

Rotherham MBC – Draft Financial Regulations, January 2017

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1. Status and Scope of these Regulations

- 1.1. Article 18 of the Council's Constitution says "The Council's Financial Regulations govern the financial management of the Council."
- 1.2. The Regulations shall apply to all of the Council's activities (except schools with delegated budgets) including any activities undertaken on behalf of third parties or under separate financial/funding regimes.
- 1.3. These Regulations do not apply to schools with delegated budgets in respect of the administration of those delegated budgets, and for which separate, specific, Financial Regulations shall apply.
- 1.4. These Financial Regulations shall not be changed, revoked or otherwise set aside without the prior agreement of the Council acting on a recommendation from the Cabinet or the Standards Committee. The Chief Finance Officer shall comment in writing upon any proposal to change, revoke or otherwise set aside any part of these Regulations, prior to any decision of the Council on this matter.

2. Interpretation

- 2.1. These Financial Regulations and Procedures should be read in conjunction with any other instructions of the Council relating to financial matters, particularly:-
 - the Constitution;
 - the Council's Terms of Reference and Scheme of Delegation;

- the “Proper Officer” arrangements approved by the Council under the Local Government Act 1972; and
 - Contract Standing Orders.
- 2.2. The Constitution sets out the responsibilities of the Full Council, Cabinet, executive members, committees and panels, the Chief Executive, the Monitoring Officer, the Chief Finance Officer, Strategic Directors, etc.
- 2.3. Strategic Directors may delegate responsibility to officers for some aspects of financial management. Strategic Directors should maintain a written record where responsibility for financial decision making has been delegated to members of their staff, including to seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to Strategic Directors in these Financial Regulations should be read as referring to them.
- 2.4. The Chief Finance Officer, along with the Assistant Director Legal Services, shall determine any dispute as to the interpretation of these Financial Regulations.

Guidance Notes

- 2.5. The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that members, officers and others acting on behalf of the Council are required to follow.
- 2.6. To assist officers and members in their roles the Chief Finance Officer may, from time to time, issue written guidance or procedure notes which set out in more detail how the Council’s financial arrangements shall operate. Officers and Members must comply with the procedures in all such guidance notes.
- 2.7. Upon issuing a new or revised guidance note the Chief Finance Officer shall ensure that it is communicated to appropriate officers and members and is made available on the Council’s intranet.

3. Definitions

- 3.1. In these regulations the terms below shall be interpreted as follows:

Strategic Director means an officer who is a member of the Strategic Leadership Team and reports directly to the Chief Executive (irrespective of their actual job title) and other than a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

Assistant Director means an officer who reports directly to a Strategic Director (irrespective of their actual job title) and other than a person

whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

Budget Manager means an officer who is given responsibility for controlling the expenditure for one or more cost centres or projects.

Chief Finance Officer (or CFO) means the person designated as the Section 151 Officer (currently the Strategic Director – Finance and Customer Services).

Chief Internal Auditor means the Head of Internal Audit.

Financial Signatory means an officer approved by a Strategic Director to authorise requisitions for specified service areas and within specified financial amounts.

Monitoring Officer means the person designated as the Monitoring Officer (currently the Assistant Director – Legal Services).

Property Officer means person designated as the Corporate Officer (currently the Assistant Director – Planning, Regeneration and Transport).

Senior Information Risk Owner (or SIRO) means the person designated as the SIRO (currently the Assistant Director – Customer, Information and Digital Services).

4. General Requirements

- 4.1. Strategic Directors shall ensure all staff in their directorates are aware of the content of these Financial Regulations and other internal regulatory documents and that staff comply with them. In particular, Strategic Directors shall ensure that staff induction processes include making new staff aware of these Financial Regulations as well as their own responsibilities for financial management.
- 4.2. All members and officers of the Council must comply with these financial regulations and all the associated guidance at all times.
- 4.3. The Council may take disciplinary or other action against anyone to whom these Regulations apply who fails to comply with them.
- 4.4. The Chief Finance Officer is responsible for reporting, where appropriate, significant breaches of Financial Regulations to the Council and/or to the executive members.
- 4.5. All Members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of the Council's resources is legal,

properly authorised and provides value for money. What that means is, before spending any of the Council's money or entering into a commitment with financial consequences, officers and members need to answer "Yes" to these three questions:

- Is this spending within the regulations?
- Can the Council afford it?
- Is it value for money?

If in doubt, advice should be sought from the Chief Finance Officer.

- 4.6. The Chief Finance Officer shall be notified and receive copies of all Government or other circulars, orders, sanctions, approvals and regulations affecting finance which are received by the Authority.
- 4.7. Strategic Directors and Assistant Directors shall furnish the Chief Finance Officer with such information as he/she may from time to time require for financial administration of the Council's affairs. In the case of any dispute or difference of opinion on whether provision of information is necessary, the decision of the Chief Finance Officer will be final.
- 4.8. It is the responsibility of each Strategic Director to ensure that a proper Scheme of Delegation has been established in their Directorate, in accordance with Standing Order 34, and is operating effectively. The Scheme of Delegation should identify staff authorised to act on the Strategic Director's behalf in respect of payments, income collection and the requisitioning of goods and services, writing off debts, together with the limits of their authority.

5. Duty to Consult the Chief Finance Officer

- 5.1. Any report prepared by Strategic Directors or other officers for consideration by the Full Council, Cabinet, a Committee, Panel, Working Group or similar, which has financial implications must be prepared in consultation with the Chief Finance Officer. The Chief Finance Officer shall be consulted on the contents of the report in good time to be able to assess the financial implications and the Chief Finance Officer shall incorporate into the report such comment on the financial aspects as he/she considers necessary or appropriate. The Chief Finance Officer may delegate some or all of these duties to appropriate representatives e.g. Finance Business Partners who will carry out these duties on behalf of the Chief Finance Officer, subject to formal delegation arrangements.

6. Financial Planning and Budget Setting

- 6.1. The Full Council is responsible for approving the Budget and Policy Framework which will be proposed by the Cabinet. Officers are responsible for implementing these Budget and Policy decisions and for managing their budgets within the parameters set.
- 6.2. The Chief Finance Officer will be responsible for ensuring that a Medium Term Financial Strategy for the Authority is prepared and updated at least annually for consideration by the Cabinet and approval by the Council.
- 6.3. The Medium Term Financial Strategy will be consistent with and designed to further the achievement of the Council's priorities.

