

## 4.7 FINANCIAL REGULATIONS

### 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 and the Chief Finance Officer who shall be consulted in connection with any correspondence or discussions involving finance.
- (3) Prior to the submission of any agenda item having a financial implication the relevant Assistant Director shall consult with the Chief Finance Officer and such report shall include a note of the Chief Finance Officer's advice.
- (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, the Chief Finance Officer and the Assistant Director 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". This officer is known as the Section 151 Officer or Chief Finance Officer.
- (6) Section 114 of the Local Government Finance Act 1988, requires the Chief Finance Officer to report on unlawful or potentially unlawful expenditure of a course of action likely to cause loss or deficiency.

### 4.7.2 Revenue Estimates

- (1) The detailed form of revenue estimates shall be determined by the Chief Finance Officer 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 Chief Finance Officer in consultation with the Chief Executive 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 Chief Finance Officer make recommendations to the Council on the approval of a three year medium term forecast and the amount of the Council Tax to be levied.
- (4) The three year medium forecast will be compiled using a prioritisation process for revenue bids which will assess:-
  - a) Contribution towards the Council's Corporate Aims
  - b) Statutory obligations
  - c) Financial implications (including VFM)
  - d) Risk
- (5) Any proposal to 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 Assistant Director 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 Assistant Directors shall have the authority to transfer savings from one budget area towards additional expenditure in another budget area. ~~Assistant Directors shall have the authority to vire in any 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 ~~£1250,000~~ £1,250,000 in total excluding direct employee expenses. Above this limit the consent of the Executive shall be obtained. In addition to these limits SAMT shall have the authority to vire funding from grant or holding accounts into revenue budgets provided that such funding is used for the originally approved purpose. Approval for the acceptance and utilisation of any external grant above the level of £25,000 must also be secured from Executive. Any savings secured from staffing budgets may be vired to agency or overtime budgets in order to maintain services with the agreement of SAMT. All other vacancy savings will be utilised in order to meet corporate vacancy management targets.
- (8) Subject to Regulation 13, upon approval by the Council of the annual estimates the Executive or committee or Director or Assistant Director as appropriate shall be entitled to incur the expenditure authorised therein.
- (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 Chief Finance Officer shall ensure that the Chief Executive and

each Assistant Director 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 Chief Finance Officer in consultation with the Chief Executive 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.
- (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.

### 4.7.4 Accounting

- (1) The Chief Finance Officer 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 Chief Finance Officer to arrange for a satisfactory, and as far as possible, ~~consistent~~ 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 Chief Finance Officer. All such accounting records shall be in accordance with appropriate legislation, and relevant codes of accounting practice.
- (3) The Chief Finance Officer 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 Chief Finance Officer shall be responsible for the preparation of the Council's Annual Accounts and shall prepare a Statement of Accounts ~~to be approved by Council~~ by the 30<sup>th</sup> June each year, in accordance with the Accounts and Audit Regulations 2003 ~~(as amended)~~. ~~The Audited Committee shall approve the audited Statement of Accounts by the 30<sup>th</sup> September each year.~~

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#### 4.7.5 Banking Arrangements

- (1) The Chief Finance Officer 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 Chief Finance Officer.
- (3) All banking stationery, including cheques, shall be ordered on the authority of the Chief Finance Officer 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 Chief Finance Officer. The Chief Executive, Directors and Assistant Directors shall provide the Chief Finance Officer 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 Chief Finance Officer on the occasion of any change. All accounts issued in respect of monies due to the Council shall be made through the Chief Finance Officer or under arrangements approved by that officer.
- (2) Each Assistant Director shall furnish the Chief Finance Officer 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 Chief Finance Officer 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 due to or to be paid by the Council shall be ordered, controlled and issued to Departments by the Chief Finance Officer.
- (5) All monies received on behalf of the Council in any Department shall be deposited promptly and intact with the Chief Finance Officer 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 Chief Finance Officer, the Council's bankers or as otherwise directed by the Chief Finance Officer.
- (8) The Chief Finance Officer 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 Chief Finance Officer shall effect all insurance cover including insurance reserves and provisions and negotiate all claims in consultation with other officers where necessary.
- (2) Directors and Assistant Directors shall give prompt notification to the Chief Finance Officer of all proposals involving properties, vehicles or other new risks which require to be insured and of any alterations affecting existing insurance.
- (3) Directors and Assistant Directors shall notify the Chief Finance Officer immediately of any loss, liability or damage or any event or circumstances likely to lead to a claim.
- (4) The Chief Finance Officer shall annually or at such other period as that officer may consider necessary review all insurance in consultation with the Chief Executive, Directors or Assistant Directors 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 Chief Finance Officer or other officer so designated.
- (2) The Chief Finance Officer 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 Chief Finance Officer shall be empowered to name the Council's bankers as registrar in respect of any particular issue when he deems this necessary.
- (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 Chief Finance Officer 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 made by the Chief Finance Officer subject to the approval of the Executive.
- (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 or Chief Finance Officer as appropriate of the circumstances.
- (6) This Council adopts CIPFA's "Code for Treasury Management in Local Authorities".
- (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.
- (9) All executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer 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 Chief Finance Officer 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 comprise an Annual Report on the Treasury Management for presentation by 30th September of the succeeding financial year.

