

Agenda Item 12

Standards Committee 4th January 2012

Financial Regulations Review.

4.7 FINANCIAL REGULATIONS

Note: all references to Departments, Directors and Heads of Services within these Financial Regulations shall be deemed to incorporate also both the Chief Executive Officer and Director of Corporate Resources.

4.7.1 General

(1) The finances of the Council shall be subject to the regulations and control of the Executive and these regulations shall apply to all Directorates, Departments and officers of the Council.

(2) Any officers of the Council receiving from a government department or other source any communication of any kind which has financial implications shall immediately notify the Chief Executive Officer and the Director of Corporate Resources who shall be consulted in connection with any correspondence or discussion concerning financial issues.

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(3) Prior to the submission of any agenda item having a financial implication the relevant Head of Service shall consult with the Director of Corporate Resources and such report shall include a note of the Director of Corporate Resource's advice where such advice is necessary.

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(4) No financial matter shall be considered by the Executive unless an item in relation thereto appears on the Agenda for the meeting and there has been prior consultation between the Chief Executive Officer, the Director of Corporate Resources and the Head of Service concerned.

(5) Section 151 of the Local Government Act 1972, states "every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".

(6) Section 114 of the Local Government Finance Act 1988, requires the Chief Financial Officer (the Director of Corporate Resources) to report on unlawful or potentially unlawful expenditure of a course of action likely to cause loss or deficiency.

~~(7) Where a contract is being let for a contract sum of £10,000 or above and whether or not the contract is one to which it is proposed that the Council will be~~

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a party in common with other local or public authorities or the private sector, prior to commencing the contract letting process:-

a) A report of the details of the proposed contract will be submitted to the Procurement Management Board in a form to be agreed by the Procurement Management Board

b) The Procurement Management Board will offer advice and assistance on the procurement. In the exceptional case where it is proposed that the Procurement Management Board's advice and assistance is not to be followed the matter will be referred to Senior Management Team.

4.7.2 Revenue Estimates

(1) The detailed form of revenue estimates shall be determined by the Director of Corporate Resources consistent with the general direction of the Executive as outlined in the approved Budget Strategy

(2) Estimates of income and expenditure on revenue accounts, reserves and provisions for the subsequent financial year shall be prepared by the Director of Corporate Resources in consultation with the Chief Executive Officer and then referred to Strategic Alliance Management Team. All estimates shall be forwarded to the Executive to report thereon with its recommendations to the Council.

(3) Executive shall upon receipt of the report of the Director of Corporate Resources make recommendations to the Council concerning the approval of a 3 year medium term financial plan and the amount of the Council Tax to be levied.

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(4) The 3 year medium financial plan will be compiled using a prioritisation process for revenue bids which will assess:-

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a) Contribution towards the Council's Corporate Aims

b) Statutory obligations

c) Financial implications (including VFM)

d) Risk

(5) Any proposal to the Executive or a Committee, which would involve the incurring of expenditure during a year in respect of which the Council has approved a budget or a programme of capital expenditure shall be accompanied by a report of the Head of Service concerned indicating the sufficiency or otherwise of the finance provision in the budget or programme.

(6) Expenditure shall not be incurred or a reduction in income authorised unless it is included in the annual estimates or is covered by a supplementary estimate.

(7) Strategic Alliance Management Team and Heads of Service shall have the authority to transfer savings from one budget area towards additional expenditure in another budget area. Heads of Service shall have the authority to vire in any

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one financial year, up to the value of £1,500 direct employee expenses excepted.

Strategic Alliance Management Team shall have the authority to vire up to the value of £10,000. Above this limit the consent of the Executive shall be obtained.

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(8) Subject to the above, upon approval by the Council of the annual estimates the Executive or service Committee or Director or Head of Service as appropriate shall be entitled to incur the expenditure authorised therein.

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(9) It shall be the responsibility of each appropriate officer to expend the budget allocation efficiently, effectively and economically and ensure that no approved estimates shall be overspent.

(10) The Director of Corporate Resources shall ensure that the Chief Executive Officer and each Head of Service and Director has detailed information of receipts and payments under each head of approved estimate and such other relevant information as agreed between them.

4.7.3 Capital Programmes

(1) A capital programme covering a period of three years shall be prepared annually by the Director of Corporate Resources in consultation with the Chief Executive Officer and Strategic Alliance Management Team for inclusion in the Budget. All capital estimates shall be forwarded to the Executive who shall report thereon with recommendations to the Council.

