

# **NEW FOREST DISTRICT COUNCIL FINANCIAL REGULATIONS**

## 1. GENERAL MATTERS OF FINANCIAL ADMINISTRATION

- 1.1 The Council shall approve the overall financial strategy. The Cabinet and Portfolio holders and Committees may act within the powers delegated to them by the Council and within these Regulations
- 1.2 These regulations apply to the Council, its members and officers in all its functions. This includes functions carried out under: Part III of the Local Government Planning and Land Act 1980; and the Local Government Act 1988 (Direct Service Organisations (DSO)).
- 1.3 The Director of Resources may set aside these regulations if he considers necessary. Any decision to suspend Financial Regulations will be reported to the Council. In the event of a civil emergency the deputy SI51 Officer may set aside these regulations if he/she considers it necessary.
- 1.4 Where the Council performs works under an agency agreement with another authority or body, the financial regulations of the principal authority shall take precedence over these regulations, unless otherwise agreed.
- 1.5 These regulations shall be read in conjunction with Standing Orders as to Contracts.
- 1.6 Except for regulations 2.1, 2.1.1 and 3.1, the Director of Resources may nominate an officer to exercise any power or duty these regulations confer on him. In addition to the statutory Register of Delegations maintained by the Chief Executive, the Director of Resources shall maintain a register of the powers and duties he confers, and the job titles of the officers on whom he has conferred each power or duty.
- 1.7 Where these regulations give a Director power to authorise an officer to exercise a power or duty, the Director shall maintain a register of all authorisations and the job titles of the officers who are authorised.
- 1.8 Reports under these regulations shall, where practical, be in writing. In writing includes email communication but formal budget authorisation may only be achieved by completing fully the proper control document or through the formal Cabinet/Council process.
- 1.9 The Director of Resources will issue supporting financial practice notes from time to time. These should be read in conjunction with these regulations.

## 2. ACCOUNTING PROCEDURES AND RESPONSIBLE FINANCIAL OFFICER

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

2.1 The Director of Resources is responsible for the proper administration of the Council's financial affairs for the purposes of section 151 of the Local Government Act 1972.

He is directed by the Council.

He is authorised to determine the financial practices, procedures and systems required.

2.1.1 The Director of Resources will report to each Member of the Council and to the Council's external auditors if the Council, the Cabinet, Portfolio Holder, Committee, or an Officer:

- (a) has made, or is about to make, a decision which involves or would involve the Council incurring unlawful expenditure; or
- (b) has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss to the Council; or
- (c) is about to enter an item of account unlawfully.

This is required by section 114 of the Local Government Act 1988.

2.2 The Chief Executive and Directors shall ensure proper financial control of the parts of the budget for which they are responsible. They are authorised to commit revenue or capital expenditure:

- (a) which is authorised through the Council's approved revenue and capital budgets; or
- (b) by virement or tolerances permitted by section 4 of these Regulations.

2.2.1 The Chief Executive and Directors may authorise other officers to exercise financial authority. Such authorisation does not reduce the overall responsibility of the Chief Executive and Directors.

2.2.2 Details of such delegations shall be sent to the Chief Executive, who shall include the delegations in the Register of Delegations

2.3 The Cabinet, Portfolio Holder, Committee or Council must consider a report which clearly identifies the costs and benefits before it takes a decision on any new proposals which include any financial implications.

2.3.1 Any financial proposals must:

- (a) be approved by the Director of Resources and,
- (b) comply with these regulations.

2.3.2 The Director of Resources may comment adversely on any proposal, or submit an independent report.

## 2. ACCOUNTING PROCEDURES AND RESPONSIBLE FINANCIAL OFFICER

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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2.4 Where expenditure is urgently required outside the regulations set out in Section 4, the Director of Resources, in consultation with the Chief Executive, the Cabinet, the Committee Chairman and the Chairman of the appropriate Review Panel may authorise approval.

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2.4.1 The action taken must be reported to the next meeting of the Council.