#### 4.7.9 Advance Accounts

- (1) The Chief Finance Officer 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 Chief Finance Officer.
- (2) Where the Chief Finance Officer 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 Chief Finance Officer.
- (3) No income received on behalf of the Council may be paid into an advance account but must be paid over to the Chief Finance Officer as provided in these regulations.
- (4) Payment shall be limited to minor items of expenditure of amount and nature approved by the Chief Finance Officer 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 Chief Finance Officer a certificate as to the money held at 31st March each year and at any 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 Chief Finance Officer 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 Chief Finance Officer 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 Procurement Strategy. The method of ordering via the internet or other electronic means will be subject to approval of the Chief Finance Officer. 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, Assistant Directors or officers authorised by them. Directors and Assistant Directors 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 Chief Finance Officer by the appropriate Assistant Director with a note of any limit applying thereto. Amendments to such lists shall be notified to the Chief Finance Officer on the occasion of any change.

#### 4.7.11 Payment of Accounts

- (1) Directors and Assistant Directors shall have authority to incur expenditure on routine matters and within approved estimates provided:
  - (a) it complies with Contracts Standing Orders and 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 made to obtain the best value for money and the signature of the Assistant Director or such officer nominated by the Assistant Director, on any order, account or goods received note shall imply that these requirements have been met.

- (2) Directors and Assistant Directors 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 Assistant Director. 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 Chief Finance Officer 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 Chief Finance Officer, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year.
- (6) A list of officers authorised to sign on behalf of the Director and Assistant Directors, together with specimen signatures, shall be supplied to the Chief Finance Officer by the appropriate officer with a note of any limit applying thereto. Amendments to such lists shall be notified to the Chief Finance Officer 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 Chief Finance Officer immediately after execution.
- (2) Where contracts provide for payment to be made by instalment, the Assistant Director 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 Assistant Director and reported to the relevant Committee by the relevant Head of Service provided always that the variation, additional payment, or overspending exceeding ten thousand pounds or ten per cent of the contract sum whichever is the lower shall be reported forthwith to the relevant Committee, or the Executive as appropriate.
- (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 Assistant Director and all relevant documents, including measurement and working papers and minutes of site meetings to be made available to the Assistant Director.
- (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 by the Assistant Director - Human Resources and Payroll, under arrangements approved and controlled by the Chief Finance Officer. The Assistant Director – Human Resources 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 Assistant Director – Human Resources and shall be certified in manuscript. A list of officers authorised to sign together with specimen signatures shall be supplied to the Assistant Director – Human Resources by the appropriate Director or Assistant Director with a note of any limit applying thereto. Amendments to such lists shall be notified to the Assistant Director – Human Resources on the occasion of any change.
- (3) The Assistant Director – Human Resources is authorised to implement annual increases in salaries and wages in accordance with locally agreed schemes.
- (4) The Assistant Director – Human Resources shall notify the Chief Finance Officer 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 Expenses

- (1) Each Director or Assistant Director shall, where appropriate, be responsible for ensuring that performance related payments made to employees are correct and in accordance with records of work carried out and for maintaining such records.
- (2) All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified in a form approved by the Assistant Director – Human Resources, 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 Assistant Director as appropriate, together with specimen signatures shall be supplied to the Chief Finance Officer with a note of any limit applying thereto. Amendments to such lists shall be notified to the Chief Finance Officer on the occasion of any change.

- (3) 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, on request, produce such policy documentation as may be required.
- (4) The certification by or on behalf of a Director or Assistant Director 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.
- (5) Officers' expense claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Chief Finance Officer.
- (6) The Assistant Director – Human Resources shall be authorised to implement national amendments to rates of travelling and subsistence allowances and incidental expenses.