Revenue budget

- 6.4. The Chief Finance Officer will be responsible for ensuring that a Revenue Budget for the coming financial year (and as appropriate the two subsequent financial years) is prepared and brought forward for approval by the Council upon recommendation of the Cabinet, on or before the statutory date for such approval (currently 11th March). The adoption of the Budget by the Council shall be accompanied by a resolution as to the level of Council Tax required for the coming financial year in order to sustain the Budget.
- 6.5. The Chief Finance Officer shall:
 - 6.5.1 prepare and submit reports to the Cabinet on the overall prospects for the Council's income and expenditure over the medium term, including the implications of any resource constraints set or proposed by Government;
 - 6.5.2 prepare and submit reports to the Cabinet on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council Tax to be levied and on the level of housing rents/service charges;
 - 6.5.3 advise Cabinet and the Strategic Leadership Team on the medium term implications of spending decisions;
 - 6.5.4 encourage the best use of resources and value for money by working with Strategic Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options and in developing financial aspects of service planning;

- 6.5.5 advise the Full Council about the credibility and sustainability of the Cabinet's Budget proposals, in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.
- 6.6. The Revenue Budget for the year will:-
 - 6.6.1 be consistent with the Council's priorities as expressed in the Corporate Plan;
 - 6.6.2 reflect the content of the Medium Term Financial Strategy for the appropriate year;
 - 6.6.3 be balanced, affordable and sustainable;
 - 6.6.4 not commit the Council to unplanned or unaffordable expenditure in subsequent years;
 - 6.6.5 leave the Council with an adequate level of uncommitted balances/reserves;
 - 6.6.6 be accompanied by a prudent risk assessment of the possible implications in terms of both affordability and service delivery.
- 6.7. When the proposed Budget for the coming year is being considered by the Cabinet and the Council, the Chief Finance Officer shall advise as to what would constitute a prudent and necessary minimum level of uncommitted balances/reserves for the Council to retain and also as to whether the budget being proposed is consistent with such a requirement. In forming their professional judgement, the Chief Finance Officer will consider guidance from CIPFA or the external auditor.
- 6.8. In setting its annual Revenue Budget, the Council determines a cash-limited allocation for each Directorate, calculated at forecasted outturn prices. These cash limits may be amended subsequently through presenting a Revised Estimate to the Full Council following a recommendation from Cabinet.
- 6.9. Within the overall cash limited budget allocated by the Council to his/her Directorate, each Strategic Director will set a detailed budget. In setting the detailed budget, each Strategic Director will take account of any policies, priorities, or specific allocations prescribed by the Cabinet in the determination of the budget total, and shall ensure that all cash limited budget allocations are in accordance with the Council's declared intentions.
- 6.10. When a cash limited budget has been agreed for the year for each Directorate (as part of the Council's approved Budget) it shall be the

responsibility of the Strategic Director to ensure that their budget is not overspent.

Capital programme

- 6.11. Capital schemes and projects shall be collected together into a Capital Programme for approval by Members.
- 6.12. Full Council shall approve at least annually a Capital Strategy which sets out the Council's priorities for capital investment.
- 6.13. Strategic Directors shall submit proposals for any future capital schemes by such dates, and in such form, as the Chief Finance Officer shall determine, subject to Council approval.
- 6.14. The Chief Finance Officer shall collate the proposed Capital Programme jointly with Strategic Directors and the Chief Executive and the programme will be submitted to the Cabinet for approval and recommendation to Full Council at the same time as the Revenue Budget proposal.
- 6.15. The Capital Programme will be based on the following principles:
 - 6.15.1 That all items/projects to be included in the Authority's Capital Programme will be processed through the Strategic Capital Investment Group (SCIG) and be subject to proper assessment and evaluation. A scheme and estimate, including project plan, progress targets, a clear identification of the method/source of capital funding and the associated revenue expenditure must be prepared for each capital project to enable such an evaluation.
 - 6.15.2 That the ongoing revenue consequences are identified (both in terms of capital financing costs and operational expenditure) for all capital investments. Such ongoing consequences/commitments shall be fed into the Medium Term Financial Strategy and into the Revenue Budget at the appropriate time.
 - 6.15.3 That the Programme will be updated at least annually and monitored regularly throughout the year. Monitoring shall be carried out to a timetable and in a format prescribed by the Chief Finance Officer. Any significant variance from the capital expenditure profile must be notified immediately to the Strategic Capital Investment Group and reported to Cabinet and Council if appropriate, subject to any application of the virement rules set out in section 7.

- 6.16. Each year, through the Chief Finance Officer, the Strategic Capital Investment Group shall recommend to Cabinet for approval a balanced Capital Programme which best meets the Council's objectives and priorities and its Medium Term Financial Strategy. Cabinet may make amendments to the proposed Capital Programme provided that it remains balanced and affordable. The Cabinet will then recommend its Capital Programme proposal to Full Council in advance of each financial year.
- 6.17. Additional Capital Programme items may be added to the Capital Programme during the year subject to specific additional (new) funding being identified e.g. grant, or the funding being identified from relevant and appropriate revenue budgets. In all cases the item must be in line with the Budget and Policy Framework set by Council and must not commit the Council to future years' expenditure that is not already set within the Budget and Medium Term Financial Strategy. Any such additions to the programme should be reported to Cabinet as part of the regular financial reporting and the Executive Procedure Rules in relation to Key Decisions must be observed at all times.

