 Officer.

Setting of charges

2. Each Group Manager shall, at least annually, and in consultation with the Section 151 Officer, review all charges made by the Council falling within their area of responsibility. Approval for the reviewed charges should be obtained from the Finance Port folio Holder and Section 151 Officer, for key income lines however recommendations should be submitted to The Cabinet for approval. The Section 151 Officer shall be consulted upon any proposal to introduce new charges. All charges will be automatically increased in accordance with inflation uplift as agreed by the Section 151 Officer, with appropriate rounding, unless the Group Manager justifies an alternative.

Accounting systems for the issue of accounts for collection of income

3. Each Group Manager shall be responsible for ensuring accounts are issued in line with the Council's debt collection process promptly to recover income due, and that these debts are recorded in the Council's accounts. All accounts raised (for miscellaneous income) shall be through the Council's sundry debtor system.

4. Accounts shall not be raised for sums due below the de minimus level (currently £50).

5. No employee should raise invoices or make amendments on accounts for themselves, their family or close friends.

6. All sums collected shall be identified to the related account. Where there is uncertainty regarding which account is being settled, sums shall be credited to the oldest account in all cases.

7. Individual outstanding debts up to £5,000 may be written off by the Section 151 Officer. All sums, from all sources, exceeding £5,000 must be submitted to the Cabinet

for approval, including those considered by any panels appointed by the Council or by the Cabinet.

Sums shall not be considered for write off until all reasonable avenues of collection have been explored and collection proved unsuccessful. Evidence of such actions must be retained.

8. All debts over £100 credit noted/cancelled must be submitted, by the relevant Group Manager, on a monthly basis to the Section 151 Officer for approval –

(i) All unallocated income shall be dealt with on a daily basis by either allocation to the correct account or refund, whichever is applicable.

(j) Reconciliation of subsidiary systems with the General Ledger should take place monthly (by the last working day of the following month) and be reported to the Section 151 Officer (or his/her nominated deputy).

Stationery

9. Each Group Manager shall be responsible for the storage, supply and issue of all controlled stationery appropriate to their Service.

Collection of money by cash, cheques, credit/debit cards or similar

10. All remittances shall be recorded upon receipt and passed by the receiving officer to the Cash Office promptly. No deduction shall be made from such income except that which the Section 151 Officer specifically authorises in writing. Monies retained must be held securely, and in accordance with insurance requirements.

11. Each individual cheque banked must be identified separately.

12. Personal cheques must not be exchanged for cash held on behalf of the Council.

APPENDIX 'A'

13. As per (5) no employee should receive cash or other money for their own account or that of their family or close friends.

14. All transfers of Council's cash or cheques from one Officer to another shall be evidenced by the signature of the receiving Officer, in a manner approved by the Section 151 Officer.

15. Acknowledgements for money received on behalf of the Council shall not be given by any Officer except on an official receipt form or recorded on a cash register till located in Council premises. This regulation does not apply to legal documents prepared by the relevant Chief Officer in charge of Legal Services.

16. The Manager with responsibility for the Cash Office shall be responsible for ensuring that monies received through the Cash Offices are deposited with the Council's Bank daily. Where the monies are collected by a third party, the liability of the Manager with responsibility for the Cash Office shall be restricted to ensuring that monies are passed to an authorized representative and this transaction is signed as evidenced.

INSURANCES

F.R.21 INSURANCES

1. The Section 151 Officer shall effect all insurance cover, including appropriate officers and Members indemnities, investigate and negotiate all claims, in consultation with other Officers, when necessary, and renegotiate revised terms with insurers at appropriate intervals.

2. Group Managers shall give prompt notification, in writing, to the Section 151 Officer of all new risks, properties, vehicles or equipment which require to be insured and of any changes in circumstances which affect existing insurances. Similarly, the employee responsible for insurance administration shall immediately notify Group Managers of any changes to practice required or advised by the Council's Insurers.

3. Group Managers shall immediately notify the Section 151 Officer, in writing, of any loss, liability, damage or any other event likely to lead to a claim and inform the police if required to comply with insurance policy conditions.
4. All employees of the Council shall be included in a suitable fidelity guarantee policy.
5. The Section 151 Officer shall, at least every year, review all existing cover, in consultation with other Group Managers as appropriate.
6. Group Managers shall consult with both the Section 151 Officer and the relevant Chief Officer in charge of Legal Services concerning the terms of indemnities, which the Council is requested to provide.
7. Corporate arrangements for the management of risk are under the direction of the Group Manager responsible for risk and performance. These arrangements to include a strategy, in accordance with the adopted Insurance and Risk Management Policy Statement, to continuously assess the Council's exposure to risk.
8. Members or employees of the Council who intend to travel abroad on official business must inform the Insurance Officer to ensure that the necessary insurance cover can be arranged.