### 3. AUDIT ARRANGEMENTS AND FRAUD INVESTIGATIONS

#### REGULATIONS 3.1 AND 3.1.1 TO 3.1.2 COMPLEMENT THE ACCOUNTS AND AUDIT REGULATIONS 1996

##### GENERAL PRINCIPLES

##### PRACTICES, PROCEDURES AND SYSTEMS

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3.1 The Director of Resources is the Responsible Financial Officer. He shall maintain an adequate and effective internal audit of the Council in accordance with relevant legislation.

3.1.1 In carrying out his duties under 3.1, the Director of Resources, or his authorised representative, may:

- (a) enter any Council premises or land at any reasonable time, subject to any statutory requirements;
- (b) have access to all records and documents concerning any past or prospective financial transaction of the Council;
- (c) require, and receive, any necessary explanations concerning any matter under examination;
- (d) require any employee of the Council to produce any Council property under his control.

3.1.2 All employees have a duty to report suspected fraud or irregularities immediately to the Director of Resources. He shall take the steps he considers necessary under the Council's Fraud, Corruption and Probity policy.

3.1.3 Any suspected fraud or irregularity concerning the Director of Resources must be reported to the designated deputy S151 Officer and the Chief Executive.

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## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Revenue Budget Preparation

- 4.1 The Leader of the Council shall ensure preparation of detailed estimates of both income and expenditure for all services, for approval by the Cabinet, Committees and the Council

### PRACTICES, PROCEDURES AND SYSTEMS

#### Revenue Budget Preparation

- 4.1.1 In preparing detailed budgets for expenditure and income, the overall financial strategy and spending priorities approved by the Council must be adopted.
- 4.1.2 The Director of Resources shall determine the timetable and procedures for budget preparation.
- 4.1.3 No budgets shall be created without the consent of the Director of Resources.
- 4.1.4 Budgets may not include contingency sums for unplanned expenditure. These regulations contain enough flexibility to meet unplanned expenditure.
- 4.1.5 All Business Units should aim to recover all their costs in accordance with guidelines issued by the Director of Resources.
- 4.1.6 Budgets must identify the gross sums for each item of income and expenditure.

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Revenue Budget Preparation(cont)

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#### Revenue Budget Preparation(cont)

4.2 The Director of Resources shall determine financing arrangements for all approved expenditure.

4.2.1 Expenditure which:

- (a) involves any leasing, hire purchase, or rental agreements, and
- (b) may have implications for the Council under the Government's capital expenditure controls may not be incurred without the Director of Resources' approval.

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#### Revenue Expenditure – Virement

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#### Revenue Expenditure – Virement

4.3 Budget provision may be vired (transferred from one revenue service cost centre budget to another).

Budget movements within a cost centre shall be termed "budget transfers" rather than virements and may be authorised by the budget responsible officer, with no limit on value. A transfer document must be completed to ensure that the Financial Information System budget position is accurate, to assist budgetary control.

The Director of Resources may veto any proposed budget transfers.

4.3.1 For revenue purposes, virement shall be exercised at the lowest service cost centre level identified in the approved Policy budget. For example:-

- Cemeteries
- Applemore Health and Leisure Centre
- Public Conveniences
- HRA Reactive Maintenance

4.3.2 Virements or budget transfers may not be made from headings for Support Services or Capital Charge. Virement from Capital Financing may only be undertaken with the prior approval of the Director of Resources, irrespective of the value.

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Revenue Expenditure – Virement (cont)

- 4.4 All proposals for virement must be approved in line with the requirements outlined in 4.4.2 – 4.4.7 and notified to the Director of Resources before any expenditure is committed. The Director of Resources may veto any proposed virements.

### PRACTICES, PROCEDURES AND SYSTEMS

#### Revenue Expenditure – Virement (cont)

- 4.4.1 All requests for virement must be made using the proper control document, and must follow the procedures below.
- 4.4.2 **Sums up to £5,000 vired between individual service cost centres:** require the signature(s) of the budget responsible officer(s).
- 4.4.3 **Sums between £5,001 and £10,000:** require the signatures of the budget responsible officer(s) and the Director(s) responsible for the budget to/from which the virement is made.
- 4.4.4 **Sums between £10,001 and £25,000:** require the signatures of the budget responsible officer(s), Director(s) and Portfolio Holder(s)/Committee Chairma(e)n responsible for the budget to/from which the virement is made. A written report must be made to all authorisers detailing the reason(s) for the virement.
- 4.4.5 **Sums between £25,001 and £50,000:** require a written report to be approved at a Cabinet/Committee meeting.
- 4.4.6 **Sums over £50,000:** require a written report to be considered at a Cabinet/Committee meeting. Any financial recommendation(s) must be approved by the Council.



## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Revenue Expenditure – Virement (cont)

4.5 Virement must not commit the Council to increased net expenditure in future years. Particular care is required if the virement is to an employee budget.

4.6 Virement between revenue and capital budgets is not generally permitted. Any exceptional proposal requires the prior approval of the Director of Resources

### PRACTICES, PROCEDURES AND SYSTEMS

#### Revenue Expenditure – Virement (cont)

4.4.7 **More than one request for virement to or from the same budget in the same financial year:** sums must be aggregated to decide which of regulations 4.4.2 to 4.4.6 applies.

4.5.1 Virement authorisation must identify whether the virement is for one year only or is ongoing. Ongoing requests that will lead to increasing expenditure in future years on a particular budget heading must identify the budget(s) for matching reductions for future years. Otherwise the request must be considered as a supplementary estimate rather than a virement.

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Revenue Expenditure - Supplementary Estimates

- 4.7 There is no authority to spend in excess of an approved budget. If this becomes necessary and a virement is not possible then a supplementary estimate must be obtained.

**Any proposal for a supplementary budget must be approved in line with the requirements outlined in 4.7.2 – 4.7.6 before expenditure is committed.**

The base for supplementary estimates is the lowest service cost centre level identified in the approved Policy budget. For example:-

- Cemeteries
- Applemore Health and Leisure Centre
- Public Conveniences
- HRA Reactive Maintenance

### PRACTICES, PROCEDURES AND SYSTEMS

#### Revenue Expenditure - Supplementary Estimates

- 4.7.1 All requests for supplementary estimates must be made using the proper control document, and must follow the procedures below.
- 4.7.2 **Supplementary estimates up to £10,000:** Must be approved by both the Director of Resources and the Director responsible for the budget heading.
- 4.7.3 **Supplementary estimates between £10,001 and £25,000:** Require the approval of the Director of Resources, the service responsible Director, the Portfolio Holder/Committee Chairman and the Finance and Support Portfolio Holder or Leader of the Council. A written report must be made to all authorisers detailing the reason(s) for the supplementary estimate.
- 4.7.4 **Supplementary estimates between £25,001 and £50,000:** Require a written report to be approved by Cabinet or Committee.
- 4.7.5 **Supplementary estimates over £50,000:** Require a written report to be considered by Cabinet or Committee. Any financial recommendations must be approved by the Council.
- 4.7.6 **More than one request for supplementary estimate for the same budget in the same financial year:** sums must be aggregated to decide which of regulations 4.7.2 to 4.7.5 applies.

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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<b>Capital Budget Preparation</b>	<b>Capital Budget Preparation</b>
4.8 The Leader of the Council shall ensure preparation of detailed estimates of both income and expenditure for all services, for approval by the Cabinet, Committees and the Council.	4.8.1 In preparing detailed proposals for capital schemes, the overall strategy and spending priorities approved by the Council must be adopted.
4.9 The strategic objectives and priorities for capital expenditure and asset utilisation will be identified annually in the Council's Capital Strategy and Asset Management Plans.	4.9.1 The Director of Resources will determine (a) the definition of capital and revenue expenditure; and capital memorandum items, i.e. assets to be acquired under lease arrangements, (b) the timetable and procedures for capital budget preparation, and (c) de-minimis levels for capital expenditure.
	4.9.2 Each scheme bid must be supported by a business case, This must include a proper project appraisal, consideration of all options, forecast of revenue implications for each year during implementation, and for future years and, where appropriate, the incidence of expenditure.
	4.9.3 Each scheme must clearly identify proposed expenditure on land, works, fees and equipment.
4.10 The Director of Resources will determine the financial arrangements for all approved expenditure.	4.10.1 Expenditure which:  (a) involves any leasing, hire purchase or rental agreements, and (b) may have implications for the Council under the Government's capital expenditure controls  may not be incurred without the approval of the Director of Resources.