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(2) The Capital Programme will be compiled using a prioritisation process for capital projects which will assess:-

- a) Contribution towards the Council's Corporate Aims
- b) Statutory Obligations
- c) Financial implications (including VFM and external funding opportunities)
- d) Risk

(3) If an urgent and unforeseen item of capital expenditure becomes necessary, the Executive shall be informed at the earliest possible stage and the project may only proceed after appropriate funding has been identified and approved.

(4) No scheme shall commence until such a scheme and its associated revenue costs have been approved by Executive or Council as appropriate.

4.7.4 Accounting

(1) The Director of Corporate Resources shall be responsible for keeping the accounts of the Council and all accounting procedures and financial records of the Council and its officers in a way approved by that officer.

(2) It shall be the duty of the Director of Corporate Resources to arrange for a satisfactory, and as far as possible, uniform accounting system to be adopted throughout the Council and the introduction or amendment of any books, forms or procedures and computer systems with regard to cash, stores or other accounts shall require the prior approval of the Director of Corporate Resources.

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All such accounting records shall be in accordance with appropriate legislation, and relevant codes of accounting practice.

(3) The Director of Corporate Resources shall supervise and keep under review safe and efficient arrangements for the receipt of monies paid to the Council and the issue of monies payable by the Council and in particular, the following principles shall be observed in the allocation of accounting duties:-

(a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.

(b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

(4) The Director of Corporate Resources shall be responsible for the preparation of the Council's Annual Accounts and shall:-

a. prepare a Statement of Accounts by the 30th June each year and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year, and

b. recertify and present for approval by the Audit Committee by the 30th September each year, the Statement of Accounts

in accordance with the Accounts and Audit (England) Regulations 2011.

4.7.5 Banking Arrangements

(1) The Director of Corporate Resources shall be authorised to operate such banking accounts as that officer thinks fit with the bankers approved from time to time by the Council but shall report each account opened to the Executive.

(2) All arrangements regarding the Council's banking accounts with the bankers and for the issue of cheques shall be made by or under arrangements approved by the Director of Corporate Resources.

(3) All banking stationery, including cheques, shall be ordered on the authority of the Director of Corporate Resources who shall make proper arrangements for safe custody.

4.7.6 Income

(1) The collection of all money due to the Council shall be under the supervision of the Director of Corporate Resources. The Chief Executive Officer, Directors and each Head of Service shall provide the Director of Corporate Resources with a list of officers authorised to sign accounts, or requests for accounts, on his behalf together with specimen signatures and a note of any restrictions applying thereto. Amendments to such lists shall be notified to the Director of Corporate Resources on the occasion of any change. All accounts issued in respect of

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monies due to the Council shall be made through the Director of Corporate Resources or under arrangements approved by that officer.

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(2) Each Head of Service shall furnish the Director of Corporate Resources with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by that officer to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due.

(3) The Director of Corporate Resources shall be notified promptly of all money due to the Council and shall be advised of proposals which may generate income prior to any contracts, leases, agreements or arrangements being entered into.

(4) All official receipts, forms, books, tickets, order books and other documents representing monies worth shall be ordered, controlled and issued to Departments by the Director of Corporate Resources.

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(5) All monies received on behalf of the Council in any Department shall be deposited promptly and intact with the Director of Corporate Resources or otherwise as that officer directs. Money held or received by or on behalf of the Council shall not be borrowed or used to encash personal cheques or for any other purpose.

(6) Every transfer of official money from one member of staff to another shall be evidenced in the records of the Departments concerned by entry of the amount and dated signature of the receiving officer.

(7) Each officer who receives money on behalf of the Council or for which that officer is accountable to the Council shall keep an accurate and chronological account of all receipts and their deposit with the Director of Corporate Resources, the Council's bankers or as otherwise directed by the Director of Corporate Resources.

(8) The Director of Corporate Resources shall be empowered to write off sums up to and including £1,000 where recovery seems impossible or impracticable. Records supporting these write offs will be made available on request. Amounts in excess of £1,000 shall not be written off without the authority of the Executive.

4.7.7 Insurance

(1) The Director of Corporate Resources shall effect all insurance cover including establishing insurance reserves and provisions where appropriate and negotiate all claims in consultation with other Officers where necessary.