7. Budget Virements and Supplementary Estimates

- 7.1. Virement is the transfer of resources from one budget heading to another.
- 7.2. Strategic Directors may authorise in-year virements **within** their Directorate budgets, subject to Financial Regulation 7.7 and excluding budgets funded by:
- 7.2.1 corporate capital resources including prudential borrowing;
 - 7.2.2 earmarked reserves.
- 7.3. Proposals for in-year virement **between** Directorates must be approved as follows (provided first that the affected Strategic Directors have been consulted):
- 7.3.1 up to £100,000 by the Chief Finance Officer;
 - 7.3.2 £100,000 to £400,000 by the Chief Executive in consultation with the Leader;
 - 7.3.3 above £400,000 by Cabinet.
- 7.4. Virement is not permitted from certain budget heads as these impact on the Council's ability to fund non-discretionary expenditure. These excluded heads may be determined from time to time by the Chief Finance Officer and shall include:

- 7.4.1 depreciation;
 - 7.4.2 corporate recharges;
 - 7.4.3 administration and building recharges.
- 7.5. All virements in excess of £100,000 will be reported within financial monitoring reports.
- 7.6. No virement is allowed from budgets that are funded from specific, ringfenced or restricted resources.
- 7.7. Notwithstanding the availability of the virement regulations, **no expenditure shall be incurred on any new policy or purpose, or any extension of existing policy, without the specific approval of the Council** given on the recommendation of the Executive Cabinet; and no commitment for future years shall be entered into in excess of that previously anticipated by the Full Council when approving the Revenue Budget and Capital Programme.
- 7.8. No Budget Manager will be authorised to incur expenditure in excess of his/her cash-limited budget without either:
- 7.8.1 a virement being approved in accordance with these Regulations (which, in effect, will increase the cash limited budget for the current financial year); or
 - 7.8.2 a supplementary estimate being approved by the Council.
- 7.9. No request for a supplementary estimate may be presented to Members without prior consultation with the Strategic Leadership Team and the Chief Finance Officer, whose recommendations shall accompany any formal request.
- 7.10. Budget adjustments and realignments that relate to a transfer of responsibility or to technical accounting changes and requirements will not be deemed to be virement and will therefore not be subject to the restrictions of these regulations. These changes may only be made in consultation with the Chief Finance Officer.

8. Controlling Income and Expenditure (Budget Monitoring)

- 8.1. The Chief Finance Officer shall establish an appropriate framework of budgetary monitoring and reporting that ensures:
- 8.1.1 Budget management is exercised within annual cash limits unless the Full Council agrees otherwise;

- 8.1.2 Each month each Budget Manager receives timely information on expenditure and income on each budget which is sufficiently detailed to enable them to fulfil their budgetary responsibilities;
 - 8.1.3 After reviewing their monthly budget information each budget manager provides to their Strategic Director a forecast of their outturn position on each service and/or project budget; and the Strategic Director will provide a consolidated forecast for their directorate to the Chief Finance Officer and relevant Cabinet Member;
 - 8.1.4 A budget monitoring report, which includes an up-to-date outturn forecast, information about significant variances from approved budgets and proposals for dealing with them, is submitted to Cabinet at least 6 times a year.
- 8.2. In connection with the framework the Chief Finance Officer will issue guidance on:
- 8.2.1 Frequency of reporting;
 - 8.2.2 The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);
 - 8.2.3 The nomination of Budget Managers.

Budget Managers

- 8.3. Strategic Directors shall ensure there is a nominated Budget Manager for each budget heading and cost centre. This applies to the budget headings and cost centres for Capital Programme projects as well as revenue account items.
- 8.4. Strategic Directors and Budget Managers are authorised to incur expenditure in accordance with the estimates that make up the budget and the Capital Programme within their delegated area of control.
- 8.5. Strategic Directors and Budget Managers must:
 - 8.5.1 Accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;
 - 8.5.2 Work within the authorised cash limits and utilise the resources allocated to them in the most efficient, effective and economic way;
 - 8.5.3 Identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service or project delivery;

- 8.5.4 Follow the approved certification process for requisitioning and authorising of all types of expenditure;
 - 8.5.5 Record all income and expenditure properly;
 - 8.5.6 Monitor performance levels/levels of service in conjunction with the budget and take necessary action to align service outputs and budget;
 - 8.5.7 Investigate budget variances and report on them to their line manager.
- 8.6. Strategic Directors shall ensure Budget Managers are appropriately trained to carry out their responsibilities.

Budget Monitoring

- 8.7. The Chief Finance Officer will ensure that appropriate financial information is available to Budget Managers to enable them to monitor their budgets effectively.
- 8.8. Budget monitoring will be carried out in accordance with guidance and requirements issued by the Chief Finance Officer.
- 8.9. In undertaking budget monitoring within their Directorate, Strategic Directors should be mindful of the overriding requirement to deliver an outturn within budget. Actions necessary within the detail of the budget in order to deliver a balanced outturn shall be brought to the attention of elected members, through the Chief Finance Officer and the Strategic Leadership Team so that any corrective action can be set in motion.
- 8.10. Where it appears that an overspending on their overall budget is unavoidable, the Strategic Director shall immediately advise the Chief Finance Officer. The Strategic Director, having consulted with the Chief Finance Officer, shall prepare a report to the Strategic Leadership Team outlining the options for recovering the overspend. After considering the report, the Strategic Leadership Team will then submit their recommendations in a report to the Cabinet.
- 8.11. Each Budget Manager shall keep under constant review the programme of capital payments on capital projects under their control and the Chief Finance Officer shall provide such information on capital costs and payments as is necessary for this purpose.
- 8.12. If a Strategic Director has reason to think that the estimated cost of any Capital Programme item will be exceeded by more than the lesser of 10% or £100,000, he/she should immediately report the matter to the appropriate Executive Member and the Chief Finance Officer along with any options available to mitigate the position.

9. Staffing, Remuneration and Payroll

- 9.1. The Chief Executive is responsible for providing overall management of staff. He or she will also be responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 9.2. Strategic Directors are responsible for controlling total staff numbers by:
 - 9.2.1 advising the Executive on the budget necessary in any given year to cover estimated staffing levels;
 - 9.2.2 adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.
- 9.3. The Assistant Chief Executive will ensure the operation and maintenance of effective and efficient systems for the payment and recording of staff salaries, wages, pensions and other emoluments and payments of Members' allowances.
- 9.4. Each Strategic Director shall notify the Assistant Chief Executive as required and in the form prescribed by him/her, of all matters affecting the payment of such emolument, and in particular:
 - 9.4.1 appointments, resignations, dismissals, suspensions, secondments, and transfers;
 - 9.4.2 absence from duty for sickness or other reason, apart from approved leave;
 - 9.4.3 changes in remuneration, other than normal increments and pay awards and agreements of general application; and
 - 9.4.4 information necessary to maintain records or service for pensions, income tax, national insurance and the like.