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## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Capital Budget Preparation (cont)

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#### Capital Budget Preparation (cont)

4.10.2 The availability of sources of external funding should be identified at the time the capital expenditure is proposed, together with any future financial implications for this Council.

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4.11 Budget approval is given for each individual scheme.

4.11.1 Where an overall budget for maintenance and repair works, ICT, vehicles or equipment is approved, a budget will be allocated on an individual scheme basis, as proposals are identified, and this will be the basis for subsequent monitoring and reporting

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#### Capital Expenditure - Virement

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#### Capital Expenditure – Virement

4.12 Budgetary provision may be vired from one capital scheme to another providing the proposals achieve the Council's strategic objectives outlined in the Capital Strategy.

4.12.1 External funding and approvals which are scheme specific are not available for virement, unless prior approval has been obtained from the external funder/approver.

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4.13 All proposals for virement must be approved in line with the requirements outlined in 4.13.2 – 4.13.7 and notified to the Director of Resources before any expenditure is committed. The Director of Resources may veto any proposed virements.

4.13.1 All requests for virement must be made using the proper control document, and must follow the procedures below.

4.13.2 **Sums up to £5,000:** require the signature(s) of the budget responsible officer(s).

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Capital Expenditure – Virement (cont)

#### Capital Expenditure – Virement (cont)

- 4.13.3 **Sums between £5,001 and £10,000:** require the signature(s) of the budget responsible officer(s) and the Director(s) responsible for the budget to/from which the virement is made.
  - 4.13.4 **Sums between £10,001 and £25,000:** require the signatures of the budget responsible officer(s), Director(s) and Portfolio Holder(s)/Committee Chairma(e)n responsible for the budget to/from which the virement is made. A written report must be made to all authorisers detailing the reason(s) for the virement.
  - 4.13.5 **Sums between £25,001 and £50,000:** require a written report to be approved at a Cabinet/Committee meeting.
  - 4.13.6 **Sums over £50,000:** require a written report to be considered at a Cabinet/Committee meeting. Any financial recommendation(s) must be approved by the Council.
  - 4.13.7 **More than one request for virement to or from the same budget in the same or in more than one financial year:** sums must be aggregated to decide which of regulations 4.13.2 to 4.13.6 applies.
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## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Capital Expenditure – Virement (cont)

- 4.14 Income received in excess of budget may not be used to fund new capital schemes or enhance existing schemes unless prior approval has been obtained or unless that additional income has been received specifically for the new scheme or to fund the enhancement.

- 4.15 Underspends on capital schemes may not be used to fund new capital schemes or enhance existing capital schemes unless prior approval has been obtained. Underspends includes schemes included in the capital programme which cannot proceed.

- 4.16 Virement from capital to revenue budgets is not generally permitted. Any exceptional proposals require the prior approval of the Director of Resources.

- 4.17 Virement must not increase net revenue expenditure in the year of virement, or commit the authority to capital or revenue expenditure in future years, unless specific authority is obtained and a supplementary revenue estimate approved.

### PRACTICES, PROCEDURES AND SYSTEMS

#### Capital Expenditure – Virement (cont)

- 4.14.1 Any proposal to use additional income on a new capital project or to enhance an existing capital project should be regarded as giving rise to a supplementary expenditure estimate and follow the regulations for supplementary estimates set out in section 4.18.
- 4.14.2 If additional income has been received that that is specific to a new project or to enhance an existing project, the supplementary estimate process is not required, provided that there is no potential for any current or future revenue or capital expenditure commitment to this Council arising from the initial additional capital expenditure.

- 4.15.1 Any proposals to use underspends on a new capital project or to enhance an existing capital project should be regarded as giving rise to a supplementary expenditure estimate and follow the regulations for supplementary estimates set out in section 4.18

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

#### Capital Expenditure - Supplementary Estimates

- 4.18 There is no authority to spend in excess of an approved budget. Should this become necessary and virement is not possible then a supplementary estimate must be obtained.