(2) Heads of Services shall give prompt notification to the Director of Corporate Resources of all proposals involving properties, vehicles or other new risks which require to be insured and of any alterations affecting existing insurance.

(3) Heads of Services shall notify the Director of Corporate Resources immediately of any loss, liability or damage or any event or circumstances likely to lead to a claim.

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(4) The Director of Corporate Resources shall annually or at such other period as that officer may consider necessary review all insurance in consultation with the Chief Executive Officer or Directors or Heads of Service as necessary.

4.7.8 Treasury Management and Trust Funds

(1) All investments of money and all borrowings shall be made in the name of the Council and all securities shall be held in the custody of the Director of Corporate Resources or other Officer so designated.

(2) The Director of Corporate Resources shall be the Council's registrar of stock, bonds and mortgages and shall maintain records of all borrowing of money by the Council, except that the Director of Corporate Resources shall be empowered to name the Council's bankers as registrar in respect of any particular issue when they deem this necessary.

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(3) All matters in connection with the borrowing of monies including bank overdraft within the limits approved by the Council and all other matters in connection with the raising or repayment of loans shall be carried out by the Director of Corporate Resources subject to the approval of the Executive.

(4) The investment or utilisation of monies on hand and other accumulations and the sale or realisation of investments shall be undertaken by the Director of Corporate Resources subject to the approval of the Executive.

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(5) All trust funds shall wherever possible be in the name of the Council and all Officers acting as trustees by virtue of their official position shall deposit all securities relating to the trust with the Council's Bankers unless the deed provides otherwise in which case they shall notify the Chief Executive Officer or Director of Corporate Resources as appropriate of the circumstances.

(6) This Council has adopted CIPFA's "Code for Treasury Management in Local Authorities" and the Director of Corporate Resources will undertake the Council's Treasury Management function in line with that guidance.

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(7) A Treasury Policy Statement setting out its strategy and procedures shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Executive.

(8) All money (as defined in the Code) in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the Officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Financial Officer (Director of Corporate Resources).

(9) All executive decisions on borrowing, investment or financing shall be delegated to the Director of Corporate Resources through that officer to staff, who shall all be required to act in accordance with CIPFA's "Code for Treasury Management in Local Authorities".

(10) The Director of Corporate Resources shall report quarterly to the Executive on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to that officer. One such report shall

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comprise an Annual Report on the Treasury Management for presentation by 30th September of the succeeding financial year.

Advance Accounts

(1) The Director of Corporate Resources shall provide such advance accounts as that officer considers appropriate for such officers of the Council as may need them for the purpose of defraying expenses. Such accounts shall be maintained on an imprest system and Officers holding these accounts shall maintain a record of their receipts and payments in the form and manner prescribed by the Director of Corporate Resources.

(2) Where the Director of Corporate Resources considers appropriate an account shall be opened with the Council's bankers for use by the imprest holder who shall not cause such an account to be overdrawn. It shall be a standing instruction to the Council's bankers that the amount of any overdrawn balance on an imprest holders banking account shall be reported immediately to the Director of Corporate Resources.

(3) No income received on behalf of the Council may be paid into an advance account but must be paid over to the Director of Corporate Resources as provided in these regulations.

(4) Payment shall be limited to minor items of expenditure of amount and nature approved by the Director of Corporate Resources and shall be supported by a receipted voucher to the extent that officer may require.

(5) An Officer responsible for an advance account shall give to the Director of Corporate Resources a certificate as to the money held at 31st March each year and at any other time as specifically requested, or before leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, account to the Director of Corporate Resources for the amount advanced.

4.7.10 Ordering of Work, Goods and Services

(1) All orders for goods, work or services shall be in a form agreed by the Director of Corporate Resources and must clearly show the nature and/or quantity of goods, materials, work or services to be supplied to the Council and the estimated cost. Official orders should be submitted via electronic methods where possible. All verbal orders must be confirmed by a written order not later than the next working day. All orders placed must comply with the Council's Contracts Standing Orders and associated guidance. Each electronic order must have a commitment raised and a satisfactory audit trail.

(2) No order shall be issued for work, goods or services, the cost of which is not covered by the approved annual estimates or by special financial provision.