#### 4.7.15 Security

- (1) Each Director and Assistant Director 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 and shall consult the Chief Executive in any case where security arrangements may be needed.
- (2) Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without that officer's express permission.
- (3) Keys for safes and similar receptacles are to be kept in some 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 forthwith. Arrangements for the retention of duplicate keys must be expressly approved by the Chief Finance Officer.
- (4) The Chief Executive shall be responsible for maintaining proper security and privacy with regard to information held in any computer installation or for use of such installation.
- (5) The Assistant Director – Governance and Monitoring Officer shall have custody of all title deeds and agreements under secure arrangements agreed with the Chief Executive 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 Assistant Director 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 Chief Finance Officer, in conjunction with a Director and Assistant Director as appropriate, shall make such arrangements for stock taking as the Chief Finance Officer may deem necessary.
- (3) The Chief Finance Officer shall be entitled to receive from each Director or Assistant Director as appropriate such information as the Chief Finance Officer requires in relation to stores for accounting, costing and financial records.
- (4) The level of stocks shall be agreed between the Chief Executive and the Director or Assistant Director as appropriate.
- (5) The value of materials and stores considered by the responsible Director or Assistant Director as appropriate; to be surplus to the Council's requirements shall be certified by the Director or Assistant Director 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 Finance Officer shall be entitled to dispose of surplus items as the Chief Finance Officer thinks fit in the best interests of the Council but shall subsequently report thereon to the Executive or Committee concerned.

#### 4.7.17 Council Assets

- (1) The Chief Executive or such other officer nominated by the Chief Executive will maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts), in a form approved by the Chief Finance Officer.
- (2) The Chief Finance Officer 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 Assistant Director, as appropriate, is responsible for safeguarding all equipment under their control.
- (4) The Chief Finance Officer shall be entitled to receive from the Director or Assistant Director as appropriate, such information as the Chief Finance Officer requires in relation to assets for accounting, costing and financial recording purposes.
- (5) The value of assets considered by the responsible Director or

Assistant Director as appropriate to be surplus to the Council's requirements shall be certified by the Director or the Assistant Director 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 shall be entitled to dispose of surplus assets as the Chief Executive 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 Assistant Director – Human Resources shall operate the payment of Members' Allowances and expenses in accordance with the Council's approved scheme.
- (2) The Assistant Director - Human Resources 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 Assistant Director – Human Resources 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".
- (2) The Accounts and Audit Regulations 2003 issued 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.
- (3) 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.
- (6) A continuous internal audit will be provided by the Internal Audit Consortium in accordance with an internal audit plan agreed by the Chief Finance Officer (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, Chief Finance Officer and the Head of the Internal Consortium or their authorised representatives shall have authority to:-
  - (a) Enter at all reasonable times on any Council premises or land.
  - (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 Council's senior management and elected Members.
- (8) The Head of the Internal Audit Consortium will issues audit reports promptly to the Head of Service/Director concerned and to the Chief Finance Officer (as client officer) detailing the findings and any recommendations arising from each audit.
- (9) Directors and Assistant Directors will then ensure that internal audit reports are considered and completed. Implementation Schedules are returned to the Head of the Internal Audit Consortium within the timescales detailed in the report. Any recommendations that are not agreed will be reported to the Audit Committee in the quarterly report. Directors and Assistant Directors if appropriate will inform the Head of the Internal Audit Consortium of any internal controls or changes to existing internal controls.
- (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.

#### 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 characterised by zero tolerance 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 has developed the Council's Anti-Fraud and Corruption Strategy. All cases of discovered or suspected fraud, corruption or irregularity, should be reported as soon as possible to at least one of the following:-
  - (a) The relevant Assistant Director,
  - (b) The Head of the Internal Audit Consortium
  - (c) The Chief Finance Officer,
  - (d) The Chief Executive
- (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 and Prosecution Policy.

#### 4.7.21 Information Technology

- (1) The Chief Finance Officer shall be responsible for the supervision, development and administration of the Council's computer policies.
- (2) The Chief Executive and Chief Finance Officer shall be consulted and their approval obtained prior to the acquisition of any computer equipment and/or computer software.
- (3) The usage of all the Council's computer equipment and software, including security provisions, shall be in accordance with standards specified by the Chief Finance Officer.
- (4) Each Director or Assistant Director as appropriate shall ensure that all usage of computer facilities within their area of responsibility complies with the provisions of the Data Protection Act and Computer Misuse Act 1990.

#### 4.7.22

- (~~515~~) Any breach of these Financial Regulations should be reported immediately to the Chief Finance Officer or to Internal Audit. The alleged breach will be investigated and if substantiated could result in disciplinary action.

#### 4.7.22 Retention of Financial Records

All financial records shall be retained in accordance with arrangements determined by the Chief Finance Officer.