10. Procurement of Works, Goods and Services

- 10.1. Strategic Directors shall be responsible for all procurement originating from their Service for the execution of any works, the supply of goods, materials or services and shall:-
 - 10.1.1 ensure that Contract Standing Orders, and UK and EU legislation are adhered to in relation to procurements;
 - 10.1.2 make full use of contracts, frameworks, and purchasing consortium arrangements available to the Council (the

corporate procurement team will be able to advise on what is available for any given procurement);

- 10.1.3 enter details of all contracts and partnerships in the corporate contract register.
- 10.2. All purchases of goods and services shall be initiated by the creation and authorisation of a requisition, which should state, as a minimum:
 - 10.2.1 the nature, quantity, and agreed or estimated costs of the works, goods or services being requisitioned; and
 - 10.2.2 the address for deliveries.
- 10.3. Strategic Directors shall keep the Chief Finance Officer informed of the names of their Financial Signatories and the limits of each Financial Signatory's authority.
- 10.4. The authorising of a requisition by a Financial Signatory shall signify:
 - 10.4.1 the goods or services are necessary for the discharge of the functions of the Council;
 - 10.4.2 there is sufficient budget provision for the goods or services; and
 - 10.4.3 Financial Regulations and Contract Standing Orders have been complied with.
- 10.5. Official purchase orders, with unique purchase order numbers, shall be created (in an electronic format approved by the Chief Finance Officer) and despatched centrally.
- 10.6. Verbal orders must be restricted to absolutely urgent matters, must be followed immediately by an official order marked 'Confirmation'.
- 10.7. The use of corporate purchasing cards is restricted to authorised staff who have been issued with guidelines and signed to confirm their understanding of them. Holders of purchasing cards must comply with instructions and guidance on the use of purchasing cards issued by the Chief Finance Officer from time to time.

11. Grants to Voluntary and Community Sector Organisations

- 11.1. Often when the Council wishes to commission services to be provided by third parties (whether in the public, private, voluntary or community sectors) it will put in place a contract after following a procurement process in line with the requirements of Contract Standing Orders. Where a Budget Manager believes that the Council's interest will be

better served by operating a grant programme and such a programme will provide value for money, then the following process may be used:

- 11.1.1 The Budget Manager shall design a grant programme that will meet the Council's objectives and be open, transparent and accountable.
 - 11.1.2 The Budget Manager shall publicise the grant programme, including instructions for applicants, via the Council's website and through any other channels which are appropriate in the circumstances.
 - 11.1.3 There must be a reasonable period for applicants to prepare and submit their applications and the process should be designed to avoid placing onerous tasks and/or excessive costs on the applicant organisations.
 - 11.1.4 The applications for grant funding shall be evaluated by an evaluation panel of three to five people using the scoring criteria previously shared with the applicants. The evaluation panel shall comprise council officers and, if appropriate, community representatives who are independent of all the applicants. Members of the Council shall not be members of evaluation panels.
- 11.2 Grants can be awarded for a maximum of three calendar years at a time. All values refer to the value of the full programme (over the full term) and not an annual amount.
- 11.3 Grant recipients must provide monitoring reports to the Budget Manager with the following frequency:
- 11.3.1 for grants of £2,000 or less, at the end of the grant programme;
 - 11.3.2 for grants between £2,001 and £10,000, at the end of each financial year during the grant programme;
 - 11.3.3 for grants over £10,000 at the end of each quarter of the financial year.
- 11.4 The level of detail required by the Budget Manager in the monitoring reports shall be proportional to the value and nature of the grant awarded.
- 11.5 The Assistant Chief Executive may, from time to time, issue guidance notes and document templates to assist Budget Managers to operate grant programmes in a consistent fashion across the Council.
- 11.6 A full list of grants to voluntary and community sector organisations is to be maintained and will be published on the Council's website.

12. Payments

- 12.1. Apart from petty cash payments and purchases made using official purchasing cards, all payments shall be made by the Chief Finance Officer. The normal method of payment of money due from the Council shall be by BACS drawn on the Council's bank account.
- 12.2. The Chief Finance Officer will be responsible for ensuring the operation and maintenance of effective systems for the payment of invoices from creditors.
- 12.3. No creditor shall be paid other than through systems operated by the Chief Finance Officer except where specifically approved by him/her in writing.
- 12.4. A creditor's invoice will only be paid after it has been matched to a purchase order and the works, goods or services to which the invoice relates have been received, carried out, examined and accepted. The person who certifies that the works, goods or services have been received, etc. must not be the person who authorised the requisition for those works, goods or services.
- 12.5. Payments should not normally be made if goods, works or services have not been received by the Council. However, if, in exceptional circumstances, it is deemed necessary to make a payment in advance of goods, works and services being supplied, the Chief Finance Officer will require written authorisation from an approved Financial Signatory.
- 12.6. All purchasing should be carried out in accordance with guidance and procedures set out by the Head of Procurement.

13. Income

- 13.1. The Chief Finance Officer will ensure that adequate systems are available, and are maintained, for the recording of all income received by, and due to, the Council.
- 13.2. Where practical income from fees and charges should be collected in advance of or at the same time as the delivery of service being charged for.
- 13.3. It will be the responsibility of every employee of the Council to ensure that all sums of money due to the Council are promptly invoiced or otherwise demanded and that all sums of money received are promptly paid into the Council's accounts.
- 13.4. All receipts, forms, books, tickets or other official acknowledgements or monies received shall be in the form approved by the Chief Finance

Officer which shall be ordered and issued to departments by him/her and controlled under arrangements approved by him/her. All receipts and issues thereof shall be properly recorded and acknowledged.

Scales of Charges

- 13.5. All charges for services or facilities provided by the Council shall be reviewed by the relevant Strategic Director together with the relevant Executive Member not less frequently than annually and not later than September in each financial year.
- 13.6. When a Strategic Director proposes to amend any scale of charges, he/she shall consult with the relevant Cabinet Member, the Chief Finance Officer about the financial implications, and with the Monitoring Officer about any legal requirements.

Grant Income

- 13.7. Strategic Directors shall consult the relevant executive Member and the Chief Finance Officer prior to submitting applications for grant funding to government departments or other grant-giving bodies.
- 13.8. Where an application for grant funding is successful (unconditionally or conditionally), the Strategic Director shall inform the Chief Finance Officer of the details of awarded funding and provide him/her with a copy of relevant documents.
- 13.9. If the grant funding was not contemplated when the budget for the relevant financial year was set then the Chief Finance Officer shall make the appropriate changes to the directorate cash limit and/or capital programme and these revised amounts will be used in the budget monitoring and year-end balances processes.
- 13.10. Strategic Directors will ensure that all claims for grant funding, including government grants, for which he or she is responsible, are properly authorised, meet all the grant funder's conditions and are submitted by the due date.