(3) Official orders shall be signed only by Directors or Heads of Service or Officers authorised by them. Heads of Service shall be responsible for all official orders issued from their department. A list of Officers authorised to sign on behalf of the Council together with specimen signatures shall be supplied to the Director of Corporate Resources by the appropriate Head of Service with a note of any

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limit applying thereto. Amendments to such lists shall be notified to the Director of Corporate Resources on the occasion of any change.

4.7.11 Payment of Accounts

(1) Directors and Heads of Service shall have authority to incur expenditure on routine matters and within approved estimates provided:

(a) it complies with Contracts Standing Orders and these Financial Regulations,

(b) it is in accordance with approved Council policy,

(c) competitive tenders or quotations are obtained where appropriate and in all cases endeavour is made to obtain the best value for money.

The signature of the Head of Service or such Officer nominated by the Head of Service, on any order, account or goods received note shall be on the basis, that these requirements have been met.

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(2) Directors and Heads of Service issuing an order shall be responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment, voucher or account arising from sources within their area of responsibility. Such certification shall be in either electronic form where systems and policy permit or in manuscript by or on behalf of the Director or Head of Service and before certifying an account the certifying officer shall be satisfied that:-

(a) the work, goods or services to which the account relates have been received, carried out, examined and approved;

(b) the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;

(c) the expenditure has been duly authorised and is within the estimates as indicated by the expenditure code allocated;

(d) appropriate entries have been made in inventories, store records or stock books as required; and

(e) the account has not been previously passed for payment and is properly payable by the Council.

(3) Duly certified accounts shall be passed without delay to the Director of Corporate Resources who shall examine them to the extent that officer considers necessary, for which purpose that officer shall be entitled to make such enquiries and to receive such information and explanation as that officer may require.

(4) Any amendment to an account shall be made in ink and initialled by the Officer making it, stating briefly the reasons where these are not self-evident. Any electronic invoice requiring amendment must be returned to the Supplier, or a Credit Note/Supplementary Invoice requested prior to payment.

(5) Each Director and Head of Service shall, as soon as possible after 31st March and in any case not later than the date set by the Director of Corporate

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Resources, notify the Director of Corporate Resources of all outstanding expenditure relating to the previous financial year.

(6) A list of officers authorised to sign on behalf of the Director and Heads of Service, together with specimen signatures, shall be supplied to the Director of Corporate Resources by the appropriate officer with a note of any limit applying thereto. Amendments to such lists shall be notified to the Director of Corporate Resources on the occasion of any change.

4.7.12 Contracts for Building, Constructional or Engineering Works

(1) Details of every Contract, Agreement, Award or other instrument involving the payment or receipt of money by the Council shall be forwarded to the Director of Corporate Resources immediately after execution.

(2) Where contracts provide for payment to be made by instalment, the Director of Corporate Resources shall arrange for the keeping of a contract register or registers to show the state of account on each contract between the Council and the Contractor, together with any payments and related professional fees.

(3) Payments to Contractors on account of contract shall be made only on a certificate issued by the responsible Officer which shall show the total amount of the contract, the value of work executed to date, materials not fixed, retention money, amount paid to date, amount now certified due and the liability to value added tax.

(4) Variations in amount, additional payments and any overspending on all contracts shall be notified to the Director of Corporate Resources and reported to the Executive or relevant Committee as appropriate by the relevant Head of Service provided always that the variation, additional payment, or overspending exceeds s ten thousand pounds or ten per cent of the contract sum whichever is the lower.

(5) Variations to contracts must be covered by the issue, at the time, of a Variation Order, a copy of which must be forwarded to the Director of Corporate Resources and all relevant documents, including measurement and working papers and minutes of site meetings to be made available to the Director of Corporate Resources.

(6) The final certificate, on completion of a contract, shall not be issued by the responsible officer until the Head of the Internal Audit Consortium has examined and reported on a detailed final account which with all vouchers and documents, including those relating to prime cost items and full particulars of additions, deductions and omissions, shall be produced to the Head of Internal Audit Consortium, who shall be entitled to receive such information and explanations as the Head of Internal Audit Consortium may require in order to be satisfied as to the accuracy of the accounts.

4.7.13 Salaries and Wages

(1) The payment of all salaries, wages and pensions, compensation and other emoluments to all employees or former employees of the Council shall be made

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by the Head of Human Resources and Payroll, under arrangements approved and controlled by the Director of Corporate Resources. The Head of Human Resources and Payroll is authorised to implement national salary and wage awards.