Any proposal for a supplementary budget must be approved in line with the regulations outlined in 4.18.2 – 4.18.6 before expenditure is committed.

### PRACTICES, PROCEDURES AND SYSTEMS

#### Capital Expenditure - Supplementary Estimates

- 4.18.1 All requests for supplementary estimates must be made using the proper control document, and must follow the procedures below.
- 4.18.2 **Supplementary estimates up to £10,000:** Must be approved by both the Director of Resources and the Director responsible for the budget heading.
- 4.18.3 **Supplementary estimates between £10,001 and £25,000:** Require the approval of the Director of Resources, the service responsible Director, the Portfolio Holder/Committee Chairman and the Finance and Support Portfolio Holder or Leader of the Council. A written report must be made to all authorisers detailing the reason(s) for the supplementary estimate.
- 4.18.4 **Supplementary estimates between £25,001 and £50,000:** Require a written report to be approved by Cabinet or Committee.
- 4.18.5 **Supplementary estimates over £50,000:** Require a written report to be considered at a Cabinet or Committee meeting. Any financial recommendations must be approved by the Council.
- 4.18.6 **More than one request for supplementary estimate for the same budget in the same or in more than one financial year:** sums must be aggregated to decide which of regulations 4.18.2 to 4.18.5 applies.

## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Budgetary Control/Reporting

#### Budgetary Control/Reporting

4.19 Expenditure may only be committed from a budget for the purpose for which it was approved.

4.19.1 Budget responsible officers and Directors will:

- (a) monitor actual performance on each budget regularly; and
- (b) take appropriate steps to ensure budgets are not overspent.

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4.20 The Director of Resources will report regularly to the Corporate Management Team, Portfolio Holders/Committee Chairmen, Shadow Portfolio Holders/Committee Chairmen and the Cabinet, on overall financial performance, predicted gross capital expenditure and net revenue expenditure for the current financial year.

4.20.1 Directors will provide data or supporting information for all budgetary control reports.

4.20.2 Directors will identify opportunities for savings and additional income and shall ensure these are included promptly in the appropriate monitoring reports and estimates.

4.20.3 Directors will identify, at the earliest opportunity, potential expenditure for which there is no budget provision. They shall also identify proposed sources of finance for meeting additional expenditure, either by virement or supplementary estimate (regulations 4.4 to 4.18).

4.20.4 Budget responsible officers are responsible for carrying out budgetary control and for informing Directors of any potential budget variations at the earliest opportunity, in order to allow Directors to fulfil their obligations



## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Budgetary Control/Reporting(cont)

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#### Budgetary Control/Reporting(cont)

4.21 Unspent revenue budgetary provision may not be carried forward between financial years, unless regulation 4.21.1 has been applied.

- 4.20.5 The Director of Resources' financial monitoring report will identify all budget virements and supplementary estimates. However, separate reports, which may be attached as appendices to the monitoring report, must be produced by service officers for all items in excess of £25,000.
- 4.20.6 Where reports are required for sums of £25,000 or less this may be covered by email communication but budget authorisation can only be achieved by completing the proper control document.
- 4.20.7 Any budget changes which impact on the employee establishment must also be notified by the Budget Responsible Officer to the Human Resources Section to ensure that the HR system is updated.
- 4.20.8 In circumstances where the regulations in section 4 cannot be complied with, for instance where expenditure needs to be incurred before Cabinet or Council approval is obtained, regulation 2.4 should be applied.

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4.21.1 The Director of Resources may approve earmarking of funds to meet approved expenditure in the following financial year, subject to a written request by the Chief Executive or Director.

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## 4. BUDGETS AND FINANCIAL CONTROL

### GENERAL PRINCIPLES

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#### Budgetary Control/Reporting(cont)

- 4.22 Exceptionally, capital schemes may be moved between financial years. This is termed “rephasing” and is subject to the approval of the Director of Resources.

The inclusion of capital items in the expenditure plans outside of the current financial year is an intention to spend only. Budget provision does not exist for those items, other than when it relates to a scheme already committed to in the current year’s budget.