Service Provided to Third Parties

- 13.11. Where there are contractual arrangements (made in accordance with the Contract Standing Orders) in place for the provision of goods or services to third parties or external bodies the relevant Strategic Director:
 - 13.11.1 shall ensure that fees and charges are promptly invoiced in full accordance with the terms of the contract; and
 - 13.11.2 shall suspend the delivery of the goods/service if invoices are not settled in a reasonable time.

Writing off Debts

- 13.12. Only the Chief Finance Officer has the legal authority to write-off bad debts and will delegate responsibilities as necessary for debts up to £5,000.
- 13.13. For larger debts, the following arrangements apply:
- 13.13.1 bad or doubtful debts below £50,000 can be authorised by the Chief Finance Officer;
 - 13.13.2 the Chief Finance Officer will consult with the executive member for finance before authorising the writing-off of debts between £50,000 and £400,000;
 - 13.13.3 for the write-off of bad or doubtful debts of £400,000 or over the Chief Finance Officer will seek the approval of Cabinet.
- 13.14. Debts written-off over £50,000 will be included in financial management reports to Cabinet.
- 13.15. In all cases, debts will not be written-off unless processes for collection have proved fruitless or where the continued pursuit of the debt would prove to be poor value for money. All write-offs should be properly recorded and such records retained, with due explanation for non-collection.

14. Taxation

- 14.1. The Chief Finance Officer shall ensure that adequate procedures are in place and adequate advice is available to Directorates so as to ensure that the Authority is at all times compliant with the specific requirements of the various tax regimes which affect its operations and delivery of services.
- 14.2. In the discharge of this responsibility, the Chief Finance Officer will maintain the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. In appropriate circumstances (e.g. where part of this function may have been devolved to a partner organisation) the Chief Finance Officer will ensure compliance with the requirements of the particular tax regimes.
- 14.3. Each Strategic Director will at all times conduct the financial arrangements of their services in accordance with advice or instructions issued by the Chief Finance Officer with regard to taxation issues, and shall provide to the Chief Finance Officer any related information or documents upon request.

15. Accounting Systems

- 15.1. The Chief Finance Officer will be responsible for the operation of the corporate accounting systems, the form of accounts and the supporting financial records. No changes shall be made to the existing financial systems, or new systems be established, without the prior approval of the Chief Finance Officer.
- 15.2. The Chief Finance Officer shall prepare and issue such accounting and procedural instructions as he/she considers to be necessary for the financial administration of the Council's affairs.
- 15.3. Strategic Directors will be responsible for the proper operation of financial processes in their own service areas and for ensuring that their staff receive relevant financial training. If Strategic Directors wish to make changes to the financial management procedures within their directorate (for example, to improve efficiency) they must obtain the written approval of the Chief Finance Officer prior to making the changes.
- 15.4. Where directorates (with the knowledge and approval of the Chief Finance Officer) have independent financial systems that hold and/or process financial data then the Strategic Director shall ensure the systems be reconciled with the Council's main accounting system at a frequency agreed with the Chief Finance Officer. (A financial system is any system, manual or computerised, that records transactions or the value or ownership of an asset.)

16. Accounting Policies

- 16.1. The Chief Finance Officer will determine suitable accounting policies to be adopted by the Authority and will ensure that they are applied consistently. Strategic Directors will ensure that they and their staff comply with all of the prevailing accounting policies and, if requested, they will assist the Chief Finance Officer in restating accounts as a result of any change in accounting policies.

17. Trading Accounts

- 17.1. The Chief Finance Officer will advise Members and Strategic Directors on the establishment and operation of trading accounts within the Authority.

18. Statement of Accounts

- 18.1. The Chief Finance Officer will prepare an overall outturn report for the Council each year for submission to the Strategic Leadership Team and the Cabinet. He/she will also ensure that the statutory Statement of Accounts is prepared and submitted to Members in the prescribed format and to the prescribed timetable.
- 18.2. In order to prepare the Statement of Accounts Strategic Directors shall provide all accounting information requested by the Chief Finance Officer in accordance with the accounts closedown timetable prepared by the Chief Finance Officer and in the format requested by the Chief Finance Officer. The additional accounting information may include, for example:
 - 18.2.1 an outturn report of expenditure versus approved budget for their Directorate;
 - 18.2.2 value of stocks, stores and work in progress at the end of each financial year and the basis of valuation including writing out of obsolete stock;
 - 18.2.3 any sums due to suppliers that are currently unpaid at the end of the financial year;
 - 18.2.4 any sums due to the Council that have not been credited at the end of the financial year;
 - 18.2.5 income received relating to the subsequent financial year;
 - 18.2.6 pre-payments made relating to the subsequent financial year;
- 18.3. The Chief Finance Officer will make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations 2011.
- 18.4. Once the external audit is complete, the Chief Finance Officer will present the Statement of Accounts to the Audit Committee for approval and, subject to that approval, will arrange for the publication of the Statement of Accounts.

19. Treatment of Year-end Balances

- 19.1. The principle of cash limited budgets presupposes that, in general terms, underspendings and overspendings at the end of one financial year will be carried forward and the following year's budget allocation be adjusted accordingly.
- 19.2. In its practical application, however, it is imperative that any such carry forwards are first considered against the overall financial position of the

Authority. Therefore, except where statutory requirements dictate otherwise, the following policies are to be applied.

- 19.3. Underspends and overspends will be calculated at Directorate level on the basis of the prevailing accounting policies. In general:
 - 19.3.1 any underspend on General Fund revenue budgets will go into General Fund Balances to be applied subsequently, as necessary, in accordance with Council-wide priorities.
 - 19.3.2 any overspend on General Fund revenue budgets will be financed from balances or reserves subject to any arrangements approved by Cabinet in connection with the recovery plan prepared under Financial Regulation 8.10.
 - 19.3.3 any surpluses or deficits generated by trading services will be taken into account in future years' business plans.
- 19.4. In exceptional cases Cabinet may approve the carrying forward of an underspend by a specific directorate. Applications and supporting cases to carry forward any underspending are to be made to Strategic Leadership Team to recommend to Cabinet for approval.
- 19.5. Prior to the consideration of any report by the Council on the carry forward of any budget under/overspending, the Chief Finance Officer will prepare a composite outturn report, for the consideration of the Strategic Leadership Team outlining the totality of the Council's funds and balances, together with any specific commitments or known pressures which are expected to affect materially the level of those funds and balances.