TREASURY MANAGEMENT

F.R.22 TREASURY MANAGEMENT

1. The Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice 2001, as described in section 4 of that code.
2. Accordingly, this Authority will create and maintain, as the cornerstones for effective treasury management –
 - a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities;
 - suitable treasury management practices (TMP), setting out the manner in which the organisation will manage and control those activities.
3. The 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.
4. The Council delegates responsibility for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's TMPS and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

APPENDIX 'A'

SECURITY

F.R.23 SECURITY

1. Each Group Manager is responsible for maintaining proper security at all times or all premises, stocks, stores, furniture, equipment, cash records, etc. under their control.
2. The Group Manager responsible for Information Technology is responsible for the security of voice and data communications.
3. Cash retentions, excluding recorded cheques, shall not exceed the insured maxima, except with the specific authority of the Section 151 Officer, in writing.
4. Keys to safes and similar receptacles must remain in the custody of the responsible employees at all times; the loss of any such keys must be reported to the Section 151 Officer immediately. Group Managers shall ensure that all keys, identity cards and any equipment, etc. issued to individual employees are recovered when they leave the Council's employment or obtain an alternative post in the Council (as appropriate).

5. The Group Manager responsible for Human Resources shall provide adequate facilities for the issue and reissue of identity cards

RECORDS MANAGEMENT

F.R.24 DATA PROTECTION

1. Group Managers shall notify the employee responsible for the Council's Data Protection of all changes, which are likely to affect the existing notification.
2. The employee responsible for the Council's Data Protection shall have access to all relevant documentation and receive sufficient information to enable the notification to be kept up-to-date and to fully satisfy the Principles prescribed in the legislation.
3. Each Group Manager shall nominate a service representative to the employee responsible for the Council's Data Protection.

F.R.25 MAINTENANCE OF RECORDS

1. The Council's policy for the retention and disposal of all records and documents shall be in accordance with legislative requirements in respect of matters pertaining generally to contracts, employment, taxes, land and property as defined in the Council's retention policy.

HOUSING BENEFITS

F.R.26 HOUSING BENEFITS

1. The Group Manager responsible for Benefits shall be responsible for the administration and processing of all claims for Housing Benefit, in accordance with the appropriate regulations. Reports demonstrating performance associated with fraud enquiries to be submitted, on a regular basis, to The Cabinet.
2. The Group Manager responsible for Benefits shall ensure that the Section 151 Officer is supplied with all information necessary to support the submission of subsidy claims and other financial statements that may be required.
3. The Group Manager responsible for Benefits shall ensure that secure arrangements exist to properly control the issue, custody and return of all Council cheques in respect of rent allowance payments in line with standards set by the Section 151 Officer. Cheques shall be drawn on a separate account for this purpose, and will be reconciled on a monthly basis by the Section 151 Officer.

BEST VALUE

F.R.27 BEST VALUE

1. The Executive Director shall have overall responsibility for ensuring that all Regulations pertaining to Best Value are fully complied with.
2. A continuous review of service delivery will be undertaken by Group Managers to ensure compliance with the Best Value standards and principals.

F.R.28 WORKING IN PARTNERSHIP

1. The Council provides a distinctive leadership role for the community and is able to bring together the contributions of various participants/stakeholders by participating in various partnership/joint working arrangements; as a result, it is able to achieve the promotion or improvement of the economic, social or environmental well being of its area.
2. The Cabinet is responsible for approving the operational framework for the Council's participation in all strategic partnerships/joint working arrangements with other local public, private, voluntary and community sector organisations; this includes the

arrangements for delegation to officers and the detailed arrangements for the provision of both financial and physical resources by the Council.

3. In some cases, Lead Members are responsible for approving the operational framework of partnerships, joint working arrangements with other local public, private, voluntary and community sector organisations, which affect their portfolio areas.

4. The Head of Legal Services, Section 151 Officer and Group Managers are responsible for promoting and maintaining within all partnership/joint working arrangements the same high standards of conduct with regard to the legal, corporate governance and financial affairs which are detailed in these Financial Regulations and Financial Procedures and elsewhere, and which are applied throughout the Council.

The Section 151 Officer is responsible for:

(i) Advising Group Managers on the need for, and, if appropriate, for appraising and approving the relevant Group Managers' risk assessment of the proposal before any commitment is made for the Council to participate in a partnership or joint working arrangement or scheme; and

(ii) Specifying the accounting and auditing arrangements to be adopted and approving arrangements, if the Council is to be the lead authority.

Group Managers are responsible for:

(i) Ensuring that before committing the Council's participation in a partnership or joint working arrangement or scheme, or before seeking the approval of the Cabinet to such participation, they consult with the Section 151 Officer on the need to prepare a risk assessment of the proposal, and if appropriate, obtaining his or her approval to it;

(ii) Ensuring that the approval of the Cabinet is obtained before any negotiations are concluded where the Council's participation is of a material nature;

(iii) Ensuring that all agreements and arrangements are properly documented, including details of the Council's financial and physical commitment to the arrangements which are to be in accordance with procedures specified by the Section 151 Officer;

(iv) Observing the Council's standard of conduct whilst having due regard to the partnership or joint working arrangement's governance framework;

(v) Ensuring that the body or person maintaining the accounting and auditing arrangements do so to a standard acceptable by the Section 151 Officer in those cases where, under the approved arrangements, the Council is not to be the lead authority but the Council's participation is of a material nature; and

(vi) Providing appropriate information to the Section 151 officer to enable him or her to include relevant details in the Council's Statement of Accounts, and other financial statements and returns.

5. External Funding - The Section 151 Officer is responsible for providing specific guidance to Group Managers to enable them to account properly for funding receivable from external sources.

6. Work for Third Parties - The Section 151 Officer is responsible for providing specific guidance to Group Managers in respect of contractual arrangements for the provision of services to third parties or external bodies.