### PRACTICES, PROCEDURES AND SYSTEMS

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#### Budgetary Control/Reporting(cont)

- 4.22.1 Any proposals to rephase a capital scheme or part of a capital scheme from the current financial year to a future financial year must be included in the regular financial monitoring reports presented to Cabinet. If there are any adverse financial consequences of such proposals a separate report detailing reasons for the rephasing and the consequences must also be presented. The Director of Resources will consider the financial position of the relevant budget and strategic targets for the financial year before deciding whether to support the recommendation.
- 4.22.2 Any proposal to bring forward new scheme expenditure from future years to the current financial year should be considered as a supplementary estimate and follow the regulations set out in section 4.18.

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#### Use of Provisions and Reserves

- 4.23 Provisions and earmarked reserves may only be used for the purpose for which they were originally approved.

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#### Use of Provisions and Reserves

- 4.23.1 The Director of Resources must approve all proposals before expenditure is incurred.

## 5. INCOME

### GENERAL PRINCIPLES

5.1 The Director of Resources shall approve arrangements for collecting income due to the Council.

### PRACTICES, PROCEDURES AND SYSTEMS

- 5.1.1 The Director of Resources must be notified promptly of:
- (a) all money due to the Council;
  - (b) contracts, leases and other agreements entered into which involve the Council receiving money.
- 5.1.2 The Director of Resources will have the right to inspect any documents or other evidence.
- 5.1.3 Any agreement which allows the extension of credit payment facilities must be agreed in advance by the Director of Resources.
- 5.1.4 The Director of Resources will be responsible for ordering, issuing and controlling all receipt forms.
- 5.1.5 An official receipt must be issued for all cash received on the Council's behalf. An accounting record in a form acceptable to the Director of Resources shall be made for any other remittance received.
- 5.1.6 All money received must be banked intact at frequent, regular intervals. The procedures issued by the Director of Resources must be followed.
- 5.1.7 Personal cheques must not be cashed out of money held on the Council's behalf.

## 5. INCOME

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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5.2 At least once a year each Director will review all fees and charges for services he is responsible for.

5.2.1 The review will be undertaken in conjunction with the Director of Resources.

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5.3 The Director of Resources shall be authorised to write off uncollectable or cancelled debt.

5.3.1 Directors will provide the Director of Resources with full details of all debts submitted for write off.

5.3.2 The Director of Resources shall report written off debt to Cabinet annually.

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## 6. INSURANCE

### GENERAL PRINCIPLES

6.1 The Director of Resources shall arrange insurance cover to meet the Council's requirements. He shall be responsible for registering any claims.

### PRACTICES, PROCEDURES AND SYSTEMS

- 6.1.1 Directors shall consult with, and inform, the Director of Resources immediately of:-
- (a) all new risks and liabilities which may need to be insured;
  - (b) any changes which may affect existing insurances;
  - (c) anything which may lead to a claim by or against the Council;
  - (d) any interest in property granted by or to the Council which may involve a transfer of insurance cover; or
  - (e) the terms of any indemnity the Council is requested to give.
- 6.1.2 Contractors or agents acting for the Council must have insurance arrangements which adequately indemnify the Council against any third party claim. Directors shall consult with the Director of Resources to ensure this.

## 7. INVENTORIES, SECURITY AND DISPOSAL OF ASSETS

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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7.1 The Director of Resources will ensure a register of land and buildings owned by, or leased to, the Council is maintained and complies with the requirements of the Asset Management Plan.

7.1.1 The register of land and buildings will record:

- (a) the purpose for which the land and buildings are held;
- (b) the location;
- (c) the extent;
- (d) the plan reference;
- (e) the purchase details;
- (f) the particulars and nature of the interest;
- (g) rents payable, and
- (h) tenancies granted.

7.1.2 The Register will incorporate the additional information required by the Asset Management Plan.

7.1.3 Directors shall supply the Director of Environment Services with the information necessary to maintain the register of other assets. The Director of Environment Services acts on behalf of the Director of Resources for this purpose.

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7.2 The Director of Resources will ensure safe custody of the title deeds of property owned by, or mortgaged to, the Council.

7.2.1 The Head of Legal and Democratic Services acts on behalf of the Director of Resources for this purpose.

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7.3 Directors will keep inventories of all items of moveable furniture, equipment, vehicles and plant.