20. Reserves

- 20.1. The Chief Finance Officer shall advise the Cabinet and the Full Council on prudent levels of reserves for the Authority (having taken into account any advice from the external auditor).
- 20.2. The Chief Finance Officer shall maintain reserves in accordance with the relevant codes of practice on local authority accounting in the United Kingdom and agreed accounting policies.
- 20.3. For each reserve account, the purpose, usage and basis of transactions should be clearly identified and reported in the Statement of Accounts. The use of reserves to finance expenditure should be authorised by the Chief Finance Officer unless it is explicitly authorised within the approved Budget or Capital Programme.

21. Internal Control

- 21.1. Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- 21.2. It is the responsibility of Strategic Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. These arrangements need to ensure compliance with all applicable statutes and Regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 21.3. Every transfer of monies from an officer, employee or agent of the Council to another officer, employee or agent is evidenced by an official receipt bearing the signature of the receiving officer.
- 21.4. Strategic Directors shall ensure that the staffing structure and management arrangements within their directorates separate duties such that:
 - 21.4.1 providing information about or calculating, checking and recording sums due to or from the Authority are carried out by different people from the people who have duty of collecting or disbursing the sums;
 - 21.4.2 people with the duty of examining or checking accounts, financial transactions, completion of grant claims/returns and cash balances are not themselves engaged in those transactions.

22. Prevention of Fraud and Corruption

- 22.1. Strategic Directors are responsible for ensuring that efficient and effective internal controls are operated to prevent the loss of the Council's assets through any means. They therefore have the prime responsibility for preventing and detecting any loss through fraud or corruption.
- 22.2. The Chief Finance Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

- 22.3. If an instance of fraud or corruption is identified or suspected then Strategic Directors shall follow the procedures in the Council's anti-fraud and anti-corruption policy.

23. Risk Management

- 23.1. The Council is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. It is also responsible for ensuring that proper insurance arrangements exist where appropriate.
- 23.2. The Assistant Chief Executive is responsible for preparing the Authority's risk management policy statement, for promoting it throughout the Authority and for advising the Strategic Leadership Team on proper insurance cover where appropriate.
- 23.3. The Strategic Leadership Team shall promote the Council's Risk Management Policy and Strategy and develop, implement and monitor risk management controls in its capacity as the Council's corporate risk management group.
- 23.4. Each Strategic Director shall:
- 23.4.1 take responsibility for risk management of their service, having regard to advice from the specialist officers e.g. Health and Safety, Risk Management and Insurance. This should include having procedures in place to identify, assess, prevent or contain material known risks.
 - 23.4.2 undertake regular reviews of risk within their service areas to review the effectiveness of risk reduction strategies and the operation of controls.
 - 23.4.3 prepare and maintain a business continuity plan for implementation in the event of a disaster that results in significant loss or damage to its resources.

24. Insurance

- 24.1. The Chief Finance Officer shall ensure that the Council has appropriate insurance cover in place in respect of all its assets and risks as an employer and provider of services and facilities. All Strategic Directors will be responsible for ensuring that the Chief Finance Officer is provided with all relevant information applicable to their Directorate, and in a timely manner, as he/she may reasonably require in order to enable him to discharge effectively the responsibility.

- 24.2. The Chief Finance Officer shall effect and keep under constant review all insurance cover and negotiate all claims (in consultation with Strategic Directors where appropriate).
- 24.3. Each Strategic Director shall:
- 24.3.1 give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles which require to be insured and, if any, alterations affecting existing risks or insurances.
 - 24.3.2 notify in writing the Chief Finance Officer of any loss, liability, or damage or any other event likely to lead to a claim under any of the Council's insurances, together with any information or explanation required by the Chief Finance Officer or the Council's insurers.
 - 24.3.3 keep suitable records to ensure that inspections of engineering plant under their control are duly carried out by the Insurance Company within the periods prescribed and shall take any necessary action arising there from. Any failure by the Council's insurers to carry out such inspections shall be notified to the Chief Finance Officer.
 - 24.3.4 ensure that employees or anyone covered by the Council's insurances, are aware that they should not admit liability or make an offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

25. Settlement of Claims Against the Council

- 25.1. Where a claim against the Council, other than a contractual claim covered by Contract Standing Orders, is covered by an insurance policy the Chief Finance Officer shall negotiate settlement of the claims against such insurance in consultation with the appropriate Strategic Director.
- 25.2. Where a claim against the Council, other than a contractual claim covered by Contract Standing Orders, is not covered by an insurance policy (e.g. because the value is below the excess figure for the policy) the Chief Finance Officer shall negotiate settlement of the claims in consultation with the Monitoring Officer and appropriate Strategic Director.
- 25.3. Provided there is sufficient funding available and the negotiated settlement is, in the opinion of the Chief Finance Officer, a fair settlement from the Council's point of view, the Chief Finance Officer may approve the settlement of such claims.

25.4. If there is not sufficient funding available, or it is not possible to negotiate an acceptable settlement with the claimant, the Chief Finance Officer shall report the matter to Cabinet.

26. Internal Audit

26.1. The Chief Internal Auditor is responsible for advising on effective systems of internal control.

26.2. The Chief Internal Auditor will have overall responsibility for Internal Audit throughout the Authority. Internal Auditors will operate as a managerial control by examining, evaluating and reporting upon the effectiveness of internal financial and operational controls and the efficient use of Council resources.