(2) All time records or other pay documents shall be in a form prescribed by the Head of Human Resources and Payroll and shall be certified in manuscript. A list of officers authorised to sign together with specimen signatures shall be supplied to the Head of Human Resources and Payroll by the Director of Corporate Resources with a note of any limit applying thereto. Amendments to such lists shall be notified to the Head of Human Resources and Payroll on the occasion of any change, by the Director of Corporate Resources,

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(3) The Head of Human Resources and Payroll is authorised to implement annual increases in salaries and wages in accordance with locally agreed schemes.

(4) The Head of Human Resources and Payroll shall notify the Director of Corporate Resources as soon as possible of all matters affecting the payment of emoluments, and anything else related to this which affects budgets.

4.7.14 Officer's Expenses

(1) All claims for payment of car allowances, travelling and incidental expenses shall be submitted, duly certified in a form approved by the Head of Human Resources and Payroll, to that officer, made up to a specified day of each month, within seven days thereof. A list of officers authorised to sign on behalf of the Director or Head of Service as appropriate, together with specimen signatures shall be supplied by the Director of Corporate Resources with a note of any limit applying thereto. Amendments to such lists shall be notified to the Head of Human Resources and Payroll by the Director of Corporate Resources on the occasion of any change.

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(2) The Motor Insurance Policy of any Officer required to use their vehicle on Council business shall cover the official use of the vehicle in the service of the Council. Officers in receipt of Car Allowances, shall certify that such insurance cover is in place. Spot checks will be implemented by the Payroll Manager to ensure compliance.

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(3) The certification by or on behalf of a Director or Head of Service as appropriate, shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, relevant valid receipts are attached and that the allowances are properly payable by the Council.

(4) Officers' expense claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Director of Corporate Resources. Officers must make their own arrangements to seek approval.

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(5) The Head of Human Resources and Payroll shall be authorised to implement national/local amendments to rates of travelling and incidental expenses.

4.7.15 Security

(1) Each Director and Head of Service as appropriate is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under that officer's control.

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(2) Maximum limits for cash holdings shall be agreed with the Director of Corporate Resources and shall not be exceeded without that officer's express permission.

(3) Keys for safes and similar receptacles are to be kept in a secure place under the control of one officer or upon the person of those responsible at all times and any loss of such keys must be reported to the Chief Executive Officer and Director of Corporate Resources forthwith. Arrangements for the retention of duplicate keys must be expressly approved by the Chief Executive Officer.

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(4) The Director of Corporate Services shall be responsible for maintaining proper security and privacy with regard to information held in any computer installation or for use of such installation.

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(5) The Solicitor to the Council shall have custody of all title deeds and agreements under secure arrangements agreed with the Chief Executive Officer and shall ensure that all titles are registered at the Land Registry as soon as is practicable after coming into the Council's possession.

4.7.16 Stocks and Stores

(1) Each Director and Head of Service as appropriate shall be responsible for the care and custody of the stocks and stores in his Department and shall see that all stocks and stores received and issued are promptly recorded.

(2) The Director of Corporate Resources, In conjunction with the relevant Director and Head of Service as appropriate, shall make such arrangements for stock taking as the Director of Corporate Resources may deem necessary.

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(3) The Director of Corporate Resources shall be entitled to receive from each Director or Head of Service as appropriate such information as the Director of Corporate Resources requires in relation to stores for accounting, costing and financial records.

(4) The level of stocks shall be agreed between the Chief Executive Officer and the Director or Head of Service as appropriate.

(5) The value of materials and stores considered by the responsible Director or Head of Service as appropriate, to be surplus to the Council's requirements shall be certified by the Director or Head of Service as appropriate, prior to disposal. Where the value exceeds £1,000 the items shall be disposed of following report to the Executive or Committee concerned by competitive tender or public auction unless the Committee decides otherwise in a particular case. Where the value is under £1,000 the Chief Executive Officer shall be entitled to dispose of surplus items as the Chief Executive Officer thinks fit in the best interests of the Council but shall subsequently report thereon to the Executive or Committee concerned.

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4.7.17 Council Assets

(1) The Solicitor to the Council or such other officer nominated by the Chief Executive Officer will maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts), in a form approved by the Director of Corporate Resources.