7.3.1 Directors will arrange an annual check of inventories.

7.3.2 The Head of ICT Services will be responsible for maintaining an inventory of the ICT equipment.

## 7. INVENTORIES, SECURITY AND DISPOSAL OF ASSETS

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

7.3.3 The Director of Resources will determine values below which assets need not be inventoried.

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7.4 Directors will ensure that proper security is always maintained for all assets under their control, both leased and purchased.

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7.5 Directors will aim for maximum utilisation of assets.

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7.6 The Director of Resources will determine procedures for disposing of assets, both leased and purchased.

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## 8. STOCKS AND STORES

### GENERAL PRINCIPLES

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8.1 Directors are responsible for the receipt, safe custody, proper security, and issue, of stocks and stores within their Directorate.

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8.2 Stocks must be maintained at the lowest level which meets operational requirements.

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8.3 Directors shall notify the Director of Resources immediately if:

- (a) a deficiency of stocks and stores occurs; or
- (b) obsolete items are identified.

### PRACTICES, PROCEDURES AND SYSTEMS

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8.1.1 Stocks and stores records must be maintained in a form agreed with the Director of Resources.

8.1.2 Directors shall supply the Director of Resources with the information he requires for the Council's financial records.

8.1.3 Directors shall arrange for independent physical counts of stocks at least once a year.

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8.3.1 The Director of Resources shall decide on the course of action where a deficiency, or obsolete items, are identified. He may authorise write-off. Depending on the sums involved, he may report to the Cabinet or Council, as appropriate.

8.3.2 Disposal of surplus or obsolete stocks and stores must comply with "Disposal of Surplus Items Procedures".

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## 9. BANKING ARRANGEMENTS, TREASURY MANAGEMENT, INVESTMENTS AND TRUST FUNDS

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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9.1 The Director of Resources is authorised to make all arrangements for banking services, and to determine banking procedures.

9.1.1 All bank accounts shall be in the name of the Council.

9.1.2 The Director of Resources shall take measures to prevent misappropriation or misuse of Council funds.

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9.2 The Director of Resources is authorised to:

- (a) borrow and lend all monies; and
- (b) arrange for the temporary investment of funds.

9.2.1 The Director of Resources is required to act in accordance with the adopted CIPFA Code for Treasury Management in Local Authorities.

9.2.2 The Director of Resources shall report to the Cabinet annually on how he has exercised his delegated Treasury Management powers.

9.2.3 All investments shall be made in the name of the Council, except Bearer Securities, borrowing and trust funds.

9.2.4 All officers who act as trustees of trust funds because of their official position must give the Director of Resources all title documents concerning the trust.

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## 9. TREASURY MANAGEMENT, INVESTMENTS AND TRUST FUNDS

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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9.3 The Council will agree the Treasury Strategy Report annually.

9.3.1 The Director of Resources will:

- (a) recommend the Strategy to the Council after approval of the Cabinet, and,
- (b) implement the Strategy.

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9.4 The Council will set the following borrowing limits before the start of the financial year:

9.4.1 The Director of Resources will report to the Council if borrowing reaches a level which may result in the limits being breached.

(i) an amount of money (the 'authorised limit') which is the maximum amount the Council may have outstanding as borrowing;

9.4.2 The Director of Resources will be authorised to exercise the Council's statutory borrowing powers, and act as the registrar of loan instruments.

(ii) an amount which is a part of the authorised limit (the 'operational limit'), which is the average amount the Council may have outstanding as borrowing; and

9.4.3 He may borrow amounts which can be contained within the limits of the Council's capital financing requirement.

(iii) a limit on the proportion of the total amount of interest payable by the Council which:

9.4.4 He will maintain records of all money the Council borrows. Any borrowing must be in an appropriate manner and on appropriate terms and conditions.

- (a) is at a rate or rates which can be varied by the person to whom it is payable, or
- (b) can vary by reference to external factors.

9.4.5 The borrowing limits must not exceed the maximum prescribed.

The Council may vary these limits at any time.