26.3. The Chief Internal Auditor will:

26.3.1 prepare an annual plan which takes account of the characteristics and relative risks of the activities involved;

26.3.2 liaise with the external auditor to ensure the internal and external audit plans are complementary;

26.3.3 seek the approval of the Audit Committee for the annual audit plan;

26.3.4 ensure periodic reporting to the Audit Committee of progress against the annual audit plan;

26.3.5 ensure the Internal Annual Audit Annual Report (and any interim report), including outlining actual performance against the annual audit plan, is produced and approved by the Audit Committee, and duly considered by the responsible officer for production of the Annual Governance Statement;

26.3.6 manage the internal audit function and ensure it complies with the Public Sector Internal Audit Standards issued by the Chartered Institute of Internal Auditors and the Chartered Institute of Public Finance and Accountancy;

26.3.7 ensure that effective procedures are in place within the Authority to investigate promptly any fraud or irregularity. Note that this does not mean that internal auditors will conduct all investigations.

26.4. Internal auditors have the authority to:

26.4.1 access all Authority premises at reasonable times;

- 26.4.2 access all assets, records, documents, correspondence and control systems;
 - 26.4.3 require from officers, members and suppliers any information and explanation considered necessary concerning any matter under their consideration;
 - 26.4.4 require any officer of the Authority to account for cash, stores or any other authority asset under his or her control;
 - 26.4.5 access records belonging to third parties, such as contractors, when required.
- 26.5. All internal audits will result in a written report. Strategic Directors shall ensure that all agreed actions are implemented in a timely and efficient manner.

27. Assets

- 27.1. Each Strategic Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, moveable plant, machinery, vehicles, ICT equipment and devices, cash, information/data etc., under his/her control (whether owned or leased). Each Strategic Director shall also record a description of all these items in an inventory in the form required by the Chief Finance Officer.
- 27.2. As far as is considered to be necessary and practical, items appearing on the inventory shall be effectively marked as Council property.
- 27.3. Each Strategic Director shall arrange for a complete check of their inventories at least once in each financial year. Any discrepancies shall be dealt with in consultation with the Chief Finance Officer.
- 27.4. The Chief Finance Officer shall maintain a complete and up to date register of all the Authority's tangible assets under the Council's control.
- 27.5. The Chief Finance Officer shall calculate and process the appropriate capital financing charges in accordance with the prevailing accounting code of practice for local authorities.
- 27.6. Each Strategic Director and Director will inform promptly the Chief Finance Officer of all additions, deletions, enhancements/impairments or other changes to the Authority's portfolio of capital assets, such as might affect the preparation of the Council's accounts.

Disposal of Assets (other than land and buildings)

- 27.7. Surplus plant, vehicles, furniture, equipment and stock items (owned by the Council and not leased) should be disposed of by sale via

competitive tender or public auction unless the interests of the Council would be better served by disposal in some other way.

- 27.8. All IT equipment should be disposed of in accordance with the contract arrangements put in place by IT services to ensure equipment is securely and safely dealt with in line with legal requirements.

Land and Buildings

- 27.9. All arrangements for the acquisition and disposal of land and buildings shall be robust and transparent, in accordance with prevailing legislation, and be conducted by the Property Officer, including all negotiations and the preparation and certification of valuation certificates.

- 27.10. In respect of the acquisition of land and property:

27.10.1 where sufficient budget provision for an acquisition exists within the total Council budget, and the cost of the acquisition is less than £100,000 the Property Officer may approve a purchase of land or buildings in consultation with the relevant Cabinet Member; or

27.10.2 where the land or property is to be acquired by entering into a lease as tenant, the Property Officer must ensure that there is sufficient provision in the current Council budget for the lease payments and also that the lease payments can be sustained in future budgets.

- 27.11. In respect of disposals of land and property the processes followed should be robust and transparent and in accordance with prevailing legislation. In all cases of planned disposal of land or property:

27.11.1 where the estimated disposal value is less than £100,000 the Property Officer, having taken financial and legal advice, may arrange for the disposal of land or property;

27.11.2 where the estimated disposal value of individual property assets is equal to or greater than £100,000, a decision of Cabinet is required;

27.11.3 in respect of disposal at less than the best consideration that can reasonably be obtained, the Property Officer shall prepare a report to Cabinet, requesting approval to proceed with the disposal in accordance with the relevant legislation (Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003).

- 27.12. The Property Officer shall maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts),

recording the purpose for which the property is held, location, extent and plan reference, purchase details, nature of interest, details of all rents and other charges payable and receivable, and particulars of all tenancies granted.

27.13. The Monitoring Officer shall have custody of all title deeds for property held by the Council.

28. Stocks

28.1. Where a service keeps goods or finished products in stock the relevant Strategic Director shall ensure that a proper stock control system is operated, appropriate to the value of the stock being held. The Strategic Director shall ensure that stock checks and revaluations are carried out at regular intervals (which shall be no less frequent than yearly) and promptly inform the Accountancy team so that appropriate accounting adjustments can be made.

28.2. Where stock discrepancies (surpluses or deficiencies) are material the relevant Strategic Director shall investigate the discrepancy and inform the Chief Finance Officer to make appropriate changes to accounts and records. Where the Chief Finance Officer considers it to be appropriate by reason of circumstances and/or value, he/she may require the Strategic Director to report to the appropriate Executive Member.

28.3. Surplus or obsolete stocks should not be held. These should be disposed of at the best prices available in accordance with procedures agreed with the Chief Finance Officer.

29. Banking Arrangements

29.1. The Chief Finance Officer will be responsible for the opening of all bank accounts in the name of, and on behalf of, the Council. No employee or member of the Council shall open any bank account (or equivalent) without the express written approval of the Chief Finance Officer.

29.2. The Chief Finance Officer will ensure that sound, adequate arrangements are in place for the safe and efficient operation of all Council bank accounts, and will effect, or cause to be effected, proper and timely reconciliations.

30. Treasury Management

- 30.1. The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), and specifically adopts the key principles as described in Section 4 of the Code.
- 30.2. Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management: -
 - 30.2.1 a treasury management policy statement, stating the policies and objectives of its treasury management activities.
 - 30.2.2 suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 30.3. 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 Council. Such amendments will not result in the Council materially deviating from the Code's key recommendations.
- 30.4. The Council will receive reports from the Chief Finance Officer on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the financial year, and an annual report after its close, in the form prescribed in its TMPs.
- 30.5. The Chief Finance Officer shall execute and administer treasury management decisions in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 30.6. Strategic Directors shall ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, if applicable, approval of the project in the Capital Programme.
- 30.7. The Audit Committee shall monitor the implementation and operation of the treasury management policies and practices. The Chief Finance Officer shall provide a report on the operation of treasury management policies and practices to the Audit Committee at least once every financial year.