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(2) The Director of Corporate Resources will maintain an Asset Register of all assets owned by the Council and in a form in accordance with appropriate legislation and relevant codes of accounting practice.

(3) The Director or Head of Service, as appropriate, is responsible for safeguarding all equipment under their control.

(4) The Director of Corporate Resources shall be entitled to receive from the Director or Head of Service as appropriate, such information as the Director of Corporate Resources requires in relation to assets for accounting, costing and financial recording purposes.

(5) The value of assets considered by the responsible Director or Head of Service as appropriate to be surplus to the Council's requirements shall be certified by the Director or the Head of Service as appropriate, prior to disposal. Where the value exceeds £1,000, the items shall be disposed of following report to the Executive or Committee concerned by competitive tender or public auction unless the Executive or Committee decides otherwise in a particular case. Where the value is under £1,000 the Chief Executive Officer shall be entitled to dispose of surplus assets as the Chief Executive Officer thinks fit in the best interests of the Council but shall subsequently report thereon to the Executive or Committee concerned. Any disposal of land and/or property assets must be made in accordance with the approved strategy.

4.7.18 Member's Allowances

(1) The Head of Human Resources and Payroll shall operate the payment of Members' Allowances and expenses in accordance with the Council's approved scheme.

(2) The Head of Human Resources and Payroll is authorised to implement any prescribed amendments to rates of Members' Allowances and expenses with subsequent report to the Council.

(3) Payments to Members, including co-opted Members of the Council or its Committees who are entitled to claim travelling or other allowances will be made by the Head of Human Resources and Payroll upon receipt of the prescribed form duly completed.

4.7.19 Audit

(1) The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which simply requires that authorities "make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has a responsibility for the administration of those affairs".

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(2) The Accounts and Audit (England) Regulations 2011, made by the Secretary of State for the Environment require every local authority to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices.

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(3) The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by section 15 of the Local Government Act 1982, as amended by section 5 of the Audit Commission Act 1998.

(4) Local authorities can also be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise and the Inland Revenue, who have statutory rights of access.

(5) The Council's internal audit service is provided by an Internal Audit Consortium covering Bolsover, Chesterfield and North East Derbyshire Councils. The Internal Audit Consortium will provide an independent and objective appraisal of systems of internal control. The Internal Audit Consortium will comply with the Standards set out in the CIPFA Code of Practice for Internal Audit in Local Government 2006.

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(6) A continuous internal audit will be provided by the Internal Audit Consortium in accordance with an internal audit plan agreed by the Director of Corporate Resources (as client officer) and the Council's Audit Committee. Planned audits will include the examination of accounting, financial and other operations of the Council including:

(a) The appraisal and review of the adequacy of internal controls and thereby providing assurances for the annual Statement of Internal Control.

(b) The completeness, reliability and integrity of information, both financial and operational.

(c) The systems established to ensure compliance with policies, plans, procedures, laws and regulations, i.e., rules established by the management of the organisation, or externally.

(d) The means of safeguarding assets.

(e) The economy, efficiency and effectiveness with which resources are employed.

(f) Whether operations are being carried out as planned and objectives and goals are being met.

(7) Accordingly, the Chief Executive Officer, Director of Corporate Resources and the Head of the Internal Audit Consortium or their authorised representatives shall have authority to:-

(a) Enter at all reasonable times on any Council premises or land.

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(b) Have access to all assets, records (both electronic and otherwise), documents, correspondence relating to any financial and other transactions of the Council and control systems.

(c) Require and receive any information and explanation considered necessary concerning any matter under examination.

(d) Require any employee of the Council to produce or account for cash, stores or any other Council property under the employees control.

(e) Access records belonging to third parties, such as contractors, where appropriate.

(f) Have direct access to the Chief Executive, Director of Corporate Resources, Solicitor to the Council and Monitoring Officer, other Director~~s~~, all levels of management, the Executive, Audit Committee and elected Members.

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(8) The Head of the Internal Audit Consortium will issue audit reports promptly to the Head of Service/Director concerned and to the Director of Corporate Resources (as client officer) detailing the findings and any recommendations arising from each audit.

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(9) Heads of Service/Directors will then ensure that internal audit reports are considered and Implementation Schedules are returned to the Head of the Internal Audit Consortium within the time scales detailed in the report. Any recommendations that are not agreed will be reported to the Audit Committee in the quarterly report. Heads of Service/Directors if appropriate will inform the Head of the Internal Audit Consortium of any internal controls or changes to existing internal controls.

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(10) The Head of the Internal Audit Consortium will present an Annual Report to the Audit Committee and a report on the Internal Audit Plan and Risk Assessment each year.

(11) The Head of the Internal Audit Consortium will report quarterly (or at other agreed intervals) to the Audit Committee on progress against the internal audit plan, including a summary of reports issued and numbers of recommendations made/accepted. Audit issues in relation to any impropriety of Members will be reported to the Standards Committee.

4.7.20 Fraud, Corruption and Irregularities

(1) The Council will not tolerate fraud, corruption or irregularity in the administration of its responsibilities, whether from inside or outside the Council. The strong counter fraud and corruption culture is supported and promoted by Members and Senior Officers.

(2) Internal Audit Consortium Staff should be alert in all their work to risks and exposures that could allow fraud and corruption and have developed the Council's Anti-Fraud and Corruption Strategy. All cases of discovered or

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suspected fraud, corruption or irregularity, should be reported as soon as possible to at least one of the following:-

- (a) The Head of Service,
- (b) The Head of the Internal Audit Consortium
- (c) The Director of Corporate Resources,
- (d) The Chief Executive Officer.

(3) The Officer to whom this is reported should then pursue the matter in accordance with the Anti-Fraud & Corruption Strategy.

(4) The exception to this procedure is where other arrangements are in place such as housing benefit fraud which will follow the Housing Benefits Strategy & Prosecution Policy.

4.7.21 Hospitality/Gifts

(1) Hospitality shall only be accepted if all the following conditions are complied with:-

- (a) The hospitality is received during the course of conduct of specific Council business (e.g. working lunch).
- (b) The provision of such hospitality is not extravagant.
- (c) The receipt of hospitality is approved by the Chief Executive Officer, Director or Head of Service.
- (d) A full record of the hospitality is recorded in the Departmental register. Separate written advice on giving and receiving of gifts and hospitality is available to both Members and Officers in the Members code of conduct and the Member/Officer Protocol. Members should seek advice from the Solicitor to the Council.

(2) Only gifts of small value, e.g., pens, diaries and calendars (all of which must bear the donor's name) shall be accepted. These items must be recorded in Departmental registers, used openly in the office and treated as Council property.

(3) Each Head of Service shall act in accordance with the reporting procedure in Financial Regulation 4.7.20 in respect of any offers of hospitality or gifts which do not comply with the provisions of the aforementioned Financial Regulations 4.7.21.

Note: It is an offence under the Bribery Act 2010 to offer, promise or give an advantage (broadly, offences of bribing another person) or to request, agree to receive or accept an advantage (broadly, offences of being bribed).

4.7.22 Information Technology

(1) The Director of Corporate Resources shall be responsible for the supervision development and administration of the Council's IT policy.

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- Deleted:** 108(1) and 108(2)
- Deleted:** Note: By virtue of the Prevention of Corruption Act 1916 it is presumed that any money, gift or other consideration given or received by an employee of the Council from a person holding or seeking to obtain a contract from the Council is corrupt unless proven to the contrary.¶
- Deleted:** 4.7.22 Register of Associations¶
- Deleted:** (1) Staff shall formally declare associations by friendship, trade or other means with suppliers, or potential suppliers to the Council of goods and services by making an appropriate entry in the Register of Associations held by the Chief Executive Officer.¶
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(2) The usage of all the Council's computer equipment and software, including security provisions, shall be in accordance with standards specified by the Director of Corporate Resources.

Deleted: (2) The Chief Executive Officer and Director of Resources shall be consulted and their approval obtained prior to the acquisition of any computer equipment and/or computer software.¶

(3) Each Director or Head of Service as appropriate shall ensure that all usage of computer facilities within their area of responsibility complies with the provisions of the current Data Protection Jaw and the Computer Misuse Act 1990.

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(4) Any breach of these Financial Regulations should be reported immediately to all the officers listed in Financial Regulation 4.7.20. The alleged breach will be investigated and if substantiated could result in disciplinary action.

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4.7.23 Retention of Financial Records

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(1) All financial records shall be retained in accordance with arrangements determined by the Director of Corporate Resources.

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