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## 10. ORDERS FOR GOODS AND SERVICES

### GENERAL PRINCIPLES

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- 10.1 Official orders must be issued for all goods and services required by the Council, except for:
- (a) public utilities;
  - (b) purchases from imprest accounts or petty cash;
  - (c) works or services provided under a contract, where Standing Orders as to Contracts apply;
  - (d) purchases made through corporate credit cards or through the Internet

### PRACTICES, PROCEDURES AND SYSTEMS

- 10.1.1 The Director of Resources shall approve the form of official orders.
- 10.1.2 A separate Code of Practice will be issued by the Director of Resources for the use of corporate credit cards and the Internet, for purchases of goods and services. All purchases must be in accordance with this Code.
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## 11. PAYMENT OF ACCOUNTS

### GENERAL PRINCIPLES

11.1 Directors, or their authorised officers, will certify all payments for goods, supplies or services.

### PRACTICES, PROCEDURES AND SYSTEMS

11.1.1 The Director of Resources will approve manual and electronic procedures for certifying payments.

11.1.2 A Director may authorise an officer in his/her department to certify official orders, accounts for payment and salary and wages records.

11.1.3 Directors shall keep a record of the specimen signatures or passwords of officers who are authorised to certify accounts for payment. The record must be in a form acceptable to the Director of Resources. Directors must send copies of specimen signatures or passwords to the Director of Resources.

11.1.4 Directors shall immediately notify the Director of Resources when an authorised officer leaves the employment of the Council.

11.1.5 All payments for goods, supplies or services must be invoiced.

## 11. PAYMENT OF ACCOUNTS

### GENERAL PRINCIPLES

### PRACTICES, PROCEDURES AND SYSTEMS

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- 11.1.6 Certification by an authorised officer means that:
- (a) the expenditure has been properly incurred, and there is budget provision or authority to spend; and
  - (b) the goods, supplies or services have been received or carried out, checked for quantity and quality, and approved; and
  - (c) appropriate entries have been made in inventories or stores records; and,
  - (d) the prices, discounts and other allowances are correct, and extensions and calculations accord with the Director of Resources' Invoice Certification guidance notes; and
  - (e) the invoice is an original (not a copy or duplicate) and, where appropriate, is a proper VAT invoice; and,
  - (f) in the case of public utility charges, standing charges are correct and the consumption recorded is reasonable.
- 11.1.7 To maintain internal control:
- (a) the authorising officer must not normally be the person who ordered or received the goods; and
  - (b) another authorised officer must certify any reimbursement of personal expenditure.
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## 12. PETTY CASH IMPRESTS AND CHANGE FLOATS

### GENERAL PRINCIPLES

12.1 The Director of Resources will authorise change floats and imprest accounts for defraying minor expenditure.

### PRACTICES, PROCEDURES AND SYSTEMS

12.1.1 Petty cash payments will be limited to:

- (a) the maximum approved limit, and
- (b) minor items of expenditure.

They must be supported by receipts, including proper VAT receipts where appropriate.

12.1.2 All income received on the Council's behalf must be banked or paid as provided in regulation 5.1. It may not be paid into an imprest account.

12.1.3 Reimbursements to imprest accounts must be made at least monthly.

12.1.4 Imprest holders are personally responsible for the custody of petty cash, and shall ensure its safekeeping. On request they shall give the Director of Resources evidence of the state of the account.

## 13. SALARIES

### GENERAL PRINCIPLES

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13.1 The Director of Resources will pay all salaries and other emoluments to all current and former Council employees.

### PRACTICES, PROCEDURES AND SYSTEMS

13.1.1 Directors, or their authorised officers, will notify the Director of Resources as soon as possible of all matters affecting such payments. The Director of Resources may specify the form of the notification.

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13.2 Directors, or their authorised officers, will ensure that all employee appointments accord with Council policy and the approved budget, grades and rates of pay.

13.2.1 Directors will maintain a record of the specimen signatures of officers currently authorised on their behalf to certify relevant pay documents and time sheets. The record shall be in a form acceptable to the Director of Resources. Copies of specimen signatures shall be sent to the Director of Resources.

13.2.2 All time sheets or other pay documents must be:  
(a) certified by or on behalf of the Director; and  
(b) in a form approved by the Director of Resources.

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