31. Petty Cash Imprest Accounts

- 31.1. The Chief Finance Officer shall make imprest advances of such amounts as is considered necessary for the purpose of defraying petty cash expenses.
- 31.2. Except by arrangement with the Chief Finance Officer, petty cash disbursements shall be limited to minor items of expenditure not exceeding such sums as the Chief Finance Officer may from time to time determine.
- 31.3. No cheques shall be cashed from monies held under these arrangements.
- 31.4. Receipts for petty cash disbursements shall be obtained wherever possible and the imprest holder shall obtain a signature for all reimbursements. Wherever possible a VAT invoice must be obtained for all purchases, and care taken to isolate the VAT element in any payment made.
- 31.5. An officer responsible for an imprest account shall, if so requested, give the Chief Finance Officer, a certificate as to the state of his/her imprest account.
- 31.6. On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, an officer shall account to the Chief Finance Officer for the amount advanced to him/her.

32. Data Protection

- 32.1. Strategic Directors must ensure that, where appropriate, computer and other systems are operated in accordance with Data Protection legislation, and that staff are aware of their responsibilities under Freedom of Information legislation.
- 32.2. In particular, the implementation or alteration of any computerised financial system that is used to hold and/or process personal data requires the approval of the Authority's Data Protection Officer and the Senior Information Risk Owner, before being implemented.

33. External Arrangements and Partnerships

- 33.1. The Authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social

or environmental well-being of its area including to develop and achieve the furtherance of the Authority's priorities and objectives.

- 33.2. The Chief Executive, or other properly authorised individual, who represents the Council on a partnership or external body, in accordance with the Scheme of Delegation, shall carry out their duties in a financially responsible way.
- 33.3. The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. In conjunction with the Monitoring Officer, he/she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 33.4. Where the Council undertakes to carry out any work for third parties:
 - 33.4.1 arrangements should be in place to ensure that any risks associated with third party work is minimised and that such work is within the powers of the Council;
 - 33.4.2 The Monitoring Officer should approve the contractual arrangements for any work for third parties or external bodies;
 - 33.4.3 if the value of such work is in excess of £400,000 the contractual arrangements must be approved by Cabinet.
- 33.5. Strategic Directors and Directors are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

34. Gifts, Loans and Sponsorship

- 34.1. Gifts, loans and sponsorship can be defined as the voluntary provision to the Council of non-public funds, services, equipment or other resources. In some circumstances they may be accepted from a source which has genuine and well-intentioned reasons for wishing to support specific projects.
- 34.2. For the avoidance of doubt this financial regulation does not apply to any funding received pursuant to any service delivery partnership entered into with another public body or voluntary organisation.
- 34.3. Gifts, loans and sponsorship must not be accepted where there is a risk of damaging the integrity or propriety of the Council. For example, gifts, loans and sponsorships should not be accepted:

- 34.3.1 from sources which come under the direct scrutiny of the Council;
 - 34.3.2 where the provider seeks endorsement of a product or service in order to gain preferential treatment in supplying or contracting goods and services to the Council; or
 - 34.3.3 to influence the direction of a particular policy or operation.
- 34.4. Gifts, loans and sponsorship should only be used to support Council activities which can readily be discontinued, since the donations can be withdrawn at any time on the initiative of the donor.
- 34.5. Where gifts, loans, or sponsorship come from more than one organisation in a competing market, care must be taken to demonstrate an even handed approach in accepting or rejecting any offer.
- 34.6. In considering the offer of a gift, loan or sponsorship, priority must be given to meeting the needs of the Council rather than those of the donor/lender/sponsor, and should avoid:
- 34.6.1 potentially sensitive associations with inappropriate donors/lenders/sponsors;
 - 34.6.2 potentially sensitive associations with organisations already in a contractual arrangement to supply goods or services to the Council, which could be construed by competitors as preferential treatment;
 - 34.6.3 projects which could distract effort from tackling agreed priorities;
 - 34.6.4 projects of dubious or limited benefit;
 - 34.6.5 offers of gifts, loans, or sponsorship with conditions attached;
 - 34.6.6 offers of gifts, loans, or sponsorship which could involve the Council in additional net expenditure;
 - 34.6.7 offers of equipment which is incompatible with existing equipment;
 - 34.6.8 inadequate contractual arrangements; and
 - 34.6.9 the risk of becoming unduly dependent on a facility or item of equipment which is liable to be withdrawn.
- 34.7. Where publicity is sought by the donor/lender/sponsor, a commercial agreement should be signed.
- 34.8. Strategic Directors have discretion to accept individual gifts, loans, or sponsorship related to their directorates in accordance with the above

guidelines up to a value of £25,000. Above this value, the approval of Cabinet is required.

34.9. These rules also apply to the Mayor.

35. Voluntary and Trust Funds

35.1. Voluntary and Trust Funds shall include any fund other than an official fund of the Council, which is controlled wholly or partly by an officer by reason of his or her employment.

35.2. All such funds shall be held and operated in accordance with such accounting requirements as may be prescribed by the Chief Finance Officer and within the requirements of any Trust Deed or similar document.

35.3. The accounts of all such funds shall be made up annually, and audited under such arrangements as may be prescribed or approved by the Chief Finance Officer, and within the requirement of any Trust Deed or similar document.

36. Retention of Financial Documents

36.1. The Chief Finance Officer will issue guidance on the minimum periods and storage formats for retention financial documents and ensure that these formats and timescales are complied with.

37. Emergency Arrangements

37.1. Nothing in these Financial Regulations shall prevent a Strategic Director from incurring reasonable expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to Section 138 (Emergency Planning) of the Local Government Act 1972, if it becomes evident that such expenditure cannot be contained within the budget approved by Council.

38. Suspension of a Financial Regulation

38.1. In exceptional cases, the Chief Finance Officer may suspend the application of these Regulations where it is in the best interests of the Council to do so. Any decision to suspend the Regulations shall be recorded in writing along with the reason(s) for making the decision.

38.2. In cases of urgency the Chief Finance Officer jointly with the Chief Executive may authorise an officer to incur any lawful expenditure which

would otherwise be contrary to these Regulations. The exercise of this regulation shall in every case be recorded in writing along with the reason(s) for making